



The DTC Executive Brief
December 2009

Presented to you by



Mark Tosh
Editor-in-Chief / VP Analytics
DTC Perspectives, Inc.
973-377-2106, x-224
Mark@dtcperspectives.com

Seventeen New, Revised Branded Drug Ads Released

(Branded, disease education and corporate ads over 2 week period)

Print				
Brand / Condition	Manufacturer	Unit	Date	Source
Cancer survivors event sponsorship, "Kaleidoscope"	Sanofi-Aventis	4.50 x 12.00	11/13	Newspaper
Community outreach programs	Amgen	4.50 x 13.00	11/02	Newspaper - Business
Corporate	Astellas	3.00 x 8.00	11/02	Newspaper - Business
Crestor	AstraZeneca	2 Pages	11/30	Magazine - Consumer
Enbrel	Amgen and Wyeth	3 Pages	11/30	Magazine - Consumer
Evista	Eli Lilly	4 Pages	12/07	Magazine - Consumer
FreeQuit Clinic.com	Pfizer	3.00 x 16.00	11/20	Newspaper
Isentress	Merck & Co.	2 1/3 Pages	12/01	Magazine - Consumer
Lipitor	Pfizer	7.00 x 19.00	11/14	Newspaper - Business
Pertussis / Whooping cough	Sanofi Pasteur	Full Page	12/01	Magazine - Parents
Prostate cancer	GlaxoSmithKline	Full Page	11/30	Magazine - Consumer
Restylane	Medicis	5.00 x 11.00	11/22	Newspaper
Reyataz	Bristol-Myers Squibb	4 Pages	12/01	Magazine - Consumer
Seroquel XR	AstraZeneca	6 Pages	12/07	Magazine - Consumer
Viagra	Pfizer	2 Pages	11/30	Magazine - Consumer
Zetia	Merck & Co. and Schering-Plough	2 1/3 Pages	12/01	Magazine - Consumer

Television				
Brand / Condition	Manufacturer	Unit	Date	Source
FightWomenscancer.com	Sanofi-Aventis	60 sec	11/26	Network
FightWomenscancer.com	Sanofi-Aventis	60 sec	11/26	Network
Healthcare reform	America's Biopharmaceutical Companies	30 sec	11/24	Local
Levitra	Schering-Plough and Bayer	60 sec	11/29	Network
Lunesta	Sepracor	60 sec	11/23	Network
MoreThanMedication.ca	Pfizer	30 sec	11/20	Local
Seroquel XR	AstraZeneca	90 sec	11/30	Local
TakeBackYourSleep.com	Sepracor	15 sec	11/20	Local
TakeBackYourSleep.com	Sepracor	15 sec	11/20	Local
Yaz	Bayer	60 sec	11/23	Local

Internet				
Brand	Mfr.	Unit	Date	Source
Viagra	Pfizer	Flash	11/22	cityguide.aol.com/phoenix/
Viagra	Pfizer	Flash	11/11	http://content.nejm.org/

Radio				
Condition	Manufacturer	Unit	Date	Source
TakeBackYourSleep.com	Sepracor	30 sec	11/23	Local

Out-of-Home				
Brand	Manufacturer	Unit	Date	Source
Zostavax	Merck & Co.	Indoor Advertising	11/23	Alternative

Language: English
 Date range: Nov. 21 - Dec. 3
 Source: VMS Info for DTC Perspectives, Inc.
 For more information, please contact Marc Jaffe at mjaffe@vmsinfo.com.

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I N S I G H T S

Healthcare Reform Hits a Roadblock As Senate Gets Stuck on Importation

The work on healthcare reform – and the **Obama Administration's** deal with the pharmaceutical industry – has run into trouble in the **Senate**. A major obstacle has emerged in what was seen as a compromise proposal: opening **Medicare** to people under age 65 instead of creating a government-run or "public option" for health insurance.

However, two key senators, Sen. **Joe Lieberman** (I-Conn.) and Sen. **Ben Nelson** (D-Neb.) said during appearances on the Dec. 13 Sunday talk shows that they were not enamored with the Medicare proposal, which could open the program to people beginning at age 55. "It will add taxpayer costs. It will add to the deficit. It's unnecessary," Lieberman said on "Face the Nation" on **CBS**.

Separately, a group of senators led by Sen. **Byron Dorgan** (D-N.D.) is supporting an amendment to the reform bill that would allow bulk importation of less-expensive drugs from **Canada, Japan** and a few other countries. "People are walking on egg-

(Continued on next page)



After a dark period, Separacor is advertising Lunesta again. A new branded TV spot, along with several unbranded media efforts, began airing in late November. Created by Lowe (who won the account from The Kaplan Thaler Group in September), the ad cuts to the chase, placing other, less reliable sleep-aids at the center of a 60-second sleep-aid boxing match. From the initial jab, it directs viewers to the power of Lunesta, citing how it is "different" from other sleep-aids because it "keys into receptors that support sleep." For more details about Lunesta's ads, and other VMS Info listings, see tables on facing page.

shells,” Dorgan told *The New York Times*. “If we pass legislation allowing people freedom to import drugs, the pharmaceutical industry might not support the health care bill.” The amendment from Dorgan has “broad and bipartisan support and likely has the backing of more than 60 senators, which would guarantee its adoption on the healthcare reform bill,” according to a report in *The Hill*, a Capitol Hill newspaper.

The pharmaceutical industry, of course, opposes any kind of importation of drugs from outside the U.S. marketing, arguing that this would bring about “price controls” for pharma. The industry’s main argument against importation, however, is that the safety of the drugs could not be ensured. The FDA, too, has stated that it does not have the resources to guarantee the safety of drugs being imported.

