



Latest DTC ROI Findings,
DTC National Conference 2008

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David Gascoigne
Vice President – Global Promotion Management
IMS

John Busbice
Engagement Manager – Promotion Management
IMS Consulting

The 2006 DTC benchmark study showed a slight increase in the median ROI

Generally unfavorable
Low or negative ROI's

Median ROI:
2 to 1

Median ROI:
2.2 to 1

RAPP/ARPP Study
*Advertised brands
1997-2000*

IMS Study
*49 advertised brands
1999-2003*

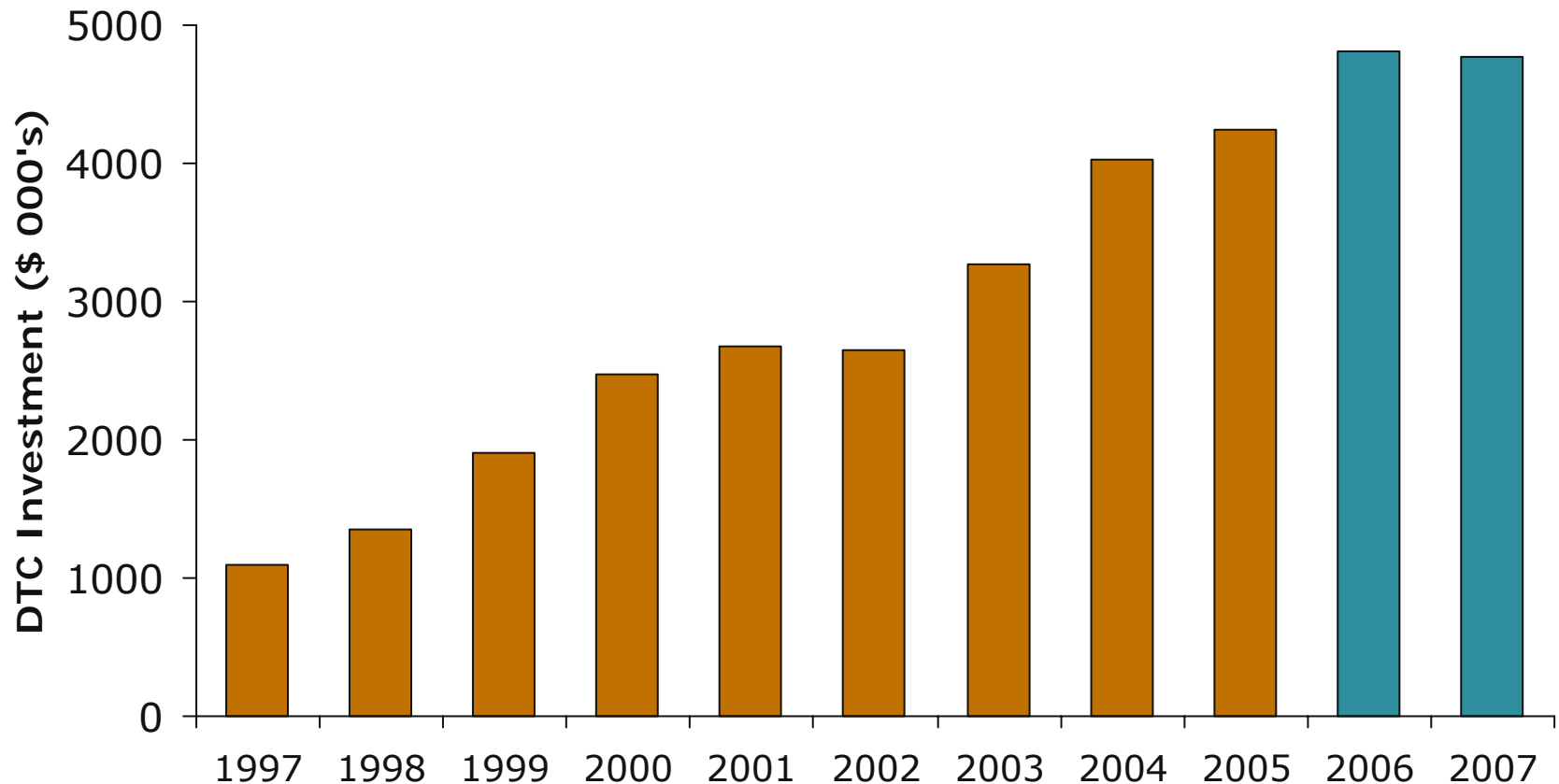
IMS Study
*70 advertised brands
2002-2005*

