

Easier than You Think

Tackling Fair Balance and Other DTC Issues

Although broadcast DTC ads are subject to strict regulations, including the fair balance provision, data from Millward Brown suggests that DTC ads are not hindered by these restrictions. In fact, they outperform food, household products and telecom ads on several dimensions of successful advertising.

By Angela Federici

DTC isn't going away.

Reports of the demise of DTC advertising in the United States have been overstated. True, total spending dropped in 2007 (-3 percent) for the first time since consumer promotion of pharmaceuticals took off in 1997. But a more in-depth look reveals that the decline stems largely from cutbacks by a few major brands. Nearly one-half of the 253 brands advertising last year *increased* their DTC spend. DTC remains the "tried and true" means of growing awareness and generating doctor discussions.

Keeping it traditional

Unlike any other advertising category, the pharmaceutical sector is extremely slow to adopt emerging media into DTC plans. Though as discussed in the last issue of ePerspectives, the industry is increasingly tapping into newer platforms for physician-directed communications. More than 90 percent of consumer-directed spend in the United States is still allocated to TV and print.

DTC advertising pays off

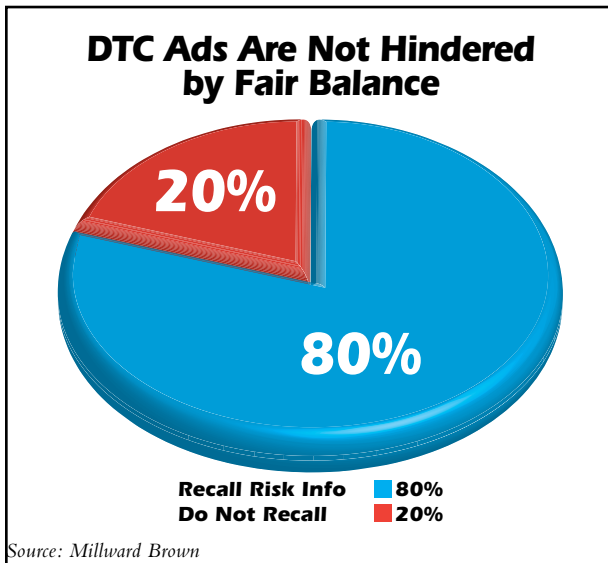
Of the \$712 billion global pharmaceutical market, the U.S. market is the largest single market at \$286.5 billion in 2007. The average ROI for DTC advertising is about 2:1, though it varies by therapeutic category and market conditions. DTC marketing is more beneficial to symptomatic condition treatments (for example, depression and allergy) than to treatments for asymptomatic conditions (high cholesterol and hypertension, among others). Other factors impacting ROI include DTC order of entry (brands that are later to market have more difficulty achieving the earlier brands' returns); the availability of generics, the quality of the creative execution and, in some cases, simply overspending can lead to low/negative returns.

The DTC canvas is changing

There seems to be a new look and feel emerging in DTC advertising in the United States. We're seeing the previously ever-present "white coats" and talking heads being replaced with more creativity. Following increased

	Carbonated Soft Drinks	Alcoholic Beverages	Automotive	Personal Care	Financial Services	Rx Drugs	Food	Household Products	Telecom
BREAKTHROUGH									
<u>Enjoy Watching</u>	69	67	64	60	59	59	58	54	52
Enjoy a lot	42	36	32	29	30	27	29	25	23
Enjoy a little	27	31	32	31	29	32	29	29	29
<u>Active engagement (avg)</u>	57	55	55	49	52	48	45	43	45
Interesting	55	57	55	49	50	49	43	43	43
Involving	58	53	58	53	54	50	46	45	46
Unique	59	55	51	44	52	44	45	40	45
<u>Branding</u>	75	74	69	69	70	73	70	68	67
Couldn't help but remember	43	40	33	32	36	35	35	31	33
Pretty good at making you remember	32	34	36	37	34	38	35	37	34
PERSUASION									
Non triers - very likely	17	17	18	20	13		20	24	17
Maintenance meds						22			
Episodic meds						33			
New news (a lot)	15	15	22	24	14	23	19	24	17
Relevance (very)	36	33	43	45	38	49	41	48	37
Understanding (very easy)	68	69	70	72	64	70	72	77	63
Number of ads	(253)	(209)	(146)	(206)	(284)	(59)	(976)	(125)	(33)

Source: Millward Brown



Enjoyment and engagement with DTC ads remains on par with advertising for most other categories.

Why do DTC ads fare so well?