The **White House** and **PhRMA**, a trade association for the industry, have previously agreed that pharma companies would commit \$80 billion over 10 years to the reform effort, which most observers seem to believe is tied to a commitment that the industry’s “exposure” to further costs would be kept in check. Terms of this agreement have not been fully disclosed.

Senate majority leader **Harry Reid** (D-Nev.) will have to find a way to get 60 votes to pass the reform package – with its Medicare compromise. It appears the Senate is waiting on analysis from the **Congressional Budget Office** on the cost estimate of the compromise before moving ahead with a vote.

###

CBO: DTC Used More Frequently When Drugs Are Newer, Have Fewer Direct Competitors

Using data from collection specialist **SDI Promotional Audits**, the **Congressional Budget Office** (CBO) recently examined the impact of promotional activities for more than 2,000 drugs that advertised from 1989 to 2008. In a given year, roughly 700 to 800 drugs used some form of promotional activity (detailing, journal ads, professional meetings and/or DTC).

Of those drugs, fewer than 100 used DTC in each year since 1995, “making DTC advertising the least frequently used form of drug promotion,” noted the CBO report. The report also found that, on average, DTC is used more when drugs are newer to the market because “the longer a product remains on the market, the more likely it is to face competition both from other brand-name drugs and from generic versions.”

Some of the highest DTC advertising expenditures are for drugs treating common conditions that affect a large portion of consumers, such as high cholesterol, insomnia and reduced bone density, because of the high potential for sales and market share. In addition, if the drug treats a chronic condition, it was even more likely to use DTC promotion.

DTC INSIGHT

** Any legislation that allows importation of prescription drugs by wholesalers would be devastating to pharma and its U.S. marketing efforts. With the threat of this proposal growing, PhRMA has stepped up its efforts on Capitol Hill to defeat the effort. On the other side is powerful senior group AARP, which is tracking the votes to use in compiling its list of senior-friendly lawmakers. The CBO also sees huge savings in the importation bill, estimating it would save \$19 billion over 10 years for the federal government. In the end, it’s a battle over setting drug prices and who will have final say on this.*

Conversely, drugs treating rare conditions are “less likely to be the subject of DTC advertising because manufacturers would have to spend considerable amounts to reach the few individuals suffering from such illnesses.”

Furthermore, those treating acute illnesses use DTC even less. CBO concluded that this is perhaps because a consumer is more likely to seek care without needing to be prompted by an ad or because of the short duration of the prescription.

With marketers focusing DTC efforts on drugs with higher market share potential, the CBO also found that the fewer direct competitors a drug has, the more the drug tends to spend on DTC. Typically, DTC advertising for a drug declines as the number of direct competitors increases. The CBO also cited research suggesting that for drugs with several competitors, while DTC encourages doctor visits, it can increase sales for the class of drugs, “not necessarily for the advertised drug itself.”

- “Like any monopolist, a drug manufacturer whose product has no competition can turn a profit on advertising-induced increase in demand because a monopolist can set the drug’s price above what it costs to satisfy that increased demand,” said the report. “In addition, companies that produce drugs with few or no competitors run little risk that advertising for those drugs will spur demand for competing products.”

However, this excludes the big blockbuster categories such as statins (Lipitor, Crestor and others, for example) “where potential market size might overwhelm other factors in setting a marketing plan.”

DTC also remains fairly constant for several years. This is attributed to a few factors; namely it takes time for a drug to be introduced and penetrate its market. Spending on DTC may also remain high earlier on in an attempt to attract consumers to build awareness and loyalty before a competitor enters the market.

DTC INSIGHT

* This CBO report has not gotten a lot of attention. Yet, other reports that are critical of DTC draw plenty of headlines. It seems without the wild claims about the effectiveness of DTC (or ineffectiveness, depending on the study), there’s not a lot of interest in reporting about DTC marketing. The bottom line, as stated in the CBO report, is this: different marketing strategies are necessary to effectively promote different drugs. “[T]here is no consensus among experts about the effects of such strategies on the sales or prices of prescription drugs,” CBO states. “For DTC advertising, studies that have analyzed the effects for a few specific drugs or classes of drugs have shown mixed results; the writing and filling of prescriptions increased for some advertised drugs but not others.”

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MEDIZINE DO WHAT WORKS: ENGAGE EDUCATE INFLUENCE

Reaction to CBO Study: 'It Actually Tells the Truth'

Finally, a study of Rx marketing that industry officials can cite as evidence of the positive impact of DTC advertising. That was the initial reaction to the **Congressional Budget Office** study of pharmaceutical marketing tactics.

"It actually tells the truth, and it doesn't claim that DTC leads to over-use of more expensive drugs," **John Kamp**, executive director of the **Coalition for Healthcare Communication**, told **DTC INSIGHTS**. He noted that the research conducted by the CBO "doesn't show that" DTC leads to higher prices or to over-utilization of the drugs that are most frequently advertised. He also thinks that academics who study DTC should try to take a more scientific approach to their efforts rather than basing their findings on opinion.

Another interesting note from the CBO report is that spending on consumer promotion has slowed to a no-growth rate and that DTC spend represents only about 25% of pharma's total outlay for promotion. In 2008, promotional spending across the board (including big-ticket items detailing and meetings) totaled \$20.5 billion, or roughly 11% of U.S. sales, according to the CBO report. It's also true that spending for DTC ads has declined in 2007 and 2008, while detailing reportedly has grown significantly in the past several years.

The CBO suggests the slowdown is probably related, at least in part, to the decline in the number of new drugs that have received FDA approval since 2000, the blog **Pharmalot** reports.

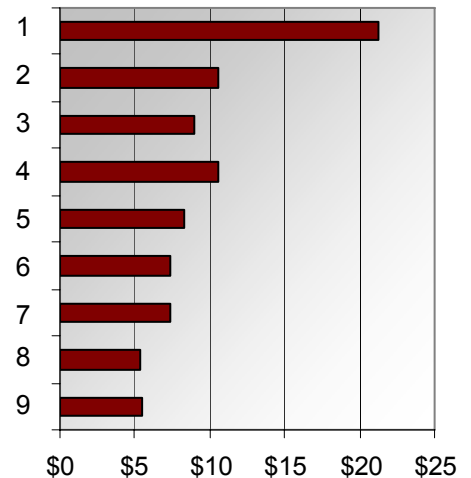
###

Rep. Emerson Expects to Introduce Proposal to Limit DTC Ads in 2010

Once Congress gets a healthcare reform package delivered to President Obama, it appears likely that a few legislators will introduce a bill in the house calling for a ban on advertising for newly approved drugs. Rep. **Jo Ann Emerson** (R-Mo.) is expected to "play a lead role in the debate" over DTC, the *Post-Dispatch* of St. Louis reported earlier this month.

Emerson is working with **Democratic** co-sponsors on proposed legislation "to impose advertising restrictions, including a prohibition on marketing new drugs until their safety is proved," the newspaper reported. Her proposal reportedly will call for a three-year DTC moratorium. "It's gotten so outrageous," she told the newspaper, recounting a recent experience in which about six DTC ads ran during a television program she was watching. "All of the money spent on advertising and marketing causes us to spend much more on drugs than we need to, money that could be better spent on research and development. Better yet, it could be spent on lowering the price people pay for drugs."

CBO: Average Spending per Drug on DTC Advertising, By the Number of Competitors In a Given Class of Drugs, 1995 to 2008



Source: Congressional Budget Office based on data from SDI Promotional Audits

Notes:
Dollars listed in millions.

Drug classes are specified at the 5-digit level of the IMS Uniform System of Classification. To account for cases in which a drug's potential market size might overwhelm other factors, four classes in CBO's data set were excluded from this figure: nonbarbiturate sleep aids, statins, erectile dysfunction drugs, and proton-pump inhibitors. Drugs in those classes account for 35% of the expenditures for DTC advertising reported in CBO's data set.

Emerson has sponsored in the past legislation aimed at limiting ads for newly approved drugs, but the proposal failed. She told the *Post-Dispatch* that she is hopeful but not confident of winning approval of a DTC moratorium bill in 2010. She also expects a strong industry lobbying campaign against the effort. "We're going to try very hard," she said.

###

FDA Listens as Marketers Tout Social Media, Internet

As roughly 70 industry executives addressed the **FDA** in mid-November on how pharma could more effectively use the Internet and social media to communicate with patients, there was little indication from the regulators on what the agency's next step might be. A parade of speakers at the two-day public hearing requested that FDA develop new guidance for the medium.

- "There are still important unanswered questions around Internet promotion, and we believe FDA action on those issues would benefit the public health," **Eli Lilly** senior director of U.S. regulatory affairs **Michele Sharp** told the FDA panel. "And [we also] believe it's important for you to hear from companies like us about what has kept us from more active engagement in social media."

Sharp called on FDA to address online promotion and social media tools either through "guidance or executive channels" so pharma has "the detail and clarity" it needs to effectively use new media. The question now is how and when will the FDA respond. **Tom Abrams**, director of the FDA's **Division of Drug Marketing, Advertising and Communications (DDMAC)**, acknowledged that it will be challenging for the agency to address the new media channels. "We will do this carefully so we get this right," Abrams said. "It's too important of an area not to do it right, as we want the best information about medical products [to be available] for consumers and healthcare professionals."

Pfizer chief medical officer **Dr. Freda Lewis-Hall** noted in her testimony that she believes "social media is a different animal. It does not operate in the same way as other traditional communication channels." Her sentiments were echoed by a majority of the speakers, and even FDA acknowledged that it received the message that the Internet is "different."

MORE INFORMATION: The docket for the hearing will remain open until Feb. 28, 2010, for additional comments. For information about how and where to submit written and electronic comments to the docket (numbered FDA-2009-N-0441), follow this link: <http://www.fda.gov/AboutFDA/CentersOffices/CDER/ucm184250.htm>. Presentation transcripts from the two-day event are also available on this Web site.

###

DTC INSIGHT

** The FDA will take its time to evaluate the data, the testimony and the technology. As some of the speakers advocated, perhaps what the agency also needs is a "working group" to provide advice and to answer questions about new technology and social media tools. This would allow FDA to maintain an ongoing review of media and promotion changes and provide an important sounding board for regulatory policy. It also might be a welcome first step to those who are seeking direction from regulators.*

DTC Dashboard

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

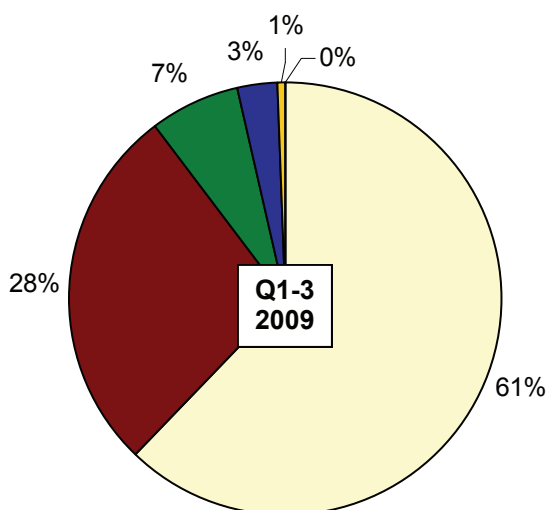
DTC Perspectives' Revised Forecast Shows Flat Growth for 2009, 2010

	2006	2007	2008	Q1-3 2009	2009*	2010*
Total in \$ billions	\$5.55	\$5.38	\$4.34	\$3.24	\$4.30-4.38	\$4.30-4.47
% Change VYA	15.4%	-3.1%	-18.4%	-4.6%	-1% / +1%	0% / +2%

Source: The Nielsen Company, 2009
% Change VYA compared with same period of prior year

*Based on DTC Perspectives' projections

Overall DTC Promotion Increases Slightly per 'Reported' TNS Data

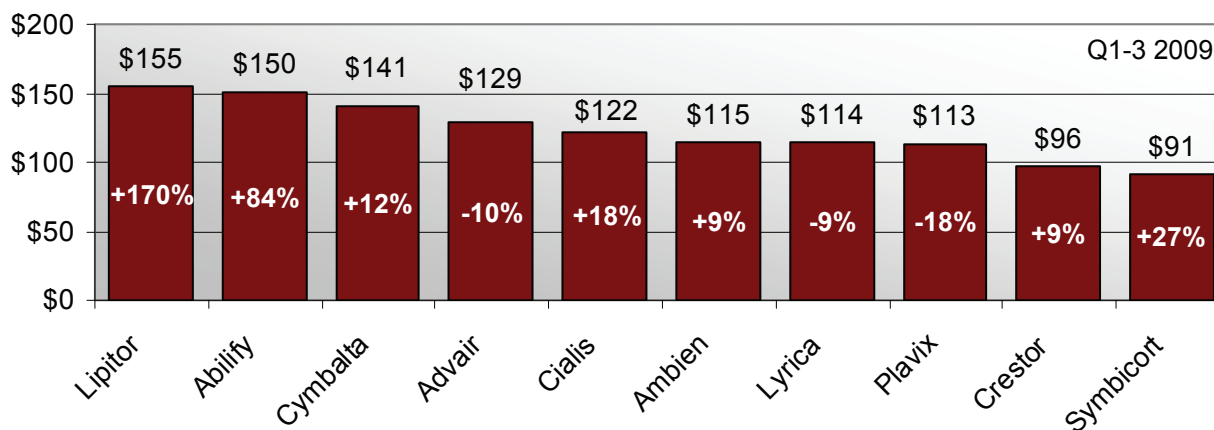


DTC spending recovered in Q1-3 2009 (up about 1%), according to TNS, to roughly \$3.4 billion after nearly two years of quarterly declines. Internet saw the largest growth, more than tripling off of a small base to nearly \$221 million.

	Q1-3 2008	Q1-3 2009	\$ Chg	% Chg
Television	\$2,147.9	\$2,105.3	-\$42.6	-2.0%
Magazines	\$1,057.7	\$932.2	-\$125.6	-11.9%
Internet	\$62.9	\$220.9	\$158.1	251.4%
Newspaper	\$80.9	\$103.6	\$22.6	28.0%
Radio	\$9.9	\$19.6	\$9.7	98.2%
Outdoor	\$2.4	\$2.9	\$0.5	22.6%
Total	\$3,361.8	\$3,384.6	\$22.8	0.7%

Source: TNS Media Intelligence; All \$ expressed in millions, Internet figures for display ads only, Q1-3 2009

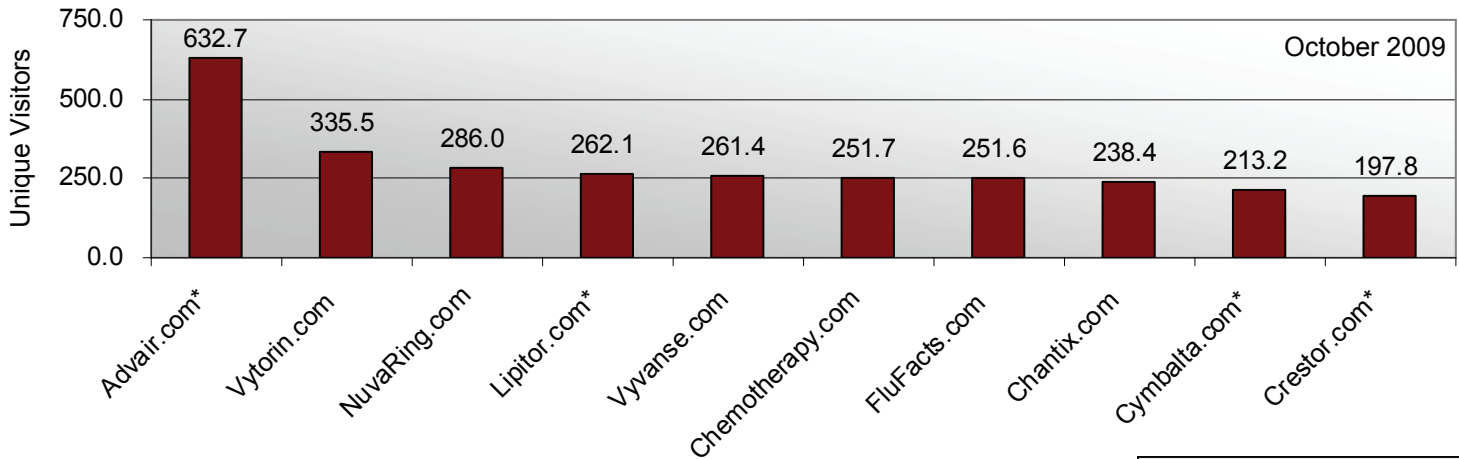
Lipitor, Abilify Continue to be Top Advertising Brands in Q1-3 2009



Lipitor and Abilify not only advertised the most in Q1-3 2009, they were also the brands with the largest increases — \$97.4 million and \$68.7 million, respectively.

Source: TNS Media Intelligence; All \$ expressed in millions, Q1-3 2009

Advair.com Tops Ranking of Branded Web Sites in October



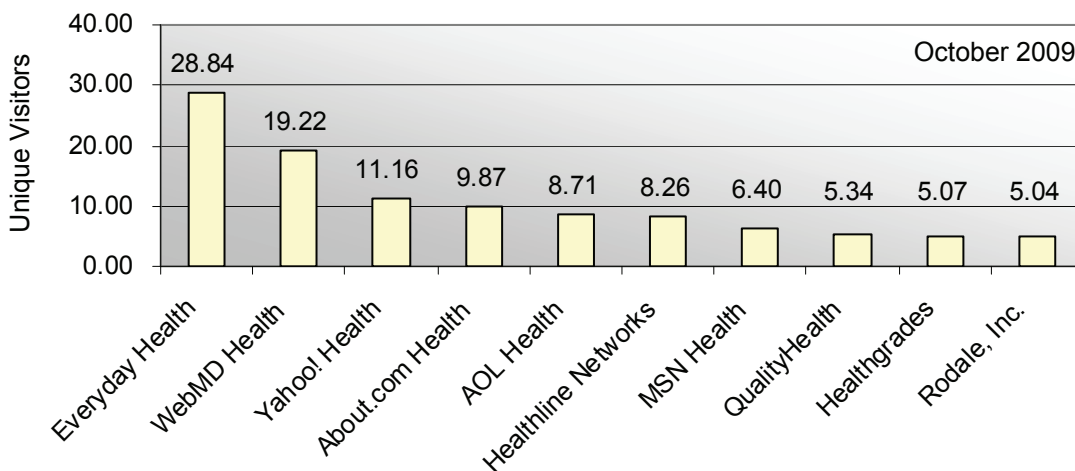
Domain	Visits per Visitor	Pages per Visitor	Pages per Visit	Minutes per Visitor	Minutes per Visit
Advair.com*	1.28	2.71	2.12	3.17	2.48
Vytorin.com	1.09	1.83	1.67	1.47	1.35
NuvaRing.com	1.10	2.19	1.99	2.10	1.91
Lipitor.com*	1.27	2.07	1.63	2.19	1.72
Vyvanse.com	1.20	1.40	1.17	1.71	1.42
Chemotherapy.com	1.08	2.81	2.60	2.78	2.58
FluFacts.com	1.06	2.15	2.03	1.65	1.56
Chantix.com	1.16	2.20	1.90	3.87	3.34
Cymbalta.com*	1.10	2.76	2.52	2.53	2.31
Crestor.com*	1.25	4.91	3.92	2.64	2.10

Four of the top 10 health property Web sites were also among the top 10 advertised brands, according to TNS (see asterisked brands).

While Crestor.com ranked No. 10 in unique visitors, those visitors viewed the highest amount of pages. Similarly, Chantix.com also ranked on the lower end of unique visitors, but its visitors were among the most engaged as they spent the most amount of time on the Web site.

Source: comScore; Unique visitors in thousands, October 2009

Everyday Health Sees Nearly 30 Million Unique Visitors in October 2009



Everyday Health has continued to hold the top spot for the past year as the No. 1 consumer health Web site, according to comScore data. Its number of unique visitors has grown from roughly 25.4 million to 28.8 million in that time period. Note: According to a report, the Drugs.com database will become part of WebMD's network as of Jan. 1. The site – with about 4.8 million unique visitors – has been affiliated (and tabulated) with Everyday Health's visitor count reported by comScore.

Source: comScore; Unique visitors in millions, October 2009

DTC Check-Up Survey

Marketers Expect Impact from Healthcare Reform

Almost one-half of DTC marketers responding to a recent survey expect the outcome of Congress' healthcare reform to be "negative for DTC." In a survey conducted by *DTC Perspectives* (publisher of *DTC INSIGHTS*) between Oct. 1 and early December, 46.2% of DTC marketers who participated said they believed healthcare reform could be "negative" for DTC because of its focus on reducing costs and encouraging generics and non-drug alternatives. Only 10.3% of respondents felt that healthcare reform would be a positive for DTC, while 43.6% believe healthcare reform will have no effect on DTC. The "**DTC Check-Up Survey**" survey polled 39 pharmaceutical marketers across 18 different pharma companies.

The study also revealed that the majority of pharmaceutical marketers, 48.7% of respondents, are "less optimistic about the future of DTC than [they were] last year," while 43.6% felt about the same as they did last year (7.7% are more optimistic). Those who felt "less optimistic" cited "too many government / regulatory / political changes" as the main reason for their pessimism.

In terms of spending, 41% of respondents said they expect total DTC spending at their company to decline up to 5%. As for media spending, 44.4% believe TV media spend will decrease; with 44.4% believing that print spend will also decrease. The biggest loser in DTC media spend is radio, with 65.4% believing spend on that medium will decrease.

On the topic of FDA regulation, a majority of respondents said they believe "new FDA regulation making DTC more difficult" will be the biggest issue concerning marketers in 2010. FDA regulation of DTC can be improved by "speedier review and feedback of ads submitted" and "more clarity in what is acceptable through more examples," respondents also noted.

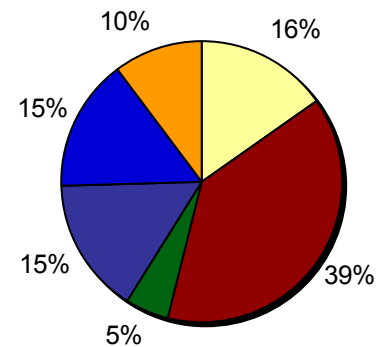
In questions that addressed the current performance of DTC, marketers were more positive. Almost 40% (38.5%) rated DTC competence at their company as "very good: in the top 20% among competitors," while 28.2% rated the competence as "average: about the same as my main competition." Only 15.4% felt DTC competence at their company was "below average." A majority of respondents, 61.5%, also said the quality of DTC ads has "been improving each year as the agencies and clients get more experience."

The survey remains open for the remainder of the year. Pharma marketers can participate at the following link: <http://www.surveymonkey.com/s/RVWZZNB>. Upon completing the survey, marketers will have an opportunity to receive a \$15 Amazon.com gift card if contact information is submitted (for verification purposes). For more results, see charts on pages 10 – 12.

###

DTC Check-Up Survey

Marketers Top Concerns Lie With New FDA Regulations



Q: What is the biggest issue that concerns you in 2010?

- New FDA regulation making DTC more difficult
- Management attitude towards DTC that requires better ROI or other proof of success
- How to allocate my media spending to maximize return
- The heightened criticism of DTC makes senior management more cautious / conservation about permitting mass DTC campaigns
- How to integrate DTC with social media and RM tactics
- Budget reductions for DTC

(Additional charts on pages 11 and 12.)

MEDIA

Early Christmas for Some DTC Media Channels

There's some positive news for DTC media executives in the recent **TNS-Media Intelligence** report on advertising for the first nine months of 2009. The "reported" total for DTC advertising rose roughly 15% in the third quarter (July-September timeframe), which moved DTC advertising just barely into "positive" territory for year-to-date 2009. (Overall, the advertising business has declined 14.7% in the year-to-date period, which makes the DTC market's rebound stand out even more as an anomaly.)

After almost two years of quarterly declines in advertising spend, budgets for DTC marketing took a big bounce back in the third quarter. According to data from **TNS**, the "reported" spend for DTC in the third quarter rose to \$1.16 billion compared with TNS' "reported" spending of roughly \$1 billion in the year-ago period. For the first nine months of 2009, TNS data shows DTC advertising with an increase of just under 1%. However, this compares with the 6.4% decline that TNS had reported for the first half of the year for DTC ad expenditures. (The **Nielsen Company** reported that DTC advertising for the first nine months of 2009 had declined 4.6 %.)

Among media channels, the **Internet** fared better than any other medium in the first nine months of 2009. Reported spending more than tripled in the nine-month period to \$221 million (this total represents display ads only). **Newspapers** also recovered lost advertising among DTC marketers in the **January-September** period, with roughly a 25% increase in "reported" ad dollars (rising to \$104 million through September in 2009). With the entire newspaper sector under tremendous pressure to compete with online channels, the uptick in pharma advertising has to be viewed with great pleasure. The DTC category could be key to helping the stronger newspapers maintain ad sales stability.

The leading advertisers by brand in the first nine months of 2009 were **Lipitor** (Pfizer), **Abilify** (Bristol-Myers Squibb / Otsuka America), **Cymbalta** (Eli Lilly & Co.) and **Advair** (GlaxoSmithKline) – each of which had "reported" spending of more than \$125 million, according to TNS. Among brands "new" to mass DTC advertising in 2009, only **Pristiq** (Wyeth) ranked among the Top 20 advertisers on the TNS listing. (For more details on leading brand advertisers, see the Dashboard, page 8.)

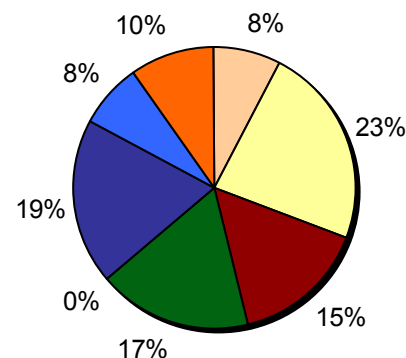
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Finding Answers to Rx Adherence Riddle

As pharmaceutical companies struggle with maintaining Rx adherence, some have created unique programs to help patients follow to their prescribed regimen. Through internal ventures or external partnerships, pharma companies have developed such adherence programs as support groups,

DTC Check-Up Survey

Improving ROI is Greatest Opportunity for Improving DTC



Q: What is the greatest opportunity for improving DTC at your company?

- Improving ROI
- Integrating campaigns across all media types
- Finding ways to better use targeted media
- Better integration of phase III and IV clinical
- Finding ways to evolve to more two-way dialogue
- Bettering consumer insights through innovative consumer research
- Bettering agency management and / or agency consolidation
- Creating more persuasive DTC ads

(Additional chart on page 12.)

Media

medical professionals who check-in with patients and even digital tracking, according to a recent *Financial Times* (FT) report.

Pfizer has an internal division, **Pfizer Health Solutions**, which according to the FT, is “supporting nurses who visit or telephone patients to check on their health and encourage them to follow the best medical advice.”

Merck and **Novartis** are among the companies that employ external firms to help with their compliance efforts. **Healthy Interactions**, which works with Merck on its diabetes program *Journey for Control*, actively engages with patients through the *Conversion Map* program – a support group that uses condition-focused board games designed to educate consumers and help them reach their health goals.

Novartis has gone a more digital route and is partnering with **Proteus Biomedical**, a developer of technologically intelligent medical products. The two companies have teamed up to manufacture a micro-chip that will be placed in each pill and detected by a receiver. If a patient forgets a dose, they will be reminded via text message.

Each of these programs is intended to help consumers better comply with their treatments, thus improving health outcomes. The FT report stated that these are also strategic ways “to support product sales and persuade healthcare systems that high drug prices are justified.”

###

Meredith: Looking to Add a Health Magazine?

Meredith, which publishes two of the women’s magazines carrying the most DTC ads (*Better Homes and Gardens* and *Family Circle*), could be on the lookout for a magazine more focused on health. At a recent investor conference, Meredith chief executive **Stephen Lacy** acknowledged this possible opportunity.

