



**The DTC Executive Brief**  
**August 2009**

**Presented to you by**



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**10 of 14 New / Revised TV Ads Airing are Unbranded Efforts for Trilipix**

Product	Manufacturer	Title / Description	Unit	Airdate	Source
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Quiz: High HDL level a good or bad thing?	15 sec	07/27	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Answer: High HDL levels are a good thing	15 sec	07/27	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Quiz: Knowing your total level is all you need to control it?	15 sec	07/28	Local
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Answer: Need to know HDL levels, LDL levels and triglycerides	15 sec	07/28	Local
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Quiz: What fats and oils are good?	15 sec	07/29	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Answer: Fish, vegetable and nut oils are good fats	15 sec	07/29	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Quiz: Start having levels checked in your 30s?	15 sec	07/30	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Answer: Check your cholesterol early	15 sec	07/30	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Quiz: Three important factors to high levels?	15 sec	07/31	Network
Cholesterol (Trilipix unbranded)	Abbott Laboratories	"A Promise for Life" - Answer: Important factors are family history, diet and exercise	15 sec	07/31	Network
Cialis	Eli Lilly & Co.	"You Can Be Ready" - Low dose tablet you take every-day so you can be ready anytime the moment is right	60 sec	07/22	Local
Cymbalta	Eli Lilly & Co.	Woman rides piggyback on her husband's back	75 sec	08/04	Local
Cymbalta	Eli Lilly & Co.	"Because Depression Hurts" - Woman at child's birthday party	75 sec	08/05	Local
Nexium	AstraZeneca	What heals you: woman in pool / female voice over	30 sec	07/24	Network

Language: English  
 Date range: July 18 - Aug 7  
 Source: VMS Info for DTC Perspectives, Inc.  
 For more information, please contact Marc Jaffe at [mjaffe@vmsinfo.com](mailto:mjaffe@vmsinfo.com).

AUGUST 2009

VOLUME 4, ISSUE 8

*The DTC Executive Brief*



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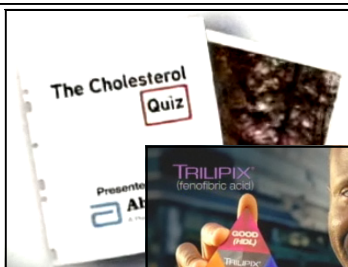
**Healthcare Reform Debate Escalates, PhRMA's \$80B Deal Questioned**

As **Congress'** summer recess moved the debate over healthcare reform from **Capitol Hill** to the local and state level, there seemed to be growing doubts about the direction the final reform package would take. **President Obama** took to the road to hold a series of "town hall" meetings in which he answered questions about his ideas for reforming healthcare, while critics of the reform efforts mounted disruptive efforts at many meetings House members were holding with their constituents.

While questions about doctor-patient relationships, the government's role in providing coverage to uninsured Americans and the cost of the various reform proposals got much of the public's attention, the pharmaceutical industry's role in any reform effort wasn't too far from the spotlight. One of the more significant issues yet to be resolved appears to be the status of the \$80 billion commitment over a 10-year period that **PhRMA** made to **President Obama** earlier this summer as the industry's contribution to the overall cost of healthcare reform. The support from PhRMA has been linked to President Obama's agreement to not allow drug re-importation in the final healthcare reform bill, and not to press for drug makers to negotiation prices under the Medicare Part D drug benefit.

However, according to reports, **House speaker Nancy Pelosi** (D-Calif.) has said she doesn't believe the House is bound to uphold the president's deal with PhRMA. Pelosi will support any effort "to squeeze more money out of the system, including from the pharmaceutical industry," her office said in a statement to reporters. **Rep. Henry Waxman** (D-Calif.), a longtime critic of pharma, also appears ready to force the industry

*(continued on next page)*



Abbott Laboratories has launched an aggressive new campaign for its cholesterol treatment, Trilipix. Ten new unbranded ads in the form of a cholesterol quiz were released, and can also be found in the Heart Health Center on ABCNews.com/health. Immediately following the 15-second spots is a branded spot for Trilipix. For these, and other VMS Info listings, see table on facing page.

to provide more to defray the costs of reform. “PhRMA would like to see if they can get a bargain,” Waxman was quoted as saying. “I think that PhRMA should contribute more than PhRMA wants to contribute.”

In terms of draft reform proposals, the House’s **Ways and Means** and **Energy and Commerce** committees have completed their work. But in the **Senate** – where a bipartisan groups of senators are working under the direction of **Sen. Max Baucus** (D-Mont.) to develop a comprehensive reform bill – a final draft bill has yet to be produced.

**Jim Davidson**, leader of **The Advertising Coalition** and a member of the Washington law firm **Polsinelli Shughart**, said he believes that, because legislators did not meet the August deadline to finalize a package to send to the president, they will now push the new deadline to Thanksgiving. However, despite the delays, he said “ultimately... one form of healthcare reform will pass.”

A recent concern regarding the possible denial of pharmaceutical companies to write off their advertising spend as a business expense is, for now, not in any of the reform bills. Davidson said the effort to remove the allowable **business tax deduction** for DTC advertising has “absolutely nothing to do with party” and has everything to do with “the burden that a particular member of Congress... believes that the pharmaceutical industry should bear as its share of healthcare reform.”

