



The Holy Grail in DTC Advertising Measurement

Television is becoming a more accountable and measureable medium of promotion, largely due to advancements in digital technology. By using single-source data, marketers are better able to validate and optimize their DTC investments in television.

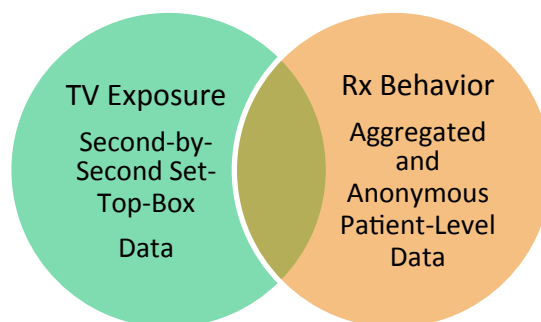
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Before a DTC commercial goes on-air, precedence of how much and how often to expose the TV audience to your brand message has set the course for how advertisers plan and then execute their investment. Once in market, alignment to sales tracking along with custom research to survey consumer recall and intent to talk to the doctor following ad exposure have been a primary means to validate the impact of TV promotion and confirm if the investment has yielded a positive return on investment.

But as we continue to face downturn in discovery and blockbuster drug launches compounded by a growing number of patent expirations taking over \$500 million in ad spending out of the equation, the pressure to prove the causal relationship of DTC TV exposure on new patient acquisition and sales has magnified. Once proven, the mandate to increase sales for the same or less DTC budget now puts the efficiency of the TV media plan under the microscope.

Today, advancements in digital technology are making television a more accountable and measureable medium of promotion. The television set-top-box, which is present in the majority of households across the U.S., has now

become a research vehicle. Second-by-second click stream data digitally captured, aggregated (non-identifiable) and then matched to aggregated and anonymized patient-level data has now made single-source TV consumption and behavioral data available to marketers in the prescription drug industry among other leading categories advertised (e.g., consumer packaged goods and automotive). This single-source of information is a non-survey, non-recall based approach that's bringing the "holy grail" of ROI measurement to reality because of the technological advancements available today.



Therefore, it is well poised to define the success of a DTC TV ad campaign:

1. Quantify the causal affect of advertising on sales.
 - *How many new patients and incremental prescriptions were acquired by the brand following ad exposure?*
2. Quantify the effectiveness of the media plan on this performance.
 - *How much media weight was required to affect this performance?*
 - *How did the flight plan support or depress the speed of new patient acquisition?*
 - *How efficient was the programming selected to reach the actual patient audience?*

In order to secure a place within the brand budget, marketers must validate television's impact on prescription drug sales. Even with validation that it works, there is no guarantee a budget will be assigned given the levels of return on investment demanded. A comparison of performance across three recent DTC TV campaigns demonstrates how marketers can respond to these demands through the application of metrics provided by an aggregated and anonymized single sample source.

Each of the national DTC TV campaigns in this comparison promoted three different brands across three different treatment categories that ranged from low to high in prevalence. Each campaign was supported by a similar level of media weight ranging between 1,600 and 1,900 gross rating points (GRPs).

Using longitudinal, aggregated and anonymized single-source TV ad exposure and prescription behavior data from a matched sample of adults 18+ provided by TRA, Inc¹ in partnership with IMS Health², a 12-month period prior to the launch date of each campaign was used to quantify the proportion of patients who switched or were new to therapy in the 120 days following their first exposure to the branded ad (no use of the brand or competing products in the 12-months prior to the campaign launch date).

Since each brand is different in size and operates within treatment categories of both large and small prevalence, the new patient acquisition rates within 120 days following first exposure to the ad varied, as suspected. For this reason, a direct comparison of the new patient acquisition rates attributable to advertising is not conclusive on its own to prove the effectiveness of a DTC TV investment particularly in categories with only one active prescription drug brand on television.

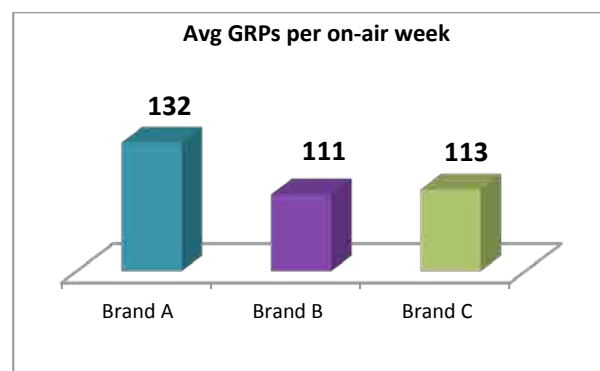
To truly quantify the effectiveness of a DTC TV campaign, the media plan executed by each brand must be brought into the comparison.