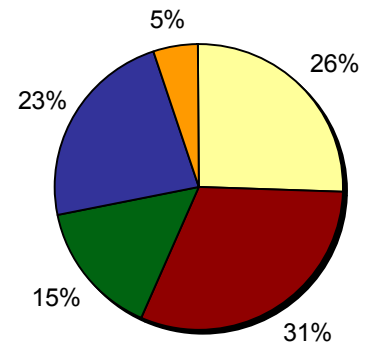
“What we could use is an anchor brand in women’s health and well-being,” he was quoted as saying by MediaPost. He added at the investor event that Meredith “generates a lot of advertising” from marketers in the health sector, but has no title as dominant as *Better Homes and Gardens* or *Parents* in their respective shelter and parenthood categories, according to the report. What Meredith might be seeking is something along the lines of Rodale’s *Prevention* title or even Time Inc.’s *Health*.

Although Meredith seems to be focuses on debt reduction at the moment, Lacy said there could be room for an acquisition in late 2010 or early 2011. “I don’t know if it’s 12 or 18 months downstream, [but] there will be some very good properties that will become available,” he noted, according to MediaPost.

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DTC Check-Up Survey

Rating DTC Measurement Systems



Q: What are the DTC measurement systems in terms of ROI and other effectiveness ratings at your company? (Select only one)

- Well established and accepted by management
- Developing and still need time to be understood and accepted
- Vary media by media and are not well developed or useful
- ROI measurements are not consistent across consumer and physician tactics
- Not usually measured

Another Tough Quarter in 'Drugs & Remedies' Category

Historically, the third quarter sees the least amount of advertising and promotion and the smallest percentage changes in year-over-year results for healthcare marketers. This year was no exception. As **DTC INSIGHTS** projected in July, advertising sales in the “**drugs & remedies**” category in consumer magazines decreased in Q3 2009. The category ranked third among sectors advertising in consumer magazines.

Advertising revenue for the category fell to \$475.5 million, according to data from the **Publishers Information Bureau (PIB)**. Revenue for Q3 2009 decreased by roughly 6%, or \$31.3 million, compared with the year-ago period. (Q1 and Q2 of 2009 each saw roughly a 13% drop.) The number of ad pages decreased by nearly 11% to roughly 3,820. While the category continues to see fewer print ads, the Q3 2009 decreases are smaller.

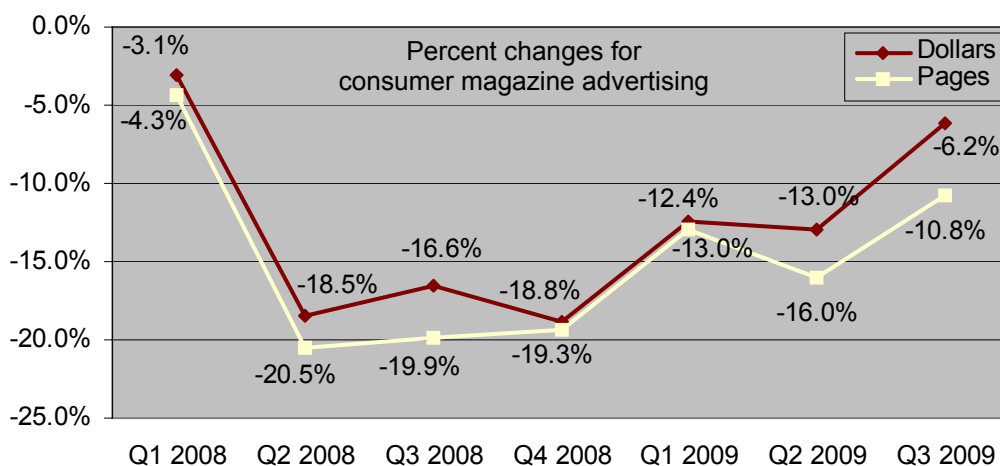
When looking at the data for Q1-3 2009, revenue dropped by approximately 10% to \$1.5 billion, compared to Q1-3 2008. Ad pages saw an 11% decrease to roughly 12,530 pages. Again, these decreases are smaller than the ones seen in the previous year when revenue declined by 13% and ad pages decreased by 15%.

Overall in Q3 2009, total print advertising suffered a decline of nearly 19%, with revenue being approximately \$4.5 billion. Ad pages declined at a greater rate (almost 27%) to 38,625. For the first three quarters, decreases were comparable – 20% drop in revenue and 27% drop in ad pages, closing at \$13.7 billion and 119,575 pages.

DTC INSIGHT

** DTC Perspectives' is predicting a modest growth for 2009 and 2010 (See the Dashboard, page 8 for more details). The declines appear to be slowing and overall DTC spending seems to be stabilizing. According to chief executive Bob Ehrlich, there will be a continued (slow) evolution of targeted media, but print, television and other forms of mass media will remain a key part of media plans.*

'Drugs & Remedies' cut print advertising again in Q3 2009



Dollars	\$586.76	\$577.87	\$506.76	\$563.57	\$513.80	\$502.77	\$475.45
Pages	4,350.88	4,353.80	4,282.08	4,301.07	3,785.40	3,658.56	3,821.19

All \$ expressed in millions; Data includes both Rx and OTC products
Source: Publishers Information Bureau

ONLINE VIDEO

Online Video Offers Beneficial Format for DTC

The medium-format video has become “a huge category for pharma,” **Raj Amin**, chief executive of health video producer **HealthiNation**, told **DTC INSIGHTS**. A brand delivers its own creative through videos that typically run for one to three minutes, offering the time needed for complex messages. This format can be particularly beneficial for prescription drug advertising because of FDA guidelines regarding fair balance, he said.

- “Complexity and emotion are both reasons why a longer format than a traditional 60 [second spot] is important,” explained Amin. “In fact often brands have multiple messages, so a series of medium format segments makes a lot of sense.”