###

**New FDA Commissioner Promises More Enforcement**

Speaking this month at a **Food and Drug Law Institute** conference, **FDA** commissioner **Dr. Margaret Hamburg** provided details on her six-step program to increase enforcement of **FDA** regulations. She first noted, however, that she believes there has been a steep decline in enforcement actions and many delays in the agency’s following-through on serious public health issues.

Hamburg made it clear that she expects things to change immediately at the **FDA** and for consumer protection to become a higher priority.

Hamburg also seemed to indicate she wants more focus on Internet health fraud. “In some cases, serious violations have gone unaddressed for far too long,” Hamburg said. “These include violations involving product quality, adulteration, and misbranding; false, misleading, or otherwise unlawful labeling; and misleading advertising.”

As part of her six-step program, Hamburg said the **FDA** will take responsible steps to speed the issuance of warning letters – which is in contrast with policies earlier this decade when letters went through a review process.

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**DTC INSIGHT**

*\* The prospect of a government-run option for health insurance is looking a little dim right now. Iowa Republican Sen. Chuck Grassley, who has been working with a six-member group in the Senate on a bipartisan plan, appeared to be distancing himself from major reform packages with a government option during a town meeting in Iowa. At the Aug. 12 meeting, Grassley stressed that he “would oppose any bill with a government-run plan in it,” the Politico.com Web site reported. The bipartisan group coming from the Senate’s Finance Committee “appears to be coalescing around the idea of nonprofit insurance cooperatives instead of a government-run plan,” The New York Times reported. “It is a proposal the health care industry prefers, but many liberal Democrats oppose, in both cases because cooperatives are likely to have less leverage over health care prices.” The battle over reform will be back in Washington next month when Congress reconvenes.*

## Court Ruling on Internet Ads Bears Watching

A **U.S. District Court** judge in Louisiana has issued a ruling on Internet advertising in which he contrasts the online ads with advertising in more traditional media. "Internet advertising differs significantly from advertising in traditional media," the judge, **Martin Feldman**, wrote in his opinion, according to a report by MediaPost's *Daily Examiner*.

In the ruling, the judge "invalidated portions of new state restrictions on attorney advertising," the report noted. "The new rules would have required lawyers to submit all ads, including pay-per-click search ads, to a committee for advance review at a cost of \$175 per ad. If blog posts were deemed ads, attorneys could have had to pay for vetting each time they made a new post," the report stated.

In his ruling, the judge found that placing such limits on Web advertising was an unconstitutional effort and he was critical of the state officials for putting together a policy on advertising that failed to "account for the difference between push and pull mediums," the *Daily Examiner* added. "The Internet presents unique issues related to advertising, which the state simply failed to consider in formulating this rule," judge Feldman wrote.

The argument that the Internet is a unique medium – and is used by consumers differently than other traditional media – was raised by marketers and agency executives earlier this year after **DDMAC** issued 14 notice of violation letters to pharma that addressed sponsored links. The agency noted in its letters that the sponsored links were misleading because they included benefit information, but not risk information, as required. The argument that consumers were aware that the sponsored links and the details provided were different than a more traditional print ad.

###

### DTC INSIGHT

*\* As some experts have noted, search engines have succeeded in the consumer mindset because they offer information-seekers solutions in an efficient manner. This is not likely to change. Perhaps the day will come when the FDA decides to draft guidance that will set new parameters for the way in which marketers can use the Internet's tools, but this day doesn't seem to be on the near horizon – despite many calls from agencies and marketers to consider such matters.*

## Engage Patient Communities

**We know precisely *when* and *where* to find them.**

In pharmacy, in doctors' offices, in homes and online: MediZine connects DTC brands with millions of the most responsive consumers when health decisions are made.

**Let us prove it—call to learn how.**

Suzanne Polizzi, Chief Revenue Officer | 212.695.5582, [suzanne@medizine.com](mailto:suzanne@medizine.com)

**MediZine's Latest Acquisition!**  
**Healthcommunities.com**

**MEDIZINE** DO WHAT WORKS: ENGAGE EDUCATE INFLUENCE

## Active DDMAC Has Issued 18 Consumer Violation Letters

In the first seven months of 2009, **DDMAC** has issued **18 violation letters** for violations in **consumer promotional pieces**. In 2008, the agency issued seven violation letters for consumer promotion. The agency has issued a **total of 29 violation letters** for consumer and professional marketing materials through July 31. This marks a nearly 50% increase compared with the 12-month period of 2008, when the agency issued a total of 21 letters for consumer and professional violations. (See table on opposite page for more details.)

There have been two **warning letters** issued this year – half the amount as issued in all of 2008; but there have been 16 “**untitled letters**” issued in 2009. Notably, 14 of the untitled letters were issued at the same time in early April and were directed at the use of sponsored links on Internet search engines. While only 14 companies received letters, the violations comprised 48 different brands. Those links were deemed misleading because they included benefit information, but not the risk information (mainly due to a character limit in the title and ad copy).

Over the past 18 months, DDMAC has been given increased resources to monitor pharmaceutical promotion, which allowed the agency to add seven additional reviewers and create a third DTC review group.