Using aggregated and anonymized single-source data, we can now directly link media exposure on TV with the responding prescription behavior. DTC marketers can quantify the media weight (GRPs) required to reach and convert the relevant patient audience to the brand advertised. This will not only gauge the effectiveness of a DTC TV campaign but also identify actionable changes to the media strategy that will optimize its profit potential.

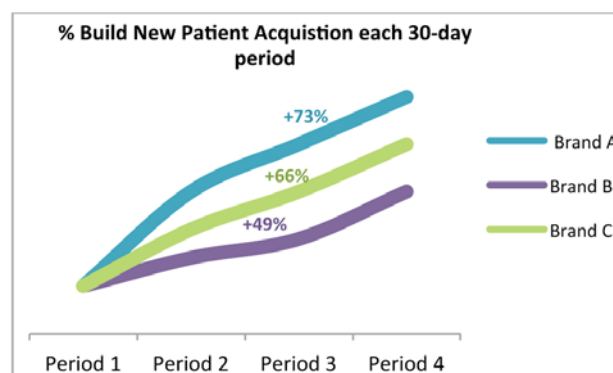
Impact of media weight levels

A comparison of the overall media weight levels invested behind each campaign is assessed and the results are not surprising. The correlation between how much is invested and how fast the plan works to acquire new patients and drive prescription sales is evident; the greater the average weekly media weight level, the quicker the gain in new patient acquisition.

Brand A's TV campaign was supported by greater levels of media weight each week it was on-air versus the weight levels deployed against the campaigns for both Brand B and C (132 GRPs per week vs. 111 and 113, respectively).



As a result, the build in new patient acquisition for Brand A was faster than the other two DTC campaigns. It realized a 73% average cumulative increase in new patient acquisition between each 30-day interval post ad exposure while the momentum was slower for Brands B and C (+49% and +66%, respectively).



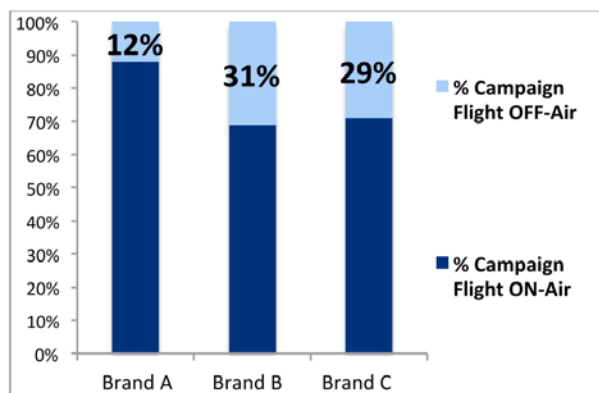
Impact of flighting

The weekly on-air activity, or flight plan, developed for the TV schedule can impact the potential a DTC campaign has to acquire new patients. Although the weekly levels of media weight support were similar for Brands B and C, Brand B achieved a slower build in new patient acquisition between each 30-day interval following the first ad exposure. The more time a campaign is off-air (pulsing), the slower the rate of cumulative gains in new patient acquisition.

Complex DTC messages require continuous reinforcement in order to evoke action. A break in the time a prescription drug has on-air can slow down the momentum gained by the campaign leading up to the time it goes off air. This rate of new patient acquisition is further depressed in cluttered markets, particularly in situations where a brand does not capture the dominant share of voice within the category it competes.

A greater proportion of Brand B's campaign included time off-air and as a result, the cumulative gain in new patients driven by ad exposure was much slower to acquire (31% of flight time off-air; +49% build in new patient acquisition).