Eighteen pharma companies have run programs with HealthiNation this year – with brands including **Advair Diskus**, **Chantix**, **NuvaRing** and **Synvisc-One**, among others – and many brands are using “medium-format” video in the campaigns. Overall, the companies include 60% of the top 15 DTC advertisers. In the past year, marketers have focused more on conditions or groups of conditions, and broader content videos, he said. Brands are much more aware of the level of engagement that video can provide to online health consumers. Citing data from **comScore**, he noted that 84.4% of U.S. Internet users watch online video. “Content can be very specific to conditions, or it can be broadened to health lifestyle and edutainment content in order to expand the size of the market that a brand is trying to reach,” Amin said. “Edutainment” (educational entertainment) creates a deeper connection with the audience and allows marketers to reach a broader audience of consumers in an engaging way at various stages of the treatment cycle. Marketers also want to have a great enough reach among consumers and be able to do so in scale so it can be related in their measurements.





Online videos, such as the health video producer’s original series **Girl Talk**, allow brands to take advantage of what the Web can offer – providing ads in conjunction with a content experience. Amin explained that their viewers must click play on a video before any ad is seen, thus qualifying individuals at significantly higher levels because the consumer is “opting-in to the experience.”

Marketers also tend to be chiefly concerned with “brand favorability” and “the impact on intent to ask about a prescription” among consumers after viewing online videos, he added. Viewers who are highly engaged and motivated are more likely to take some type of action. HealthiNation’s videos typically achieve 50% to 70% completion rates, largely because nearly 60% of viewers have just come back from or plan to go to the doctor.





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Advertisers Trim Spending On Four Major Networks

Oct. 1, 2008 - Sept. 30, 2009

	Dollars \$ (000)	% of Total
	\$519,874	31%
	\$708,014	42%
	\$77,538	5%
	\$364,204	22%
Total	\$1,669,629	100%

Oct. 1, 2007 - Sept. 30, 2008

	Dollars \$ (000)	% of Total
	\$471,085	26%
	\$781,938	44%
	\$94,830	5%
	\$445,526	25%
Total	\$1,793,379	100%

Source: TNS

ON THE MOVE

Pfizer named **Sandy Beaty** to its top public affairs post as SVP, public affairs. She reports to U.S. president **Ian Read** and succeeds **Rich Bagger**, who left Pfizer earlier this month for a role in New Jersey government. Pfizer also gave an expanded role to **Sally Susman**, who will oversee federal government relations and worldwide policy as SVP, external affairs and worldwide communications. She reports to **Jeff Kindler**, chief executive..... **Purdue Pharma** hired **Peter Justason** as director of eMarketing. Justason had been a director in **Johnson & Johnson's** global marketing group.....

GSW Worldwide has named two vice presidents in its New York office: **Vivian Cunningham**, vice president, director of creative services, and **Philip Mahin**, vice president, account director. Prior to GSW, Cunningham was director of integrated production at **DiNoto**. Mahin previously was a senior vice president and director of account services for **Ogilvy Healthworld**. Earlier, GSW Worldwide also named **Bruce Rooke** as one of the leaders for their New York office. Rooke is chief creative officer and was previously at their Columbus, Ohio location. He will partner with president **Tammy Fischer** to lead the NY office in a "new creative renaissance," as well as maintain his creative leadership over GSW Worldwide's U.S. and global offices.....

Patrick Moorhead, formerly director of emerging media at **Razorfish**, was named vice president, director of mobile platforms, at **DraftFCB Chicago**..... **Sarah Fay**, a former chief executive of Aegis Media North America, was named to Good Health Media's advisory board.....

AbelsonTaylor promoted **Libby Taranta** to senior account executive and **Erin Abbott** to account executive. Taranta works in the DTC group handling direct-to-consumer and direct-to-patient (DTP) accounts in oncology and psoriasis. Abbott works on products for the treatment of multiple sclerosis and epilepsy. In addition, **AbelsonTaylor** promoted **Matt Monnin** to senior producer. Monnin will work in the areas of women's health, cardiovascular and psoriasis. Monnin worked at **BBDO** in Chicago until 2005.....

Merkle promoted **Patrick Hennessy** and **Tim Berry** to the newly created position of co-presidents, responsible for directing the **Commercial Markets Group**. Prior to this, both worked together as executive vice president, group leaders at the firm..... Orlando-based **Noble Marketing Group** named **Barbara Perkalis** vice president of business development. She will lead NMG's efforts to develop new relationships within the pharmaceutical industry. Among her previous posts, Perkalis was a marketing director at **King Pharmaceuticals**.

Pharma News

Somaxon said the FDA has not approved its insomnia drug, **Silenor**, because of a "lack of robustness of sustained sleep maintenance efficacy." The FDA also turned down **Silenor** in February.

Agency News

Cadient Interactive has launched **Hatch Consulting** to "align strategic experts across a range of emerging areas of focus in healthcare marketing."

DTC INSIGHTS STAFF

Robert Ehrlich
Chairman, CEO

Mark Tosh
Editor-in-Chief / VP Analytics

Christine Franklin
Director of Marketing

Jennifer Haug
Associate Editor / Research

Amanda Ehrlich
Associate Editor / Content

Brooke Kobren
Marketing & Production Assoc.

Stacey Hagenbush
Sales & Marketing Associate

Scott Ehrlich
Director, Business Development

Todd Lawhorne
Public Relations Manager

Debra Sander
Office Coordinator

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DTC Perspectives, Inc.
30 Columbia Turnpike, Ste 205
Florham Park, NJ 07932
Phone: (973) 377-2106
Fax: (973) 377-1106
www.dtcperspectives.com

D?C

What's happened to DTC? Today, consumers are taking control of how, where and when they find information to make healthcare decisions. And in the process, they're changing the landscape of healthcare marketing. We're experts in connecting our clients' solutions and support to people's questions and concerns.

We call it DFC: Direct For Consumer marketing.

What can we do for you? Contact Jim Burke at newbusiness@digitashealth.com



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digitashealth.com @Digitas_Health 215.545.4444