###

## FDA Issues Warning Letter to Abbott for Kaletra DVD

The **FDA** issued a warning letter in July to **Abbott Laboratories** that cited violations in a promotional DVD for **Kaletra** in which **Earvin “Magic” Johnson** described his experience with HIV and the Abbott drug. The letter noted that the “DVD minimizes the serious risks of the drug, overstates the efficacy of Kaletra, and includes unsubstantiated claims.” The letter also claims that the Kaletra DVD had an outdated version of the FDA-approved product label.

According to the warning letter, the DVD includes an 11-minute interview with Magic Johnson regarding his HIV experience and treatment. Johnson expressed his satisfaction with the drug, making claims the FDA maintains cannot be substantiated through research. The video also neglects to state the risks and side effects of the drug.

Responding to the letter, Abbott noted that the “promotional material referenced in the FDA’s letter ... was discontinued earlier this year.” The July letter comes five years after **DDMAC** had cited previous Kaletra advertising that it said overstated the effectiveness and omitted the indication and material risk information.

###

### DTC INSIGHT

*\* While the “18” number makes one sit up and take notice, the enforcement picture looks more in line with past years if the 14 letters for violations related to sponsored links are taken out of the equation. This would put the number of enforcement letters at four for the year-to-date period ending July 31, which is on pace to equal or exceed last year’s enforcement actions, but not above what many had expected given the change in leadership in Washington.*

DDMAC Notice of Consumer Promotional Violation Letters to Pharma			
	Warning	Untitled	Piece(s)
<b>July 2009</b>			
Kaletra	√		Patient testimonial DVD
<b>May 2009</b>			
Ultram ER	√		Web cast video
<b>April 2009</b>			
Tysabri		√	Sponsored links on Internet search engines
Plavix		√	Sponsored links on Internet search engines
Levitra; Yaz; Mirena		√	Sponsored links on Internet search engines
Avandia; Avandamet; Avandaryl; Avodart; Coreg CR; Tykerb		√	Sponsored links on Internet search engines
Bystolic; Campral; Lexapro; Namenda		√	Sponsored links on Internet search engines
Fentora; Treanda		√	Sponsored links on Internet search engines
Prezista		√	Sponsored links on Internet search engines
Aromasin; Caduet; Chantix; Detrol LA; Lyrica; Celebrex		√	Sponsored links on Internet search engines
Femara; Diovan; Exforge; Exjade; Gleevec		√	Sponsored links on Internet search engines
Avastin; Lucentis; Rituxan; Xolair; Herceptin; Pulmozyme		√	Sponsored links on Internet search engines
Spiriva; Flomax; Mirapex		√	Sponsored links on Internet search engines
Januvia; Propecia; Singulair; Emend		√	Sponsored links on Internet search engines
Boniva; Pegasys; Xeloda		√	Sponsored links on Internet search engines
Cymbalta; Evista; Gemzar		√	Sponsored links on Internet search engines
<b>March 2009</b>			
Treximet		√	Online banner ads
<b>February 2009</b>			
Avodart		√	TV ad

Source: DDMAC, as of Aug. 10, 2009

# DTC Dashboard

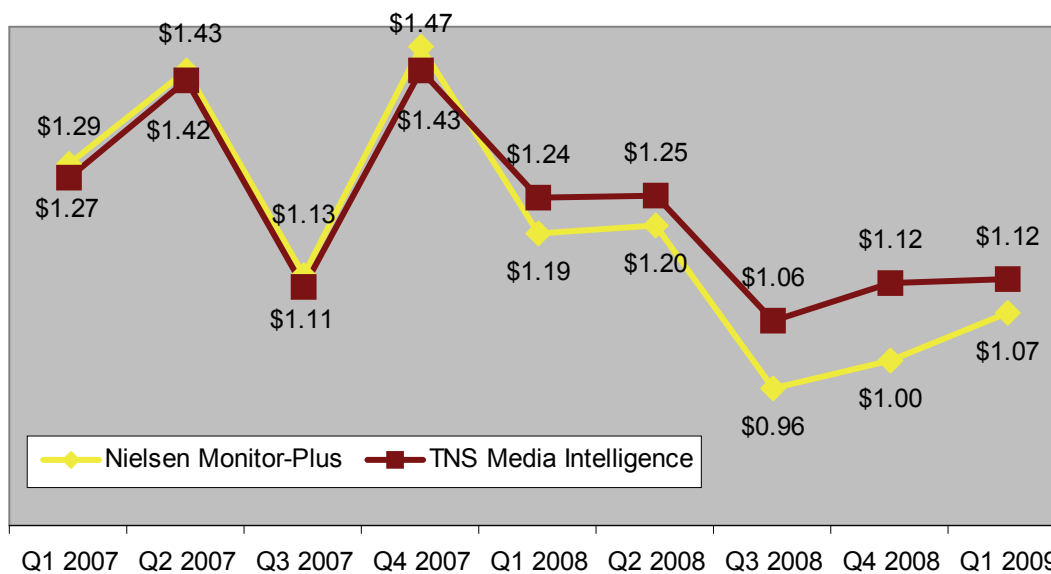
The DTC Dashboard is a series of charts providing a snapshot of DTC marketing.

	2006	2007	2008	Q1 2009	2009*	2010*
<b>Total in \$ billions</b>	\$5.55	\$5.38	\$4.34	\$1.07	\$3.95-3.99	\$3.75-3.87
<b>% Change VYA</b>	15.4%	-3.1%	-18.4%	-11.5%	-8% - -9%	-3% - -5%

DTC Perspectives' projection for 2010 assumes final healthcare reform legislation will be non-punitive to pharmaceutical marketing.

Source: Nielsen Monitor-Plus, 2009  
% Change VYA compared to same period of prior year; \*Based on DTC Perspectives' projections

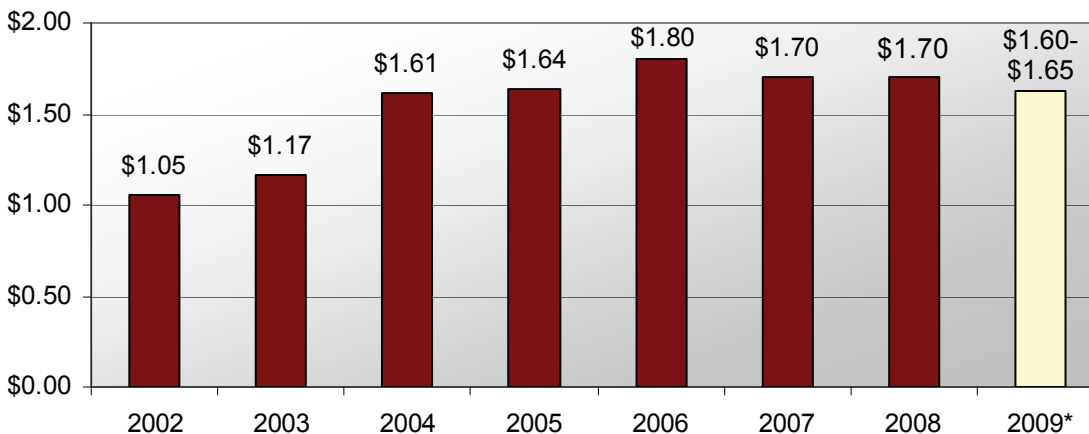
## 'Reported' Spending in Past Three Quarters Shows Positive Trend



While "reported" spending among DTC advertisers is down on a year-over-year basis, the running total for the past three quarters indicates some stability in the DTC marketplace. The Q2 2009 result will be a sign of whether the DTC market enters a recovery stage in late 2009, early 2010.

All \$ expressed in billions; Source: Nielsen Monitor-Plus and TNS Media Intelligence, 2009

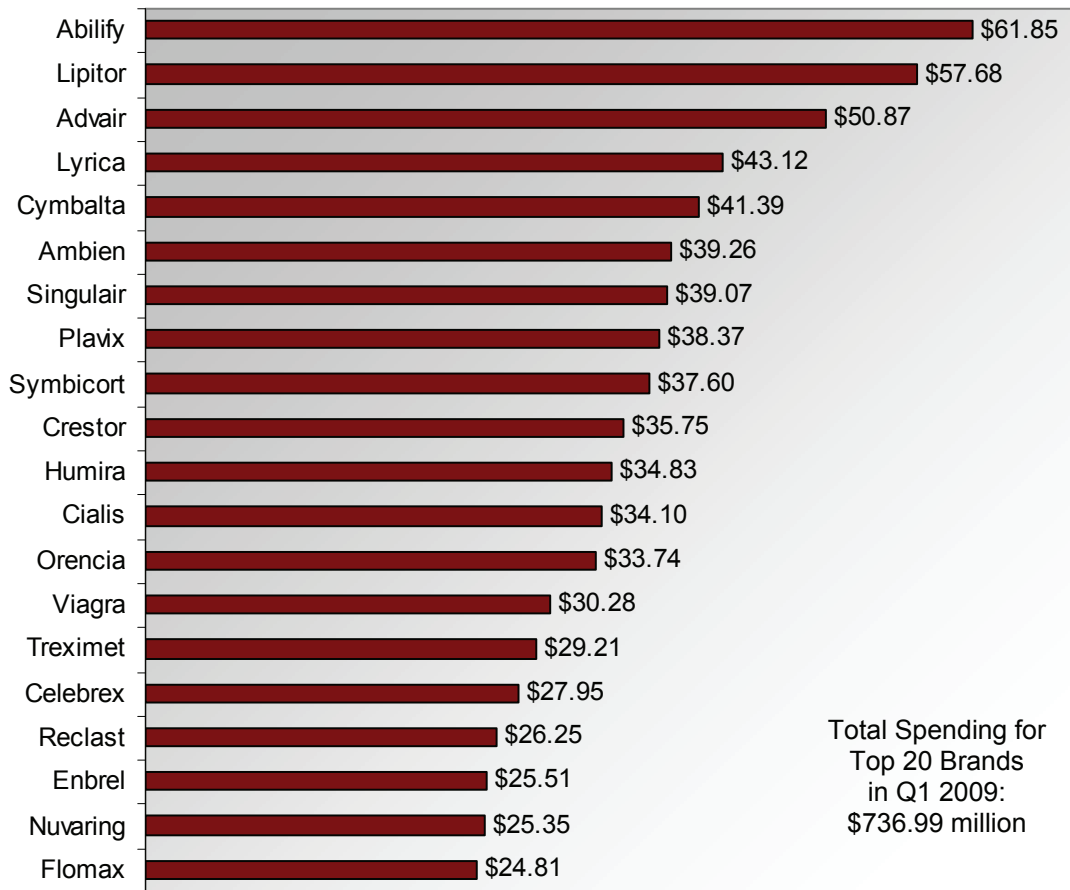
## Network TV's Market Share Predicted to Slip Slightly in 2009



The forecast calls for a slight decline in spending on network TV in 2009, reflecting pricing pressure and an overall advertising slowdown. (For details on network TV ad sales, see related story about the upfront market beginning on page 11.)

All \$ expressed in millions; Source: Nielsen Monitor-Plus; \*Based on DTC Perspectives' projections

### 'Reported' Spending for Abilify, Lipitor & Advair Tops \$50 Million in Q1



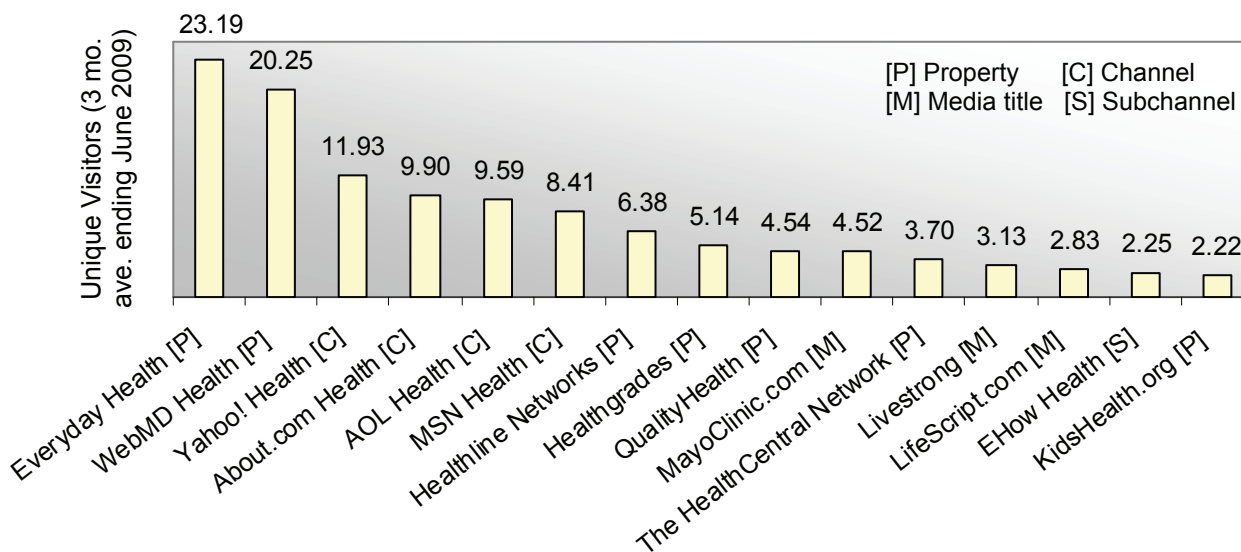
Abilify and Lipitor each more than doubled their Q1 2008 spend, increasing by 153% and 125%, respectively. The biggest increase was by NuvaRing, by 490% from 4.3 million in Q1 2008.

Only three of the top 20 spending brands decreased their spending: Plavix (-9%), Celebrex (-5%) and Flomax (-3%).

Total Spending for Top 20 Brands in Q1 2009: \$736.99 million

All \$ expressed in millions; Source: TNS Media Intelligence, Q1 2009

### Everyday Health, WebMD Attract 20+MM Unique Visitors in June



Everyday Health continued to draw more unique visitors in the latest comScore ranking (a gain of 4%), but Yahoo! Health and About.com Health also attracted significantly more unique visitors in the period (20.5% and 4.2%, respectively).

Unique visitors expressed in millions; Source: comScore, June 2009 (3 month average)

**Marketing**

**MARKETING**

**AstraZeneca, Generic Firm Team Up for Toprol-XL Ad**

Anyone reading *Time* or *People* magazines in August may have spotted an unusual ad for blood-pressure drug **Toprol-XL** (marketed by AstraZeneca). The ad's headline proclaimed in capital letters: "Come Back to Toprol XL and its Generic Equivalent (Metoprolol Succinate) for Once-Daily Blood Pressure Medicine." The ad marked a rare instance when a brand-name drug advertised its generic equivalent, along side the brand.

**Blair Hains**, associate director of brand corporate affairs at **AstraZeneca**, explained the back-story behind the new ad: three generic versions of Toprol-XL hit the market in 2006, including the authorized generic from **Par Pharmaceuticals**. In late 2008, the other two generics were removed from the market at the **FDA's** request, which created "a void in the marketplace and [AstraZeneca and Par] were the only [ones] still manufacturing the product," Hains said.

However, because "millions of people" regularly use the drug to treat high-blood pressure, AstraZeneca decided to "ramp up" production to meet patient needs. Additionally, the drug has a black box warning indicating that patients should not stop taking it abruptly. AstraZeneca and Par understood they needed to inform patients that the product was available in ample supply in both brand name and generic form. Hains explained that the ad was really "in the best interest of the patients" to let them "know that there was still a generic option available if that is what they wish to choose." The ad was also "a good opportunity to continue the partnership between Par and AstraZeneca," he said. Par officials could not be reached for comment.

The ad was created by **EvoLogue** (a unit of **WPP's CommonHealth** unit) and will only appear in print. Hains declined to provide details on whether AstraZeneca or Par paid for the ad placement.