2001

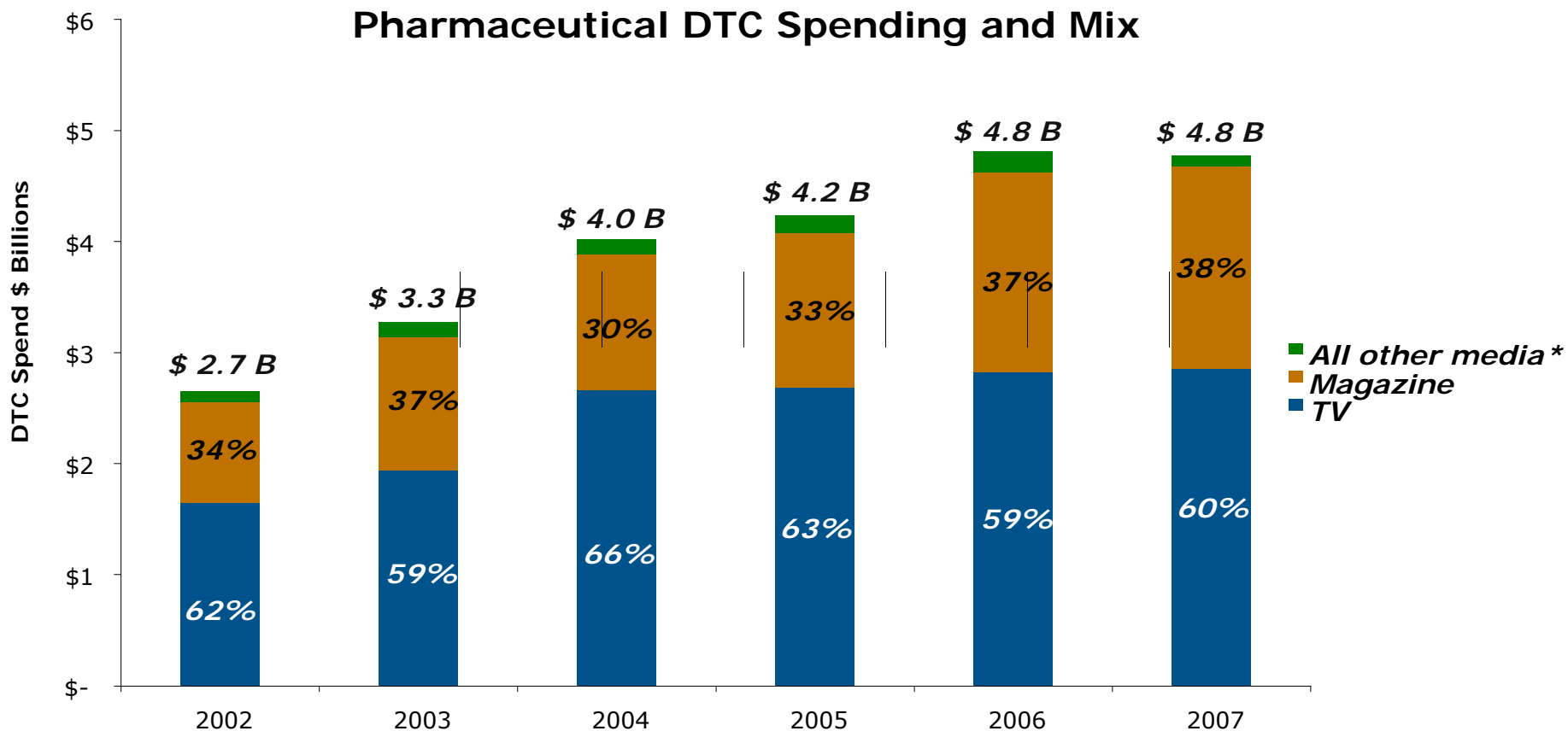
2004

2006

Since the 2006 study...the pharmaceutical industry has continued to invest heavily in DTC advertising



The mix of spend stabilized in 2007

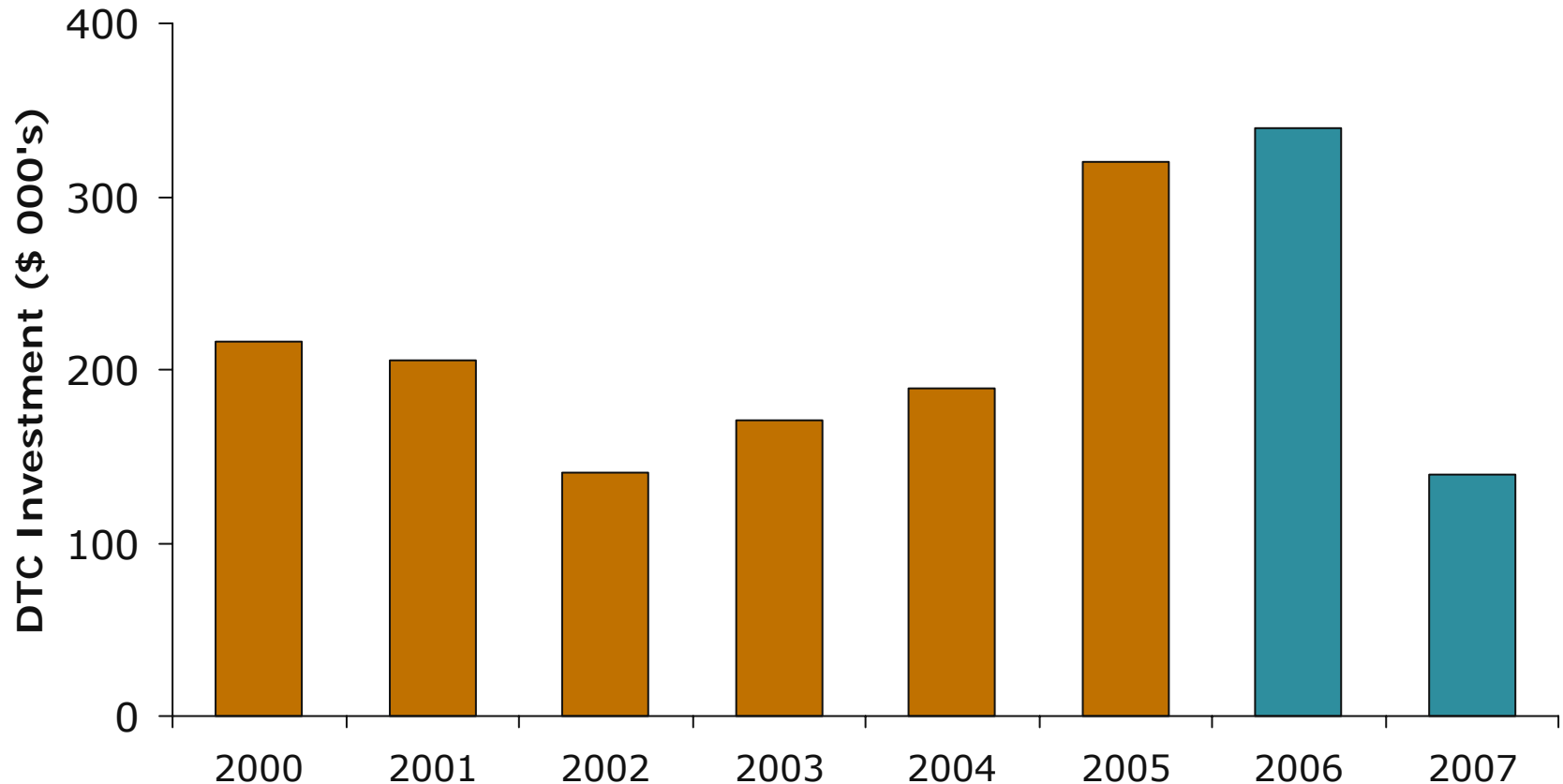


* All other media includes Newspaper, Radio and Outdoor

Source: TNS Media Intelligence

There has been a decline in unbranded advertising

Pharmaceutical Unbranded DTC Spending



DTC ROI – Audience Participation

Our 2008 study is current focusing on the 25 top DTC advertisers in 2007 across the pharmaceutical industry

- Abilify
- Advair
- Advodart
- Ambien CR
- Boniva
- Caduet
- Cialis
- Crestor
- Cymbalta
- Flomax
- Guardasil
- Humira
- Lipitor
- Lunesta
- Nasonex
- Nexium
- Plavix
- Requip
- Rozerem
- Singulair
- Spiriva
- Valtrex
- Viagra
- Vytorin
- Zetia

Note: All brands also advertised in 2006

We optimized the study design using consistent secondary data sources

TNS Media Intelligence

- Key media spend in TV, radio, newspaper, magazine and outdoor advertising

IMS HEALTH

Integrated Promotional Services™

- Office promotion and sampling reports

National Journal Audit™ –

- Medical Journal and Journal Spend

National Prescription Audit Plus™

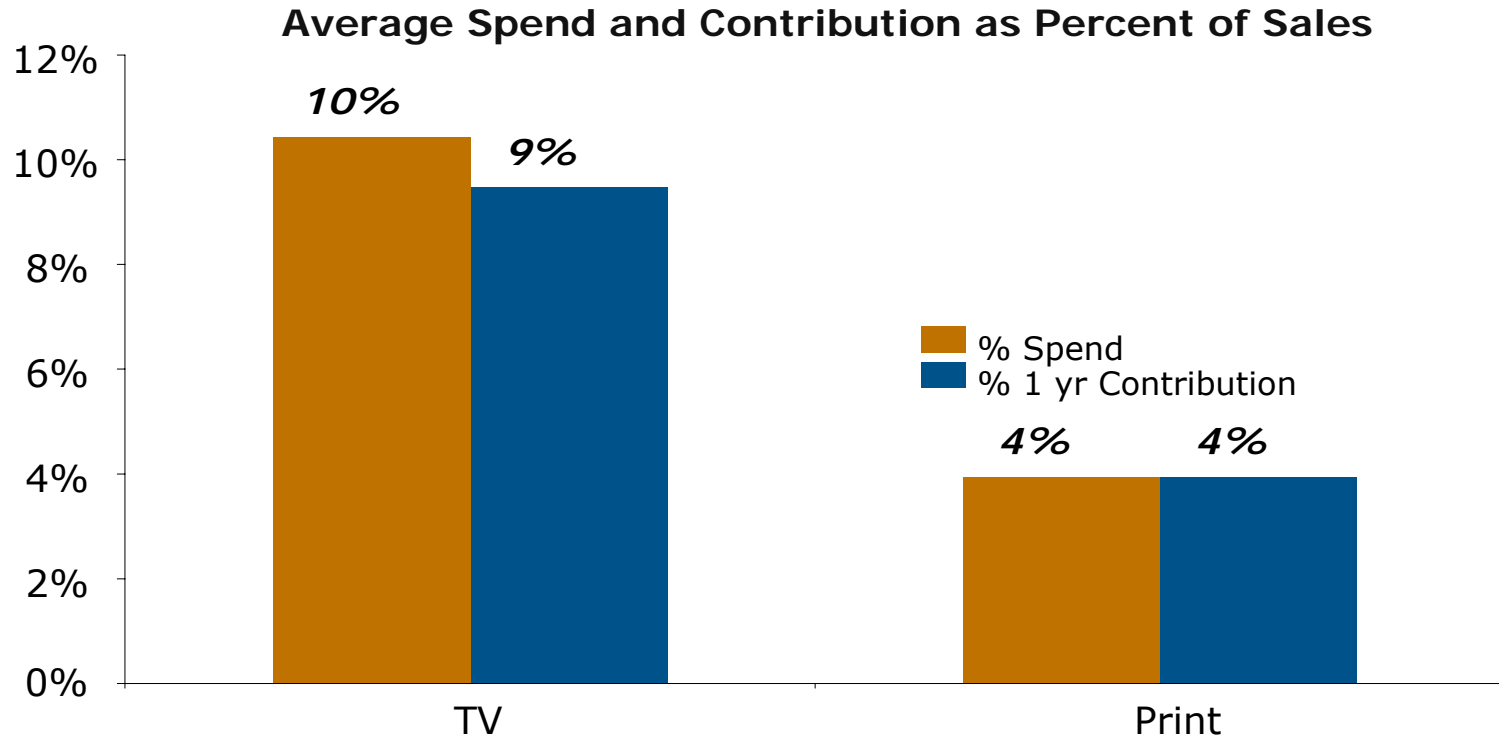
- New and total prescriptions



Quantifying the impact of DTC

- Using Promotion Response Modeling
- Control for other forms of promotional activity
- NRx and patient level data models developed for each brand

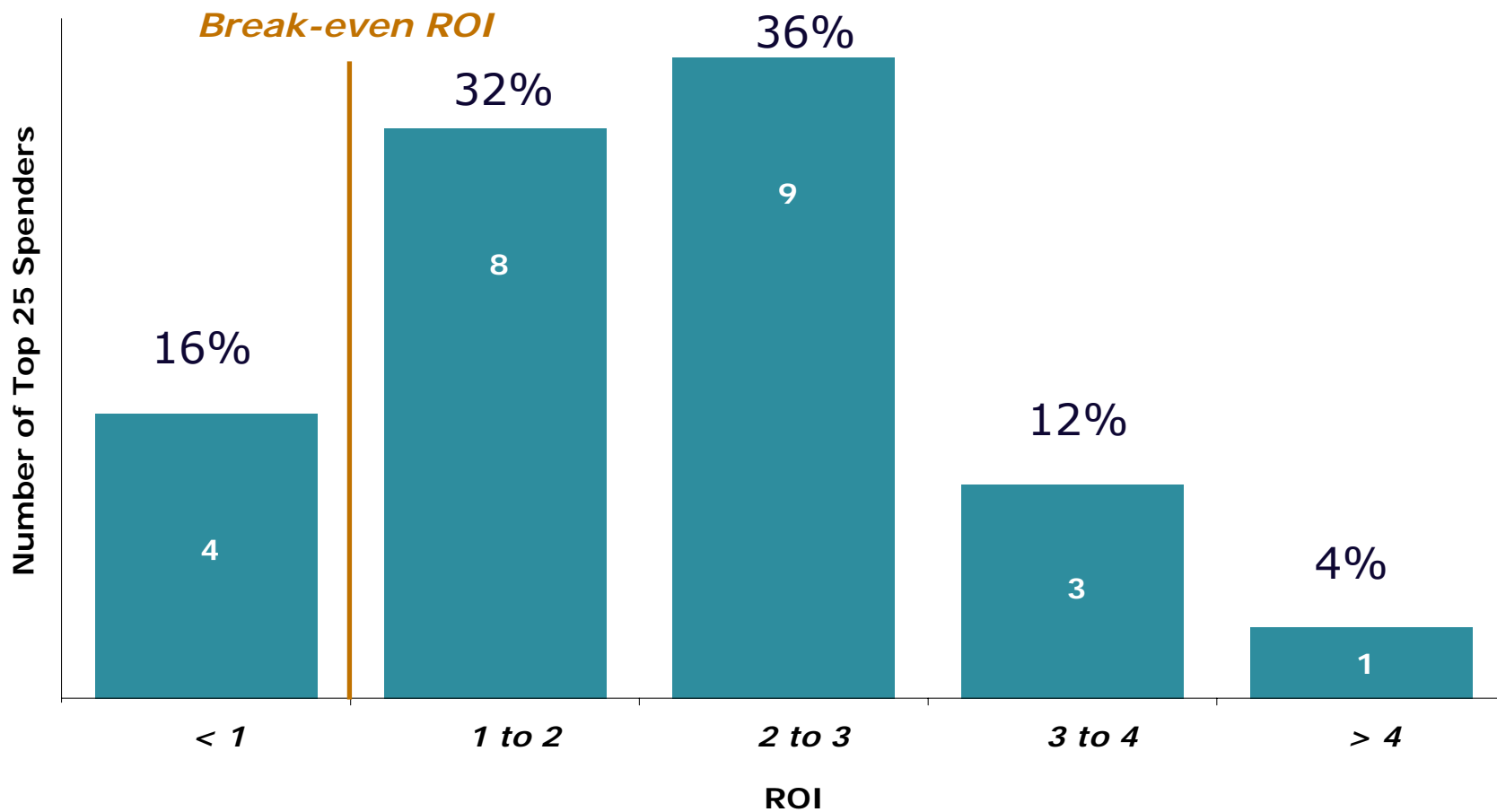
The one year payback for the average heavy DTC advertiser is around breakeven for both TV and print



For ROI we consider the long-term effects of DTC through the lifetime value of the average patient

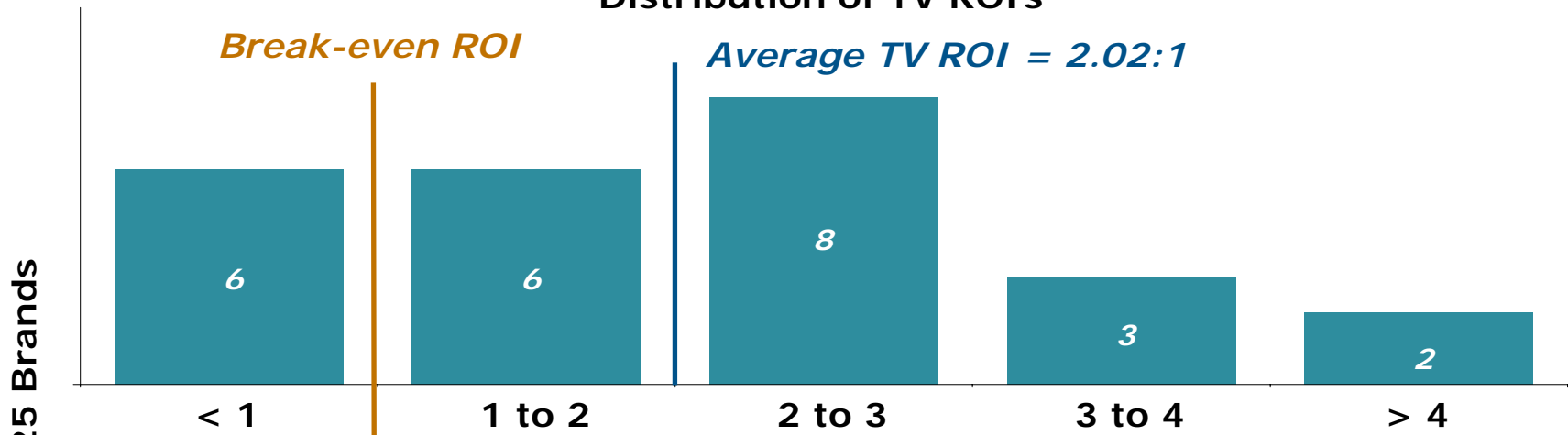
On average across the 25 leading spenders DTC investments returned \$2.04 per dollar of spend, while 4 (16%) returned less than break-even levels

Distribution of Overall DTC ROI

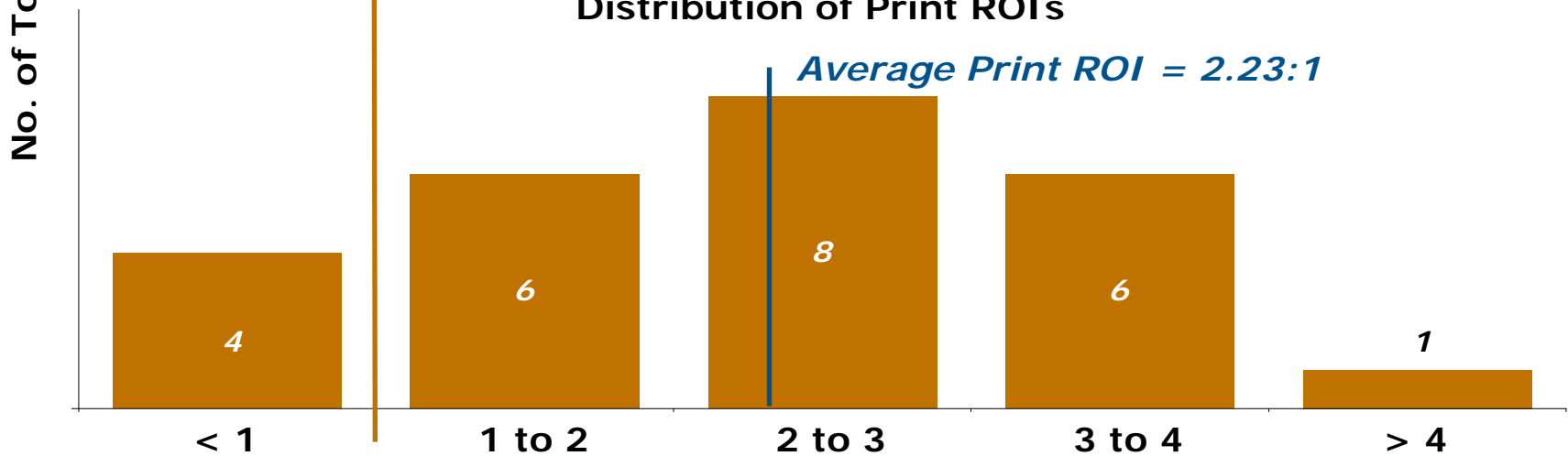


Magazine returns slightly greater ROI with TV posing a greater risk of returning lower than break-even ROI

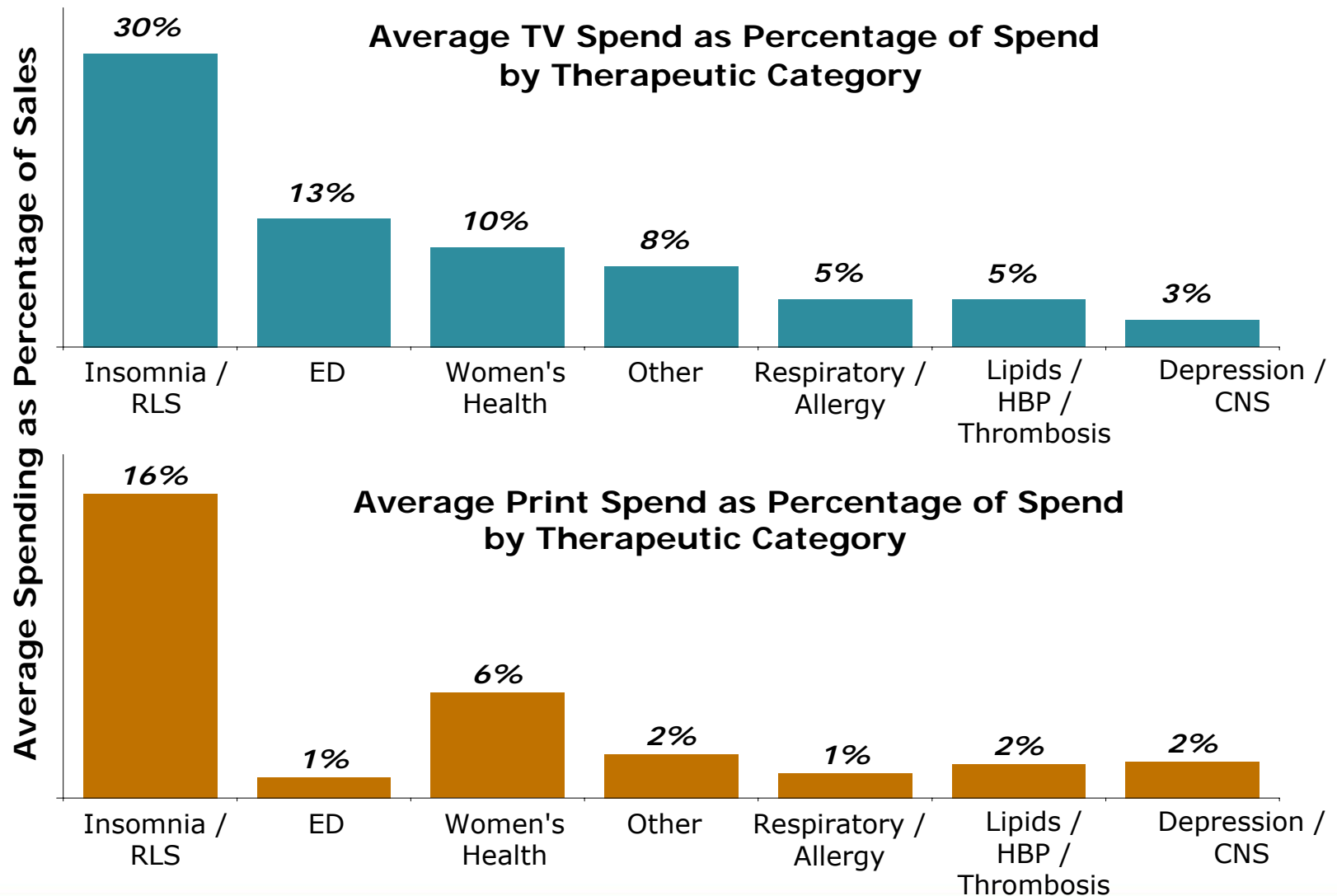
Distribution of TV ROIs



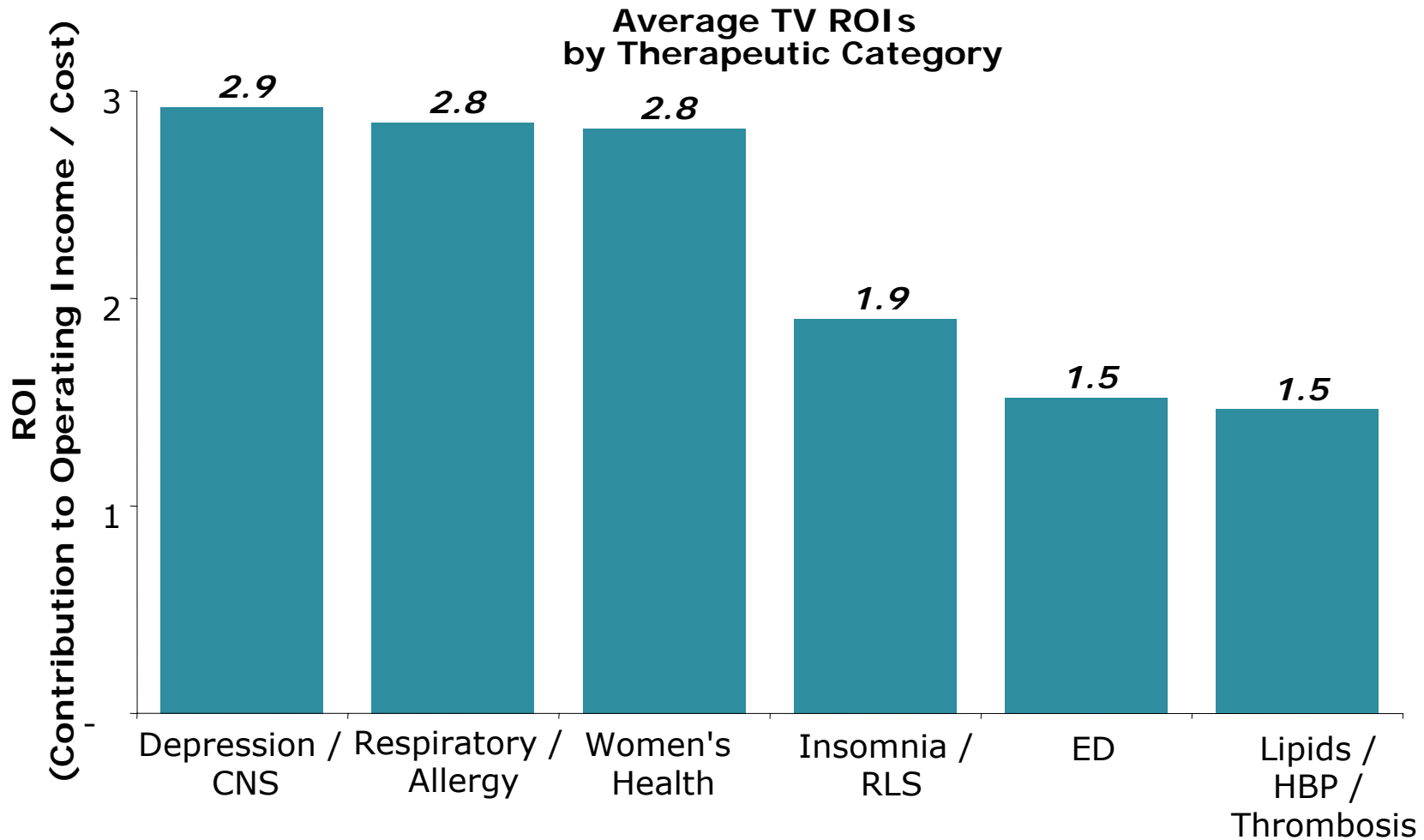
Distribution of Print ROIs



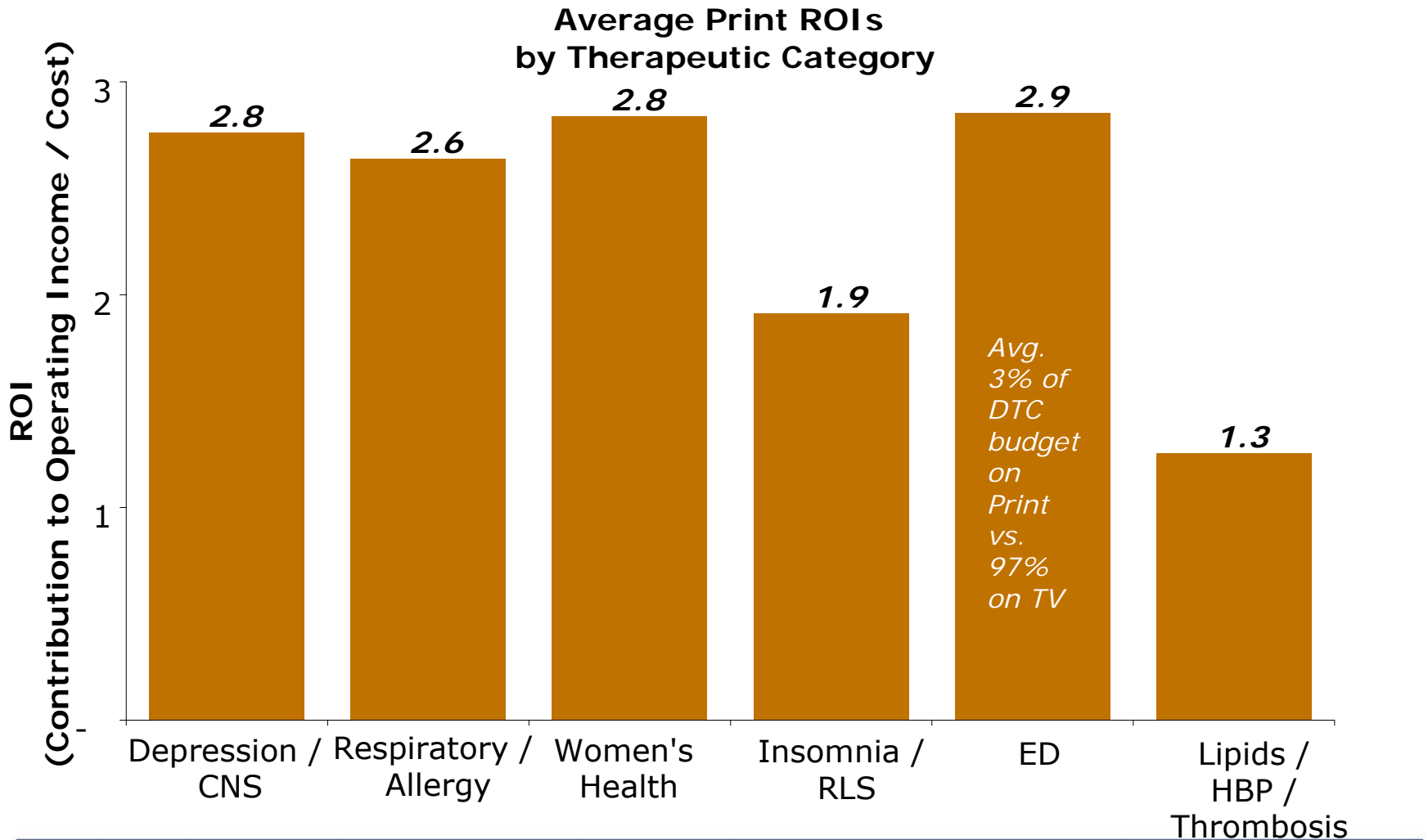
The insomnia market by far leads the other markets in DTC spending relative to the size of the market (sales volume)



TV ROIs vary substantially across therapeutic categories. The insomnia market ROIs have been substantially reduced given the very high levels of spending



For print, the ED therapeutic category has the highest ROI (although with lower spend levels)



Summary: DTC advertising continues to be a strong driver of brand performance

- On average, among the top 25 spenders in 2007
 - TV contribution was 9% of sales
 - Print contribution was 4% of sales
 - 12 month payback around breakeven
 - Average ROI continues to be around 2 to 1
- Characteristics of brands with negative ROI's or just above breakeven were typically observed with:
 - A change in market dynamics
 - DTC order of entry
 - Over-spend
 - Mix of spend
- Characteristics of brands with strong ROI's
 - DTC order of entry and/or dominant share of voice
 - DTC execution



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