Consumers are exerting greater influence. They want more knowledge and control over their healthcare. DTC ads give them the knowledge, power and control they seek. Enjoyment and engagement with DTC ads remains on par with advertising for most other categories, despite the fact that Millward Brown copy testing demonstrates that most viewers do recall hearing risks/side effects and have no difficulty understanding them.

But doesn't the mandatory inclusion of risk/side effect information depress viewer interest/engagement?

In DTC's earlier days, viewer interest used to wane during the risks/side effects discussion, despite its placement in the ad. One aspect of Millward Brown's DTC copy testing tool is a non-verbal indication of viewer interest throughout an ad, by moving the mouse to demonstrate the degree of interest in each aspect of the ad as it plays through. The examples shown below demonstrate waning interest during risk and side effect discussions:

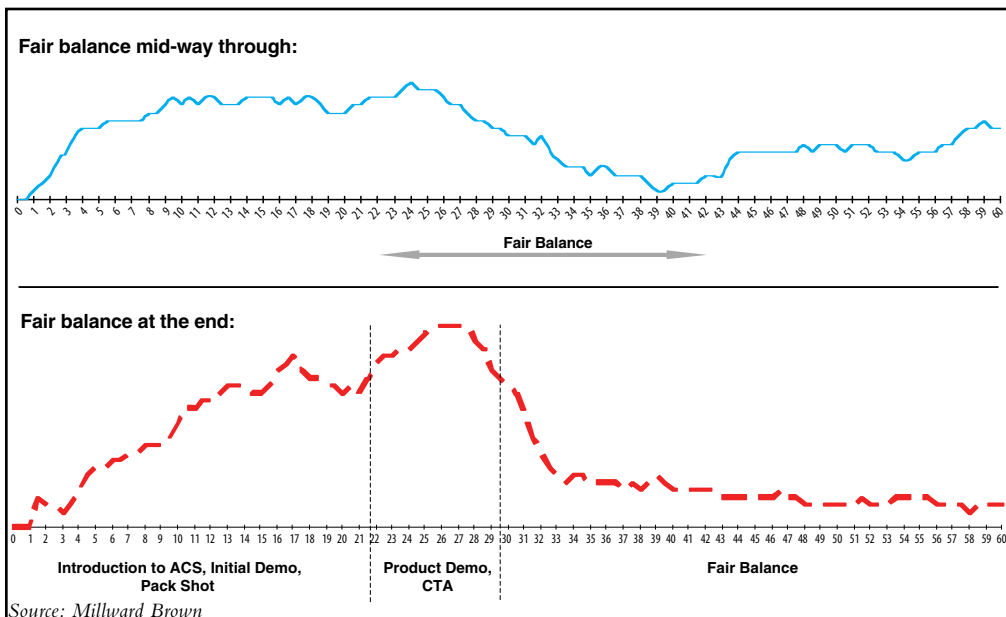
FDA scrutiny and enactment of the PhRMA guiding principles, DTC advertisers opted for very rational, straightforward broadcast ads. The year 2008 brought evidence of enhanced creativity, with new creative from Enblex (co-marketed by Procter & Gamble and Novartis) and AstraZeneca's Symbicort leading the way. As a result, Millward Brown copy testing shows a decided up-tick in early indicators of ad breakthrough and persuasion.

But how can DTC be creative with so many regulatory restrictions?

Though broadcast DTC ads are subject to a litany of regulations, they still have to break through the clutter of a typical commercial pod. But the good news is our data suggests that DTC ads are not hindered by regulatory restrictions; in fact, they outperform food, household products and telecomm ads on several dimensions of successful advertising.

Risk and side effect details

In the post-PhRMA guiding principles era (after January 2006), DTC ads have significantly improved in maintaining viewer interest during the important relaying of risk and side effect information. Despite condition or medication type, it is not more common to see interest maintained:



Inevitably, by the end of a 20 to 30 second block of fair balance, some viewers may become a bit less interested than they were at the start of the ad. Re-stating the key benefit just following fair balance can help to recover interest in time to communicate the call to action.

Neither severity of the risks/side effects – including black box warnings – nor length of the communication impacts viewer interest:

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The manner in which fair balance is communicated to the patient audience affects how engaged a patient is while this information is being shared.

information is being shared. Furthermore, the level of interest or engagement while watching a DTC ad affects whether the patient will recall the risk and benefit information and their understanding of what is being communicated.