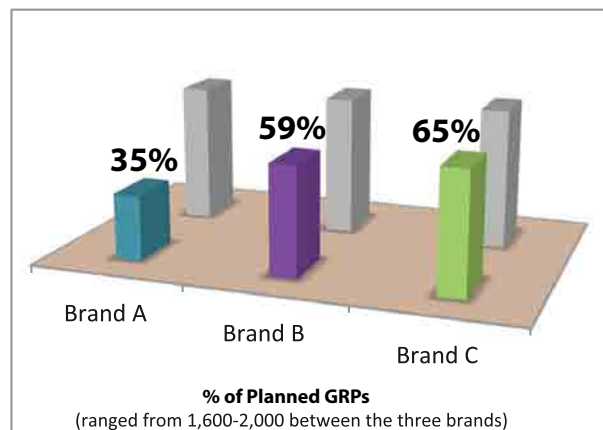
Since a third of the campaign flight for both Brands B and C included time off-air, the investment behind these two national TV plans for Brand B and C were not fully optimized relative to the volume of media weight deployed against them. The consistent on-air presence of Brand A advertising from week-to-week (88% of plan on-air) enabled its TV campaign to acquire new patients and incremental prescription sales faster. This strategy further highlights efficiency in the TV media plan supporting Brand A and inefficiency for Brands B and C.



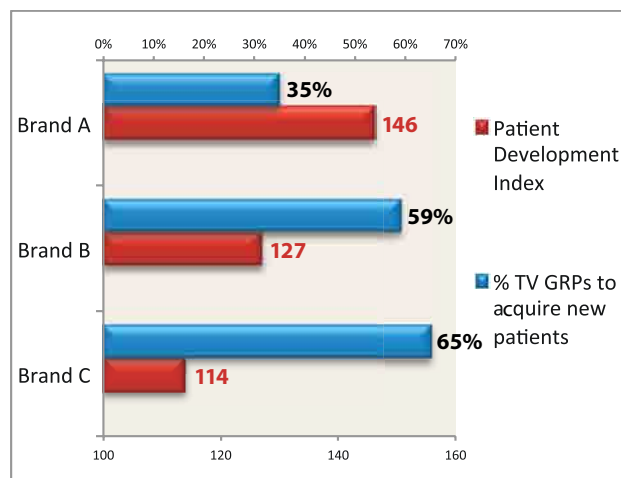
Impact of program selection

Brand A required significantly less media weight (35% of its planned GRPs) to acquire new patients following exposure to its national TV campaign. Conversely, Brands B and

C required much more (59% and 65% respectively). The gap in this link between media weight and incremental prescription drug sales for Brand A vs. B and C is attributable to the programming selected for each of the TV campaigns.

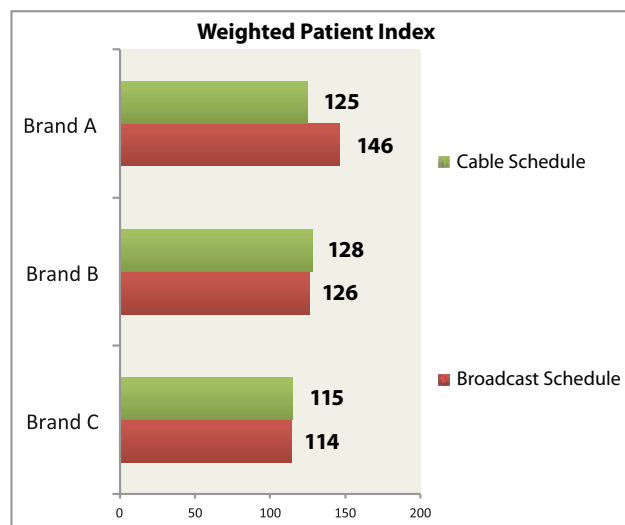


Where and when a prescription drug ad airs on television plays an equally important role in a campaign's ability to acquire new patients and grow prescription sales. As we observed thus far, the level of media weight and flighting pattern deployed play critical roles when it comes to efficiency and maximizing ROI of the campaign. However, commercial inventory placed in programming that is more likely to reach an audience concentrated by viewers identified by their aggregated and anonymized prescription behavior for the category of interest will have a more significant impact on how many and how quickly new patients are acquired. Ultimately, targeting programming based on profiles more detailed than age and gender alone will reduce the media waste potential and maximize ROI.



Not only did the programming schedule selected for Brand A acquire the same proportion of new patients with less media weight than the other two brands, its actual TV schedule

delivered an audience with 46% more anonymously identified viewers who were actual users within the prescription category of interest than the average (146 Patient Index). This performance was supported by a particularly efficient schedule of programming selected across its flight in Broadcast TV (146 Brand A Patient Index).



In contrast, the schedules purchased for the respective TV plans behind Brands B and C delivered programming that was not as efficient as Brand A to reach and convert users (patients) within their intended category. Not only did their plans consume a greater level of GRP support to acquire new patients but, