



From Whitespace to Cyberspace: How Pharmaceutical Advertising Is Evolving

The use of technology – both by marketers and consumers – has led to dramatic changes in pharmaceutical marketing. Coupled with the recession and other external factors, these advances in technology are forcing pharmaceutical companies to find alternative methods for getting and keeping their customers' attention.

BY DIDI DISCAR AND JANET CONLEY

Advertising plays a large role in the sale of pharmaceuticals and, like any other product, consumers often make purchasing decisions based on what they learn in the media. For this reason, our media has been saturated with pharmaceutical advertisements and promotions for the past decade. In our 35-plus years of combined experience in the pharmaceutical marketing world, we have seen marketing trends come and go, but the successful ones usually stick around, and in recent years, we have seen a lot of change in the traditional forms of promotion.

Broadcast and print advertisements have been successful for years at reaching target audiences because they have been the most commonly used sources for information. Prescription

pharmaceuticals have been advertised in print since around the 1950s and in broadcast since the late 1990s. In 1989, just over \$12 million was spent on Rx drug advertising, which jumped to \$2.84 billion in 2001. The effectiveness of these media is apparent when most of us can clearly recall the Detrol LA theme song “gotta go, gotta go, gotta go right now” or when Bob Dole makes us think of Viagra more than his presidential race. Television and print advertisements are successful because they grab the attention of a broad audience and get their messages out quickly.

The Internet is growing in popularity as a pharmaceutical advertising tool; however, broadcast is still going strong. There remains a digital divide between generations, and broadcast

media is still best for reaching certain demographics, such as the very young or the elderly. Developments in television have also offered the opportunity for product placement. Since many people now have the technology to fast-forward through commercials, incorporating a product into a television show has become the future of broadcast advertising. Prescription drugs have been named and shown in shows from *Grey's Anatomy* to *The King of Queens* and the FDA is currently considering tighter restrictions on prescription pharmaceutical product placement.

Opting to go online

In the past few years, popular advertising venues have switched from the traditional sources to focus more on the Internet and on product placement within television shows and movies. This change has happened not only because customers' media usage has shifted, but also because of the economy.

As the different generations become more comfortable with new technology, pharmaceutical advertising has become much more Internet-focused. More of the population is using the Internet for communication, news and socialization, so it makes sense to funnel more dollars into online promotion. The Internet also allows for more targeted marketing by focusing on certain Web sites that the desired audience is likely to frequent. Popular search engines also present the opportunity for targeted advertising. The top two, Google and Yahoo!, receive millions of visitors per day. They offer advertisers the ability to associate their product with key phrases that the public might search for. If you type in "birth control" to Google, you get the sponsored links of many Rx products from Mirena to Plan B. As the population continues to broaden their use of the Internet for new things, more opportunities for inexpensive, targeted advertising will arise.

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In addition to the Internet being used as an easy way for a company to advertise to their market, many pharmaceutical companies are now turning to online social networking sites such as Facebook, Twitter and MySpace because the popularity of these sites can help companies achieve mass coverage for their message at a portion of what traditional advertising would cost. Novartis, AstraZeneca and several other companies are using Twitter to deliver news and promote their products. The

popular allergy medication Allegra can be found on Facebook (facebook.com/pages/allegra), where the manufacturer is able to reach a different audience and direct people to information on the product Web site. Ortho-McNeil has also recently launched a Facebook site called ADHD Allies (facebook.com/ADHDAllies) for Adult ADHD.

These new marketing tools are also a very effective way to advertise a product or procedure that might be uncomfortable or inappropriate to talk about in a larger forum. Another marketing twist that has recently surfaced is the utilization of YouTube. For example, Sanofi-Aventis created a YouTube channel to encourage the use of insulin, called goinsulin.com. The channel has multiple segments that are not product-specific but direct the viewer to the company Web site. In addition, the company promoted its sleep drug Ambien CR with TV teasers that directed viewers to a micro site called Silenceyourrooster.com. In the first three days, the unbranded site attracted 1 million hits and a 2 percent click-through rate, dramatic increases compared with the branded site, AmbienCR.com. Whether it's a social networking Web site such as Facebook, Twitter, Myspace or a content sharing Web site like YouTube, these emerging media outlets offer innovative methods to get a company's message across efficiently and quickly.

While this change in media usage is due in part to younger generations having increased buying power, it also represents the economic recession. As people make cuts to their budgets, cable is usually one of the first expenses to be cancelled. With the increasing popularity of sites like YouTube and Hulu, which offer videos and full television episodes at no charge, consumers have increased their Internet usage and started cancelling their cable. A recent survey from Leichtman Research Group found that 8 percent of adults view television online at least once a week, and cable companies are reporting the loss of cable customers at an alarming rate. This presents new opportunities for pharmaceutical companies to advertise, but can also make the decision of where to spend ad dollars quite confusing. These new trends also have changed how advertising and marketing agencies do business.

Budgets affect agency priorities

Although the growing popularity of new media offers opportunities for agencies, it also presents obstacles. As promotion budgets are being dramatically cut, agencies are forced to strategize a way to meet a client's expectations for far less money. In this economic recession, clients have the advantage of asking for more, while giving less. Since times are tough, they want their company to shine and get the maximum amount of coverage. If an agency is unable to meet those high expectations, the pharmaceutical company can easily go to

other agencies that are eager for new accounts, forcing marketing agencies to find a way to produce more bang for the buck.

Most importantly, public perception of pharmaceutical companies is taking a hit, forcing pharmaceutical companies and their advertising/marketing agencies to improve this perception. Society as a whole is not impressed with companies that spend a lot of money on big advertisements when much of the population can barely afford proper healthcare. By reaching consumers on the Internet, we are contacting them in a more comfortable environment that isn't showy or expensive. Additionally, studies have shown that a large percentage of the public views pharmaceutical companies as dishonest. The Internet provides a forum that will improve the quality of patient education by offering more information on disease, treatment and side effects.

Reconcilable differences

Advertising agencies have been affected by the more cost-conscious approach of pharmaceutical companies and have been forced to change the way they normally do business. Since budgets are being cut, many clients are changing their relationship with agencies from a retainer contract to project-based work. This shift from an "Agency of Record" to a project-based relationship presents a host of interrelated challenges for the agency. In a project-based relationship, the agency is dependent on the number of projects won instead of the security of a contractual relationship. In these situations, financial forecasts are less predictable, which has a direct impact on how the agency is structured.

As an Agency of Record, an agency can staff a dedicated team under a fixed scope of work. With this type of relationship the agency is allowed more time to get maximum media impact for their client. However, if a client signs on for an individual project the firm will be less familiar with the brand, and as a result, have fewer resources to gain equal attention. Another challenge worth noting is project-based relationships can directly impact the consistency of a brand's message. Without a complete understanding of the whole brand picture, that message can become diluted, possibly resulting in a lack of strategic continuity. This lack of continuity can affect the ability to plan and develop ideas within the context of the brand plan or larger campaign effort. In project-based scenarios an agency must be more creative with each project to impress the client and retain their partnership for future campaigns. This raises the stakes when pitching potential clients and requires a breadth of research and understanding of the brand messaging before ever proposing a project.

While project-based relationships have presented challenges, they also have had a positive effect on both the creative and marketing side of advertising. Since client expectations are

higher than ever, it forces an agency to think outside the box and come up with creative ideas that gain more coverage for less money. Every agency should be well aware of the fact that if they are unable to execute an effective campaign, they may lose that client to another firm. The switch from retainer to a project relationship also gives the agencies a chance to expand their area of expertise and start reaching out to more diverse clientele. This will ultimately help the firm grow and open it up to many more potential projects and clients.

When obtaining new clients, a new trend is being noticed where agencies are accepting projects for less money to keep business up in this recession. Agencies often encounter the challenge of deciding between passing on business or accepting a project for less money than it will cost to run the project. This forces marketing people to be more efficient with their time and more creative in executing a project thoroughly but quickly.

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The evolving use of technology has caused huge changes in the pharmaceutical marketing world. With changes in consumer technology use, along with the economic recession, pharmaceutical companies have been forced to find alternative methods to keep their customers' attention. While this approach has affected the bottom line of many companies, it's crucial for marketing efforts to be focused on consumers' needs and perceptions in order to remain successful. **DTC**

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