- Viewers are most likely to recall and understand the risks and benefits when this information is integrated into the storyline of the commercial rather than being a "break" in the story.
- This is most successfully achieved when the risk information is spoken by the character(s) in the ad
- However, in cases where the entire copy is voiced over, it can be achieved by maintaining the same voice over for the risk information (i.e. not breaking in with a doctor suddenly speaking the fair balance.)
- When voice over is used, use of appropriate, relevant and consistent images depicting benefits of using the medication can help to hold attention while risk information is being communicated

	DTC NORM	Ads incorporating risk info into storyline	Ads in which risk info breaks up storyline
Recall hearing risk/side effect information	80%	89%	72%

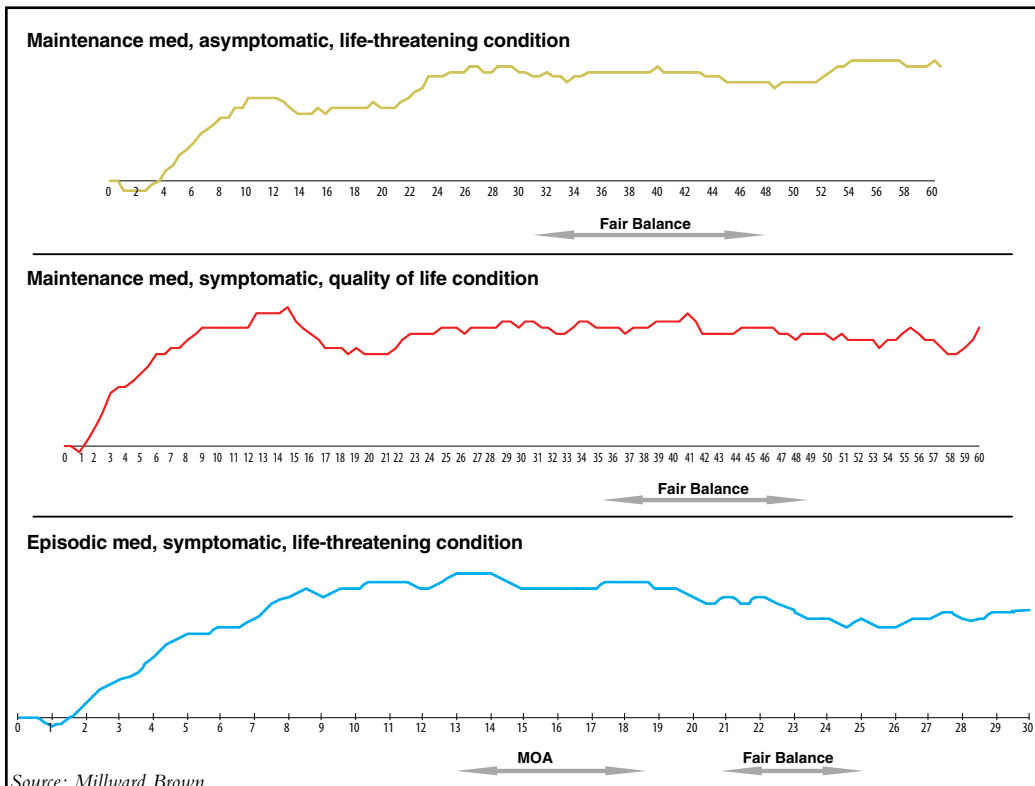
Source: Millward Brown

No impact on engagement, persuasion

To summarize the impact of fair balance in DTC ads: Viewers do overwhelmingly recall and understand the risk information; yet this does not negatively impact engagement, interest or persuasion. Though it used to be a common pattern that viewer interest in a DTC ad would wane during risk information communication, it is now more common that interest is maintained. This could be due to increased familiarity with the format of DTC ads – viewers expect it.

It is also attributable to DTC ads becoming more engaging in the past few years. Interest can be maintained throughout fair balance by:

- Engaging patients with relevant images that are not distracting
- Integrating risk information into the storyline of the commercial rather than breaking up the commercial
- Communicating fair balance information in a slow, straightforward and clear manner (whether spoken directly or by voiceover)
- Communicating the degree of risk, where adequately proven in clinical trials, with verbiage such as "side effects were rare and mild" or "most people were not bothered enough to stop taking"



While inevitably some patients may tune out after 20 to 30 seconds of fair balance, interest can be recovered if the key benefit to considering the medication is called out just following fair balance. A final call-out of the medications' key benefit at the end of the commercial can maximize engagement as call to action information is conveyed.

