

INDUSTRY FORUM

THE 2011 OUTLOOK FOR HEALTH CARE MARKETING



In the second installment of DTC Perspectives' Industry Forum, we asked various industry leaders what their predictions were for the year ahead for health care marketers. See what they had to say about the opportunities, challenges and changes facing DTC and its industry members.

BY JENNIFER HAUG

As a new year approaches, new media options gain momentum and political changes afoot, the pharmaceutical industry will be faced with new sets of opportunities and challenges. Five questions regarding consumer health care marketing in 2011 were posed to several marketing and media thought leaders, their complete responses follow on the next several pages.

Many of the Forum participants see exciting opportunities lying ahead as new media venues allow for greater engagement and connectivity with consumers. Reaching today's on-demand consumers, especially in a cluttered and splintered marketplace, can be extremely difficult. However, marketers have more media options at their disposal than ever before to reach and engage with these current and potential customers.

Putting the consumer, rather than a brand, at the epicenter will ultimately help the product. InfoMedics' Gene Guselli believes that by "supporting the patient's entire treatment journey," the consumer will be better informed and more engaged throughout the product life-cycle. Focusing on the patient's needs and concerns over product promotion will also help a brand build credibility, which will in turn help combat any trust issues that consumers may harbor. Tailoring messages and creating cohesive campaigns – including an integrated multimedia

campaign as well as efforts to strengthen the doctor-patient dialogue – can further engage consumers and build credibility.

Marketers must be as efficient and effective as possible with their planning, execution and creative. "A targeted plan with multiple touch points directed at both patients and physicians will bring the best overall return and can actually allow marketers to have more impact with fewer dollars," explained Kerry Ann Clawson of AccentHeath. One of the biggest keys for marketers in 2011, Alex Dong of Health Monitor said, will be "to successfully integrate multiple vehicles and platforms to deliver real ROI."

Furthermore, marketers are also faced with increased scrutiny by regulatory bodies and legislators in the coming year. Catalina Health Resource's Renee Selman suggests industry members work "closely with officials at the FDA" and other regulators by forming alliances and educating them about "the positive value of patient communications."

Interested in participating in a future Industry Forum? For more information or future topics, contact Jennifer Haug by e-mail at Jennifer@dtperspectives.com. We welcome your feedback for each issue.



What does the future of DTC marketing look like to you?



Kerry Ann Clawson

EXECUTIVE VICE PRESIDENT – SALES & MARKETING
AccentHealth

DTC advertising is alive and well, however it will most likely “look different” than what we have been accustomed to in the past.

Drug marketers need consumer promotion more than ever with the vast reduction of detail forces coupled with the ongoing struggle for their sales force to get quality one-on-one time with physicians. With mounting roadblocks to reach these key influencers, healthcare marketers will need to expand beyond traditional methods of physician outreach and explore other tactics that will lead to doctor discussion.

Healthcare marketers will also need to adapt their messaging to longer formats to clearly communicate the efficacy of their brands as well as comply with more in-depth FDA fair balance requirements. This will mean longer commercial lengths as well as longer PIs in print, etc. As some budgets decline, there is simply less money to do more, which is why a targeted plan with multiple touch points directed at both patients and physicians will bring the best overall return and can actually allow marketers to have more impact with fewer dollars.



Alex Dong

VICE PRESIDENT OF MARKETING & NEW
PRODUCT DEVELOPMENT
Health Monitor

The future of DTC marketing will focus on facilitating successful patient-physician dialogue. We see this happen through an integrated multimedia approach, utilizing a combination of print, Web and mobile products to reach patients and physicians with relevant information. These information sources will provide actionable knowledge, allowing patients to better work with their healthcare team to manage their diseases and conditions.



Mark Hertenstein

SVP, SALES
Epsilon Targeting

We anticipate a growth and sophistication of DTC marketing whereby marketers focus on the critical role customer experience plays in keeping their organization competitive. To be successful in the evolving marketplace, we will need to find ways to increase engagement levels with patients by providing more relevant and tailored messaging that appeals to their individual interests, needs or conditions. This goal starts with obtaining valuable data – both condition/therapy and lifestyle/health attitude data. Not only will this improve the experience for the consumer, but it will also help marketers cut through the clutter and improve return-on-investment, by getting the right message to the right audience through the most appropriate channels – all while strictly abiding to industry regulations.

Marketing efforts which benefit patients, such as disease awareness and treatment education, will also create the opportunity for more meaningful dialogues with healthcare providers. Our research validates that doctors/nurses are the most trusted source of information, followed closely by friends and family. These conversations, both between marketers and consumers and consumers and healthcare providers, will happen across a variety of channels and will leverage new and emerging tools such as social media and mobile, in addition to the tried and true traditional channels of television and direct mail.



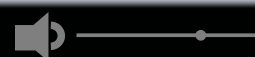
Andrew Levitt

FOUNDER AND CEO
HealthTalker

I’d love to see companies make an investment in creating a branded experience around the product itself. I think about the amazingly cool look of all Apple products, the elegance of a Starbucks coffee cup, the distinctive grill of a BMW.... Each of these companies is able to tie their brand experience to the user experience. But pharma does no such thing.

Imagine if prescription products could be manufactured and packaged in such a way to tap into the emotional connection that brands try to create through traditional advertising? Why are companies limiting their marketing efforts by allowing their unique, patented product to be delivered in a generic brown plastic bottle? How about packaging pills in such a way that enables manufacturers to know when a patient is using the product to optimize compliance and engagement? No more brown bottles; instead, a highly sophisticated technologically-advanced product distribution mechanism that cuts through marketing clutter, provides value for the patient, and informs the manufacturer (and potentially, the prescribing physician) about product usage?

This approach should result in better patient compliance, and would also lead to greater patient loyalty through differentiated product packaging.





Where do you see the biggest opportunities / growth areas for pharma marketing in 2011?



Andrew Bast
SVP, GENERAL MANAGER
Purple @ Epsilon

We are definitely seeing a rapidly growing appreciation and demand for experiential marketing – marketing that allows consumers to engage, understand, ask questions, wonder, customize, be inspired by, propose alternatives, and even try our brands. The proliferation of emerging media,

the exciting properties/functionalities made possible by these new forms of media, and the democratization of information itself have all collided to enable consumers to get the information they want, in the format they want, and they want it now. And it means that the industry needs to rethink its more staid, traditional ways of marketing. We are creating an environment of pull and push experiences for our brands – pull some consumers into experiences directly with us designed to educate, encourage, and compel positive behavior change; and to push experiences out into the marketplace to engage other consumers where they can discover benefits, learnings, and inspiration on their own terms. Creating and enabling pull and push experiences allows our consumers to insert our brands into the context of their lives, and where that fit is positive, it forms a stronger, more trusting connection between the patient and brand.



Alex Dong
VICE PRESIDENT OF MARKETING
& NEW PRODUCT DEVELOPMENT
Health Monitor

Patient education initiatives at the point-of-care offer the biggest opportunities for pharma marketing in 2011. Point-of-care provides an immediate and contextual environment for brands and products to influence patients and caregivers. When you provide relevant information and knowledge at the point of action when patients and doctors are discussing relevant treatment options, you get compliance, persistency and a positive outcome. Health Monitor's most recent point-of-care patient study found that more than 80 percent of patients are more likely to consider brands promoted at the point-of-care as the best fit for their condition; more than 50 percent who see an ad in point-of-care patient-education material take action, including initiating discussion with their physicians.

In 2011, we see growth in point-of-care platforms from print to interactive digital assets.



Greg Lewis
CHIEF MARKETING OFFICER
DKI

As pharma marketing evolves in an even more competitive and regulated environment, it feels like meaningful and sticky campaign opportunities are a thing of the past... but that just might not be

the case.

Technology now affords the opportunity to further customize content to targets and allows them to define their unique user preferences. Marketers need to offer choices: Do targets want content pushed to them or do targets want to pull content? Will they access education and support on their iPad or mobile device... or do they prefer paper materials? These will be core questions that all marketing plans should be assessed against.

For healthcare providers, the rules have certainly changed. No longer is it appropriate for sales reps to "show up and throw up." The most successful reps still have strong relationships but their interactions are a combination of live meetings, Skype-like Web-interactions and other virtual support that they fulfill to their targets.

As marketers who are all trying to identify the optimal channel strategy, we must ensure our customers (consumers / patients / caregivers and healthcare providers) are at the center of our decision tree.



Andrew Levitt
FOUNDER AND CEO
HealthTalker

The biggest opportunity for pharma marketing in 2011 is to move beyond media, and provide remarkable customer service for patients. In fact, successful DTC marketing will be defined by pharmaceutical companies who can establish a meaningful sense of trust with the patients who use and rely upon their products. And as we know, trust cannot be purchased – it must be earned over time. More interruption marketing will only perpetuate the distrust that consumers have for our industry.

Companies should reposition themselves by offering value beyond the product, providing more sophisticated and tailored resources for patients to help them better manage their health. Given the dramatic advances in social technologies, and the requirement to connect with patients on *their* terms, pharmaceutical companies must change their advertising models to focus on delivering superior customer service as the new marketing strategy in 2011. It will result in improved levels of engagement and trust with patients, healthcare providers, payors and employees.



Where do you see the biggest opportunities / growth areas for pharma marketing in 2011?

CONT'D



Gene Guselli
PRESIDENT AND CEO
InfoMedics

There's great promise on the horizon. I've seen early signs of innovation which should eventually bear fruit for patients and physicians, as well as the industry itself in the years ahead. It gives me great hope to see a few leading pharma companies moving away from the traditional promotion of brands and taking the first steps toward supporting the patient's entire treatment journey. These leaders are laying the foundation for meaningful support at the point of care that continues throughout the stages and challenges that come with chronic disease – from diagnosis to life-long management.

The biggest opportunities however will require sweeping changes in the way pharma companies are organized and serve their customers. In this new world, the brand manager can no longer simply market the brand, moving from one tactical promotion to another. Instead, brand teams will need to work together with colleagues across the franchise to address the whole patient and all the challenges associated with the condition. This approach will not only serve the patient and physician with meaningful treatment support but will keep the patient engaged throughout the product lifecycle and bridge them to the next appropriate solution for their individual needs.

I'm excited to partner with our pharma clients as they transition to this new patient-centered platform in 2011.



Shradha Agarwal
CHIEF MARKETING OFFICER
ContextMedia, Inc.

With the explosive proliferation of media in recent years, marketers have the tools at their disposal to build a more patient-centric plan – one that's anchored around when, where and how patients make decisions and want to learn. This requires a tectonic change in the planning process. Marketers can now engage patients in the content of their healthcare routine, whether at the doctor's office, pharmacy or home, with the power to offer relevant information at relevant times. Marketers that seize this opportunity by being there for consumers within the context of their healthcare routine will swiftly increase sales, acquiring new patients and driving them to higher rates of compliance. A second opportunity for marketers in 2011 is to invest in media programs that support physician-patient conversations. As media proliferates and the total amount of noise on health subjects increases, we're seeing a "flight to quality" amongst consumers. Brands that can integrate their messages into the HCP-patient relationship will enjoy a halo effect of credibility. Finally, another important consequence of this media proliferation is the opportunity for brands to step outside of the "60-second box" on video messages. Digital media allows for more robust, meaningful opportunities to engage patients with video because they are being reached when they're searching for information rather than an interruption.



Are there any specific marketing or media tactics – either now being used or under consideration – that can be more effective in engaging consumers / breaking through the noise?



Greg Lewis
CHIEF MARKETING OFFICER
DKI

Social media presents information and perspectives in a very real and transparent way. Agencies and pharma companies are exploring ways to leverage this medium in a relevant manner that meets regulatory muster. The balance of patient perspectives will help to create stronger brands among brands within the healthcare space.



Alex Dong
VICE PRESIDENT OF MARKETING & NEW PRODUCT DEVELOPMENT
Health Monitor

Mobile and social media are two areas that provide tremendous reach and impact for reaching consumers. More and more consumers are accessing information through their smart phones and getting information from fellow condition sufferers. It is critical that marketing and media tactics incorporate and integrate these platforms into their overall marketing plan. Providing information/knowledge when people want it, and getting the community to voice their support, can deliver real ROI.





Are you concerned about what appears to be a more stringent regulatory environment, and how do you think marketers can "positively" address the concerns of some legislators and / or regulators?



Alex Dong
VICE PRESIDENT OF MARKETING &
NEW PRODUCT DEVELOPMENT
Health Monitor

The regulatory environment is something that always exists. We don't see it as a concern. Rather, it's more of an opportunity. The current environment really challenges marketers to provide solutions that address patient outcome – and patient education is at the strategic core of achieving successful patient outcome.



Andrew Bast
SVP, GENERAL MANAGER
Purple @ Epsilon

Yes and no. Clearly one of the major drivers of increased regulation is the concern around risk. There is a difference between the communication and the comprehension of risk. However, as marketers, we generally present risk information (fair balance) as a static, unchanging block that is either ignored or found to be confusing and bizarre. Instead, we should investigate improved ways of presenting the risk/benefit profile so that patients are better able to evaluate the context of both. By allowing our patients to evaluate more informative risks and benefits against their own personal set of criteria, they can have a more productive dialogue with their healthcare provider. As more of the disease/brand education takes place in the non-broadcast world (i.e. digital, CRM, etc), the conversation can become more personal, customized, and relevant. We can encourage those who are prepared to manage the risks, inform those who don't understand the risks, and dissuade those who want to absolve themselves of any personal investment in the risks. My concern is that tighter regulations meant to address the perceived deficiencies in one channel will hobble more empowered, informative conversations in other channels – and the patient will lose out.



Renee Selman
PRESIDENT
Catalina Health Resource

As marketers in the health care industry, we know we operate in a highly-regulated field. Over the past decade – and certainly in the past two years – the regulatory environment has become even more intense. Our objective should be to proactively engage consumers, regulators and legislators to demonstrate how guidelines that protect patients' rights and privacy benefit all of us.

At Catalina Health Resource® we have made a determined effort to reach out to dozens of members of Congress over the past two years to specifically educate them on the value of patient medical communications in the pharmacy. We have worked closely with officials at the FDA and Department of Health & Human Services to provide perspective of how onerous regulations could severely limit critically-important, clinically-appropriate, consumer-friendly patient messages on medications dispensed by a trained pharmacist. And we have helped unite a respected coalition of pharmacies, pharmacists, patient groups and consumer advocates to help deliver that message on Capitol Hill and within federal agencies.

So, as we confront increasing regulatory oversight, our task to educate legislators and regulators is similar to a "campaign." We have to strategically form alliances, expend the time necessary to meet with members of Congress and their staffs, and simply – yet convincingly – state the positive value of patient communications.

Perhaps the word "marketing" itself has taken on a negative connotation with the surge of television, print and social media advertising. Instead, as an industry we can better discuss the positive benefit we provide health consumers with efficient, important health care information based on sophisticated consumer insights linked with understanding of healthy behaviors and clinical relevance. As is stated often, the only thing constant in life is change – and as an industry, our challenge is to make the seismic change in control of the U.S. House of Representatives from the recent elections an opportunity for positive re-engagement with new and veteran members of Congress. In the end, we can demonstrate that strong self-regulatory principles and best privacy practices achieve a common industry and government objective: healthier, better-informed patients.





Where are the biggest challenges for healthcare marketers and media "owners" in the new year?



Rob Rebak
CHAIRMAN AND CEO
QualityHealth

The biggest challenges for marketers will be competing in crowded markets with generic products. This challenge will be compounded by the growth of e-prescribing (e-Rxing). Just about all of the major chronic care categories now have significant generic competition, including hypertension, diabetes, cholesterol, allergies, arthritis, migraines, BPH and more. Approximately 20 percent of physicians have embraced e-Rxing due to financial incentives offered by the government and the fact that physicians will be required to be using e-Rxing in 2012 to be paid for their work with Medicare and Medicaid patients. In 2011, the number of physicians using e-Rxing is expected to balloon to 60 percent. Electronic prescribing and managed care controls go hand in hand because physicians will receive messages to prescribe within their respective formularies or risk being penalized if they do not.

These factors may significantly limit prescriptions for pharmaceutical products regardless of requests made by patients and sales reps presentations delivered to physicians.

Marketers must find resources to attract and engage the most significant and relevant target populations for their brands to tell the "rest of the story" about their brands within closed loop systems where patient education can go far beyond TV, print ads and online display ads. Further, marketers must reach targeted patient prospects in areas where managed care formulary support and access exist, where requests for prescriptions will be granted rather than be switched due to the immediate messaging associated with electronic prescribing systems.

Media owners offering wide scale reach with one-size-fits-all messaging will be called on to deliver in a much more targeted and formulary-relevant manner, and may be required to run their media at risk due to shrinking budgets. Media owners already able to offer these resources should be well positioned. Those who do not offer such resources may have to scramble to align with those who do.



Mark Hertenstein
SVP, SALES
Epsilon Targeting

Healthcare is a highly regulated and complex industry, creating significantly more challenges for marketers than other industries. In particular, as Washington begins to implement changes to healthcare plans – which will have broad impact on both consumers and marketers – confusion may arise amongst consumers that is best addressed in relevant direct-to-consumer marketing campaigns.

2011 will also be a big year for generics, which poises both a challenge and opportunity for pharma companies. With some big brands, include Pfizer's blockbuster cholesterol-lowering drug Lipitor, going off patent, we will see a shake up in the marketplace. Although there may be a migration to the generic version, strong brands can mitigate these losses. Epsilon Targeting recently conducted research which showed that with the right incentive, consumers would switch back to the brand name drug. For example, 85 percent of diabetics said they would switch back with the right incentive.

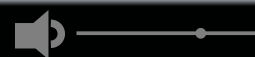
To tackle these challenges head-on, marketers need more granular and actionable insights to create efficiency, maximize performance and most importantly provide a message that resonates with the individual consumer. Targeting is best achieved by leveraging rich data resources to have a 360-understanding of the individual consumer.



Gene Guselli
PRESIDENT AND CEO
InfoMedics

With healthcare reform taking hold in the coming year, there will be increased demand for delivery on the promise of improved health outcomes. In order to do so, the successful healthcare marketer will need to put the physician back at the center of managing patient care, and provide the tools, information, and support needed to enable that physician to be successful with each and every patient.

Similar to my earlier thoughts, this will require that pharma companies look across the franchise to bridge the patient's treatment needs throughout their journey. But I think it would be a mistake to presume that the pharma company then owns the patient relationship. Instead, I would encourage pharma brands to empower patients with information and then close the loop by providing their personal physicians with the knowledge and ability to more effectively and efficiently manage their care. I believe that we will see further investment and adoption of the patient-centered medical home (PCMH) in the year ahead, and the PCMH presumes that the physician is the primary coordinator of the patient's care and treatment. Healthcare marketers and their media partners could take a big leap forward toward enabling improved patient outcomes if they challenge their traditional marketing decisions to be sure that they truly support the integration of the patient-physician interactions at the PCMH.





Where are the biggest challenges for healthcare marketers and media "owners" in the new year?

CONT'D



Andrew Bast
SVP, GENERAL MANAGER
Purple @ Epsilon

Two of the biggest challenges are the development of a measurement framework that can better determine the impact and contribution of emerging media; and a better understanding of the experiences of consumers regarding your brands and messages/content, as a result of emerging media. New forms of media are radically breaking down the ways in which consumers are receiving, processing, and engaging with information today. And with that, measuring and crediting channel(s) for that information engagement is changing. You simply can't invest in a different channel because it is cheaper. It might be significantly less effective, too. Therefore, it is also important to determine the experience your consumer receives by engaging with information (from you, from your competitors, and from alternative, perhaps even radical third parties). That experience is formed by the totality of the engagement across all channels and media (including in-office, broadcast, websites, social, call centers, and more) and by the trust the consumer assigns to that experience. Creating a compelling case for action is still needed, but the manner in which it occurs has changed. It is no longer just the credibility of the message that needs to be assessed and evaluated, but the credibility of the messenger in delivering that message, too.



Kerry Ann Clawson
EXECUTIVE VICE PRESIDENT
– SALES & MARKETING
AccentHealth

One of the greatest ongoing challenges for marketers in general and health marketers in particular is the ability to reach a targeted and ever elusive media consumer. The average person can be exposed to more than 5,000 ads per day so the opportunity for marketers to engage and interact with their target audience in a captive environment has become increasingly more difficult. Consumer's media habits are changing and marketers need to recognize that today's population is on-the-go. Media companies are adapting to this new behavior by providing touch points where potential customers can be reached anywhere from the doctor's office to the cash register when buying their morning coffee. In this new and evolving media landscape, media owners need to be able to demonstrate the effectiveness and efficiency of their platforms in providing targeted audiences for marketers, and must have the ability to measure results and produce positive ROIs for their sponsors.

While there is no shortage of new and traditional media tactics that marketers can consider in general, healthcare marketers have more specific needs to address when trying to reach their current and potential customers. They need to consider the best opportunity to engage patients when they are most likely to be thinking about their health and prompt action in an environment that is conducive to education and engagement. Media owners will need to continue to provide healthcare marketers with solutions that integrate a variety of media tactics that ultimately ensure there is a clear path to prescription generated from patient/physician discussion.



Shradha Agarwal
CHIEF MARKETING OFFICER
ContextMedia, Inc.

In an industry where targeted media platforms – online and at point-of-care – are quickly adding powerful reach and scale, the perennial frustration for these media owners is a planning and buying process that doesn't quickly enough adopt to the new media landscape. Despite the fact that these programs are exactly what pharmaceutical marketers say they desire – and POC programs offer precisely measured ROIs based on prescription sales data – they are still consistently underweighted in media plans. The challenge, then, for these media owners and their marketing counterparts, is to develop and adopt universal standards that make it easier to bring marketing plans to their ideal weighting. The creation and usage of metrics that define measurable outcomes, such as specific changes in NBRx, NRx and TRx sales volume, will help calculate real ROI on marketing campaigns and provides opportunities for this media to be compared in effectiveness to other elements of the marketing mix. In turn, healthcare marketers can make decisions that are more informed and aligned with their brand's performance objectives. It will also enable those who are still sitting out to get more comfortable with changes in the marketing landscape. As research and measurement tools become more powerful and comprehensive, the healthcare marketing industry needs to accelerate its transition into an outcomes-based media planning and buying strategy, which invests resources into media channels based on demonstrated performance measurements. Traditional methods of media buying, rooted in mass reach measured by general impressions, has deterred healthcare marketers from highly targeted messaging to relevant audiences via customized communication channels. These channels, more than ever before, have the scale and reach to move the needle for the brand. In order to move towards this, media owners and healthcare marketers need to collaborate to establish and speak the same language to drive efficiencies and performance in ways suited for their own industry.