###

**New Print Ads for Vytorin in August Magazines**

**Merck / Schering-Plough** have rolled out new print ads for the cholesterol treatment **Vytorin** in select magazines, including *Time*. The ads continue the familiar tagline, "There are 2 sources of cholesterol. Food & Family," but the new ads show more than a single distinctive person associated with the food in the ad.

The new ads come a few weeks after Merck and Schering-Plough, which co-promote Vytorin, settled a series of lawsuits that had claimed the compa-



*Toprol-XL ad as seen in Time and People magazines*

nies delayed study results because the data was unfavorable to Vytorin and Zetia, another drug marketed by the two companies' joint venture. (Merck has subsequently agreed to acquire Schering-Plough, in a deal expected to close later this year.) The study results, released in early 2008, indicated that Vytorin and Zetia were no more effective at reducing plaque buildup in arteries than Zocor, an older and less expensive cholesterol treatment.

The companies discontinued television advertising of Vytorin and Zetia, after criticism of the marketing of the two drugs roiled a few Washington legislators. Print ads supporting the drugs' effectiveness continued for a time in 2008, but were much less frequent than in the prior year when Vytorin was one of the most heavily advertised Rx treatments.

Merck and Schering-Plough did not acknowledge any wrongdoing or liability as part of the \$41.5 million lawsuit settlement. This follows a separate \$5.4 million settlement with attorneys general from 35 states by about a month. In the second quarter of 2009, combined sales of Vytorin and Zetia were down roughly 10% to \$1 billion, the companies reported.

- "These [settlements] will allow the companies to avoid continuing defense costs and remain focused on discovering, developing and delivering novel medicines and vaccines," Merck executive vice president and general counsel **Bruce Kuhlik** told *The Associated Press*.

###

**MEDIA**

**Pharma Marketers Take Cautious Approach to Upfront**

In a lackluster network upfront market, pharma advertisers took a hard line on committing budget to the 2009-2010 television season – a reversal from last year when pharma marketers were aggressive in the upfront market. The reduction in upfront spending by pharma marketers – estimated at roughly 20% to 25% – is primarily attributable to “a function of the economy” and not a reflection on the “value of television as a medium,” **Peter Knobloch**, chief executive of independent media agency **RJ Palmer**, told *DTC INSIGHTS*.

Knobloch also noted that he didn't believe healthcare reform debate was having a significant negative impact on pharma's upfront negotiations. If anything, pharma advertisers would be looking to buy more upfront now to “market [their] brand as quickly as possible before any reform takes place.”

The 2009-2010 upfront, normally negotiated and locked-in by the end of July, is still on-going due to standoffs and hold-outs brought on by the poor economy. There had been a stalemate raging for the past several months

There are 2 sources of cholesterol.  
Food & Family.

Only VYTORIN treats both.

**VYTORIN**  
(ezetimibe/simvastatin)  
Treat the 2 sources of cholesterol.

New Vytorin ad as seen in Time magazine

**DTC INSIGHT**

\* For CBS, the network with the top market share in the DTC marketplace, the pharma business could be looking up. CBS is headed for further growth in the second half of the year, David Joyce, a media industry strategist for Miller Tabak, told CNBC recently. Ad sales in the upfront market – which are locked in at a set price – were below 2008 levels, but ad sales in the “scatter” market – ads sold closer to the actual air date – are up roughly 30 percent, CNBC reported. The recent increase in scatter advertising (particularly in local markets) has been led, in part, by the pharmaceutical and retail sectors, according to the report.

as advertisers held out for lower rates and networks demanded an “up” season in a down market. The market opened up over the past few weeks for the networks, as advertisers began making commitments.

Knobloch said he believes negotiations with cable networks will continue for three to four weeks. The early estimates of the overall upfront marketplace seem to indicate a drop of between 15% and 20%, although this could change in the final accounting. Some broadcast networks were reported to be holding back inventory to sell later in the scatter market. According to *Mediaweek*, **ABC** and **Fox** were expected to hold back 25-30% of their advertising inventory, up from 15% a year ago.

###

**Total Direct Mail Efforts on the Rise Due to Boost in E-mail Campaigns**

Direct mail efforts by pharma companies increased 19% in the first half of 2009, according to the **DBM/SCAN®** tracking service conducted by **John Cummings & Partners LLC**. The increase is attributed to a 34% increase in the use of e-mail efforts. Meanwhile, the paper segment of direct mail fell 17%. The number of companies conducting direct-mail campaigns also dropped, but by only 1 company (see accompanying chart for more details).

A majority of companies offered both e-mail and paper mail options, with more than one-third of the manufacturers offering consumers a choice of their preferred delivery method. This is up from the approximately 15% of companies that gave such a choice in the first six months of 2008.

Fifteen new products were launched (in the direct mail arena) during the first six months of 2009. The 15 products covered 10 disease states, including acne, allergy, anxiety/depression/mood disorders, diabetes, epilepsy, heartburn/GERD, multiple sclerosis, prostate/bladder control, as well as several smaller categories. In addition, 23 new loyalty programs were introduced in this period. **Rob Cummings**, co-owner of JC&P, told **DTC INSIGHTS** that such programs consisted of **Abbott’s Trilipix** and **Simcor**, both for cholesterol care, **Biogen Idec’s** multiple sclerosis drug **Avonex**, **GlaxoSmithKline’s** triglycerides treatment **Lovaza**, **Novartis’ Focalin XR** for ADHD, **Pfizer’s Toviaz** for overactive bladder, and **Wyeth’s** depression medication **Pristiq**.

Companies with unbranded programs so far for this year include **Abbott** (cardio, Crohn’s disease, psoriasis, rheumatoid arthritis), **AstraZeneca** (bipolar disorder, cancer, cardio), **Biogen Idec** (multiple sclerosis), **Eli Lilly & Co.** (diabetes), **EMD Serono** (multiple sclerosis), **Galderma** (acne, psoriasis), **Genentech** (age-related macular degeneration, rheumatoid arthritis), **GlaxoSmithKline** (asthma), **Merck** (cardio), **Novartis** (cardio), **Novo Nordisk** (diabetes), **Procter & Gamble** (ulcerative colitis), **Sanofi-Aventis** (diabetes), **Shire** (ulcerative colitis), **Takeda** (diabetes), and **UCB** (epilepsy).

**Categories with Significant Increases**  
(1H 2009 vs. 1H 2008)

- Cancer
- Cardiovascular
- Crohn’s Disease
- Diabetes
- Migraines
- Multiple Sclerosis
- Prostate/Bladder Control
- Psoriasis

**Categories with Declines**

(1H 2009 vs. 1H 2008)

- Allergy
- Arthritis
- Smoking Addiction

“The increases seen in the categories mentioned were more in the 20%+ range. The decreases in those categories mentioned were in the 5-15% range, not too significant. Other categories were flat to slightly up or down,” said Cummings.

Source: DBM/SCAN®  
©2009 John Cummings & Partners, LLC

- “Unbranded mailings accounted for 11% of mailings in the first half of 2009,” **Cummings** said. “This is below the 17% we saw in 2008, but more in line with the average between 10-15%.”

Rx Direct Mail by Type	1H 2008	1H 2009	% Change
Rx Total Direct Mail Efforts	409	488	19%
Rx Paper Mail Efforts	120	100	-17%
Rx E-mail Efforts	289	388	34%
Number of Rx Companies Mailing	38	37	-3%

Source: DBM/SCAN®  
©2009 John Cummings & Partners, LLC

###

## Forrester Report Predicts Substantial Increase in Interactive Marketing

A July report from **Forrester Research** predicts that spending on interactive marketing will climb dramatically to hit \$55 billion by 2015 and at that time account for 21% of all marketing spending. Since issuing a forecast in April, Forrester has raised interactive’s share of marketing expenditures, which reflects a downward shift in spending on other media.

In the revised Forrester forecast, interactive’s share rises nine percentage points from the earlier estimate of 12%.

- “To me, the most interesting takeaway from the research is that overall advertising budgets will decline,” Forrester analyst **Shar VanBoskirk** posted on the company’s blog. “Yep. With dollars moving out of traditional media toward less expensive and more efficient interactive tools, marketers will actually need less money to accomplish their current advertising goals. But reasonable marketers won’t relinquish budget because their programs are running too efficiently. Instead, marketers will allocate unused advertising dollars into investments like innovation, research, customer service, customer experiences, and marketing-specific technology and IT staff, in order to further marketing’s strategic influence within their companies.”

The greatest growth is projected to come in the area of social media, which is forecast to rise to \$3.113 billion in 2014 from \$716 million this year, *MediaPost* reported. The second-largest growth sector will be mobile marketing, rising to \$1.3 billion in 2014 from \$391 million this year. Search, display and e-mail marketing are expected to continue posting double-digit growth rates over the next five years, but the growth is slowing and will account for a smaller percentage of the interactive marketing stimulus, according to Forrester.

###

### DTC INSIGHT

*\* Yes, there are some signs that pharma is becoming more open to experimenting with interactive marketing tactics, but they are not likely to lead the way in the CPG world’s ongoing shift to new media and other interactive marketing options.*

## Report: Internet to Lead Growth In Communications Sector

Private equity firm **Veronis Suhler Stevenson** (VSS) predicts in its annual media report that total communications spending will decline 1% in 2009 to \$882.6 billion. This decline, “largely the result of the current cyclical economic downturn,” is the media and communications industry’s first spending decline since 2001, the report noted.

Despite this decline, the news is not all bad for marketers – the report predicts that the communications industry will grow over the next five years to become the fourth-largest economic sector by 2013.

- “The prolonged economic downturn has accelerated changes already underway in the communications industry,” VSS executive vice president **Jim Rutherford** said in a statement. “Notwithstanding significant declines in traditional media, the industry taken as a whole will continue to show relatively solid performance compared to the overall economy. These changes are driven by a confluence of factors – primarily the growth of digital end-user businesses and the shift from broad reach traditional advertising to targeted alternative advertising and marketing services.”

The report forecasts the media industry will grow 3.6% per year for the next five years to reach \$1 trillion. These vast gains in the industry will be due in part to the Internet, mobile services and branded entertainment. These sectors of media and communications are expected to rise 12.6% annually from 2008-2013 and “will contribute to overall marketing services spending growth of 3.4% annually” in the same period.

With the rise of new media spending, more traditional media outlets are falling and are predicted to continue to shrink into the coming years. The VSS report finds that newspaper spending fell 13.1% in 2008 while consumer magazine spending dropped 5.8%.

- “While we have seen consumer media usage remain generally flat over the past year, the way in which consumers are spending their time continues to evolve,” VSS president **John Suhler** said in the statement. “No longer are newspaper and magazine subscription purchases and network prime-time viewing the norm. Instead, they are declining and consumers are spending more time with media which they support and pay for as opposed to ad-supported media. This development is a culmination of two decades of this secular shift towards consumer-controlled media, and shows no signs of slowing.”

VSS predicts four segments will become major players through 2013, generating more than \$100 billion in spending – subscription TV, professional and business informational services, direct marketing and entertainment media.

### DTC INSIGHT

*\* As spending on traditional media declines in the coming years, prudence will be the operative word for pharma marketers, who will maintain fairly consistent budget allocations as they watch for evidence that TV and print are being displaced by the so-called new media in the hearts and minds of their core, older-demographic constituency.*

## ON THE MOVE

### • People Update

**Merck** said that **Margaret McGlynn**, president of its vaccines division since 2005, will retire Nov. 1. She had previously worked as leader of the U.S. Human Health group, the company's marketing operation. A replacement has not been named..... **Laureate Pharma** named **Daniel Leone** vice president of business development.

**Rodale** said president and chief executive **Steven Pleshette Murphy** is leaving the company. Chairman **Maria Rodale**, granddaughter of founder **J.I. Rodale**, succeeds him as chief executive..... **Onset Therapeutics** named **Sheila Kennedy** vice president of marketing. She has 16 years of marketing and sales experience, and was instrumental in the launch of **Oracea**, a treatment for rosacea.

### • Brand Launch

The **FDA** in July approved **Effient**, a blood thinner developed by **Daiichi Sankyo** and **Eli Lilly**. However, **Effient** will have a "black box" that warns of the risk of deadly bleeding – which is a risk not found with competitor **Plavix** (co-marketed by **Bristol-Myers Squibb** and **Sanofi-Aventis**). With a black box, **Effient** may have difficulty taking market share from **Plavix**, a \$6 billion a year product and major DTC advertiser.

### • Agency News

**Palio** launched **Susurro**, a tool to monitor social media for clients' brands that focuses on consumer or patient online discussions of brands and competitors..... **Carbon**, a unit of

**CommonHealth**, has named **Patrick Jagodzinski** account coordinator, and has promoted **Brian Drown** and **Jaclyn Ferguson** to senior account coordinators..... **AbelsonTaylor** named **Courtney Mason** account planner and promoted **Deika Abdi** and **Abby Adams** to account executives.....

**Saatchi & Saatchi Wellness** named **Ned Russell** executive vice president, director of client services, a new post. Russell previously worked at **Arnold** and **DDB**, on consumer brands as well as healthcare products. **Saatchi & Saatchi Wellness** handles integrated marketing for **Nexium**, **Ambien CR**, **Plavix** and other brands.....

**Digitas Health** has opened offices in **London** and **Boston** as part of the agency's 2010 growth plan. **Digitas Health** said it has increased annual revenue by roughly 50 percent in each of the past three years, and won 14 new client brands over the past 12 months. **June Dawson**, formerly of **Ogilvy Healthworld**, has been named senior vice president, managing director, of the London office. In Boston, **Kirk Williamson** will fill the role of SVP/marketing and **Michael Tiedemann** will be SVP/creative.....

**MedThink Communications**, a healthcare ad agency, has named **Joseph Conwell** senior vice president and executive creative director. Conwell has previously worked on blockbusters such as **Lovenox** and **Diovan** and has executed successful launches for **Exforge**, **Yaz**, **Kodak Health Imaging** and **GE Healthcare**. Conwell joins **MedThink** from **Euro RSCG Life MetaMax**, where he served as vice president and associate creative director.

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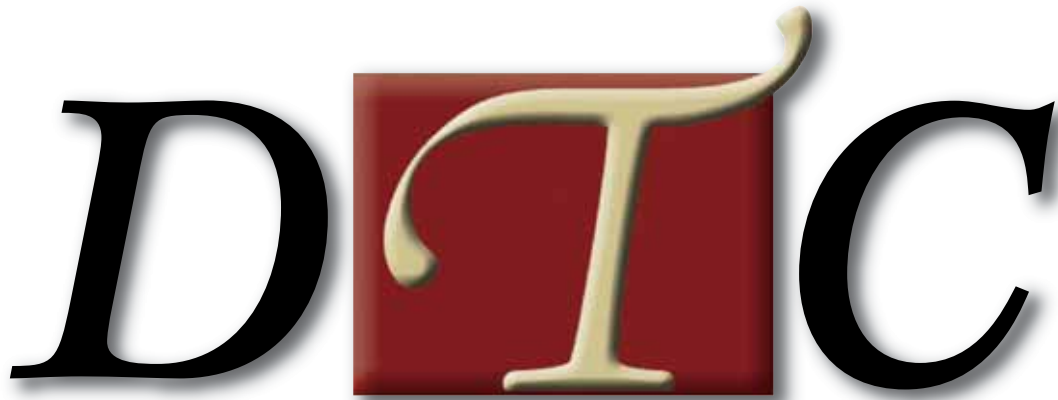
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**October 14–15, 2009**

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