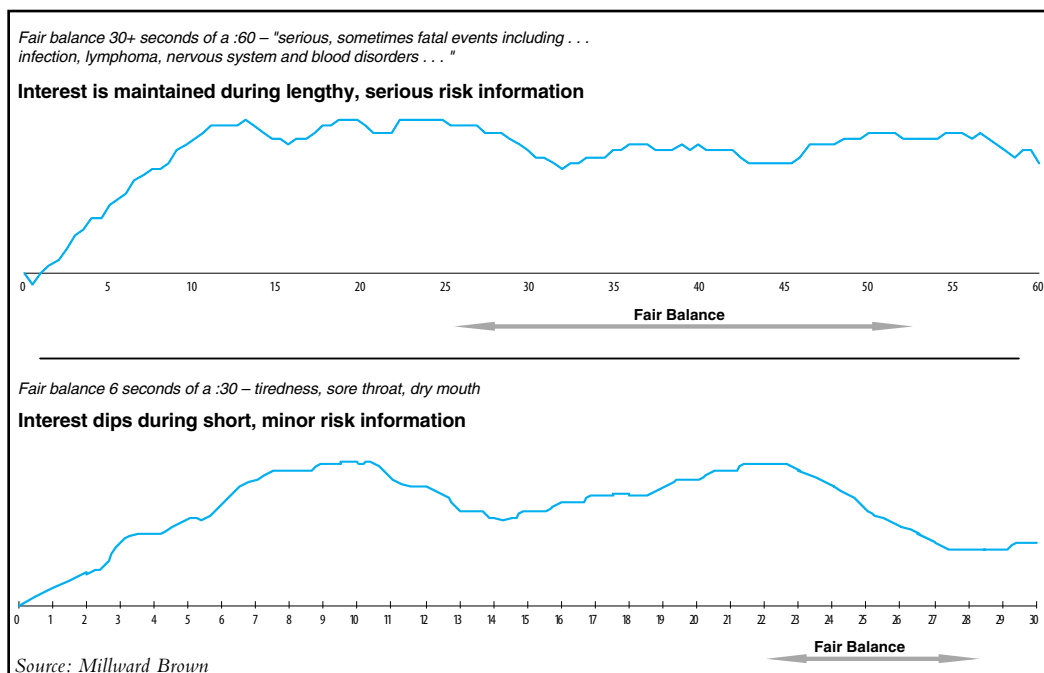
Brand teams and agencies are tasked to develop DTC ads that maintain enough interest during fair balance to enhance patient comprehension of the information, without using images that are distracting. If this can be achieved, it will help to increase the likelihood that patients take away and

understand the risks and benefits of a medication while remaining engaged in the commercial.

How to create successful DTC ads

While many core principles of what generally makes good advertising are applicable in the pharma context, Millward Brown databases (both from copy testing and tracking hundreds of DTC brands in the U.S. market) provide clear evidence of commonalities among the most successful DTC campaigns — with education and educational visuals/MOAs (method of action) topping the list:

- Viewer education – explain/validate their symptoms
- MOAs/demos are powerful interest-grabbers
- Creativity! Creativity! Creativity! White coats and talking heads/vignettes blend into the canvas. Think Vesicare "pipe people," Enablex balloons . . .
- Brand icons – the Imitrex monster, the Cialis tubs, Nexium's purple . . .
- Unique, ownable, compelling brand property – what do you stand for? What makes your brand different?
- Limit the number of messages
- Message integration – messages spoken by the characters in the ads resonate far better than those that are voiced over
- End benefit/outcomes communication – rational messages must be seeded, but must then evolve into outcomes
- Despite mandatory inclusion of risk information, DTC ads are as enjoyable and engaging as ads for most other product categories; in fact, more so than telecom or



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household products. DTC ads are also among the most persuasive of any product category.

The power of 'unbranded'

Can unbranded communications produce results? Yes!

Pharmaceutical advertising has the unparalleled opportunity to spark action purely through viewer education, without even mentioning a brand name. Unfortunately, the watershed level of unbranded disease awareness advertising seen in 2006 waned in 2007 as pharma marketers opted for a return to brand-building campaigns. The percentage of DTC budgets allocated to disease awareness and corporate campaigns fell from 13 percent in 2006 to only 7 percent in 2007. Yet, both attitudinal and prescription data support the success of unbranded campaigns. It's all about control — consumer control.

DTC is here to stay

The success of DTC advertising in the U.S. market is indisputable. When pharmaceutical brands launch DTC campaigns, awareness goes up, brand equity is gained and prescriptions go up. But with ever-increasing scrutiny of DTC budgets and pressure to prove its value, DTC marketers must seek smarter ways to engage their patient audiences. Perhaps the latter half of 2008 into 2009 will see increased adoption of digital marketing platforms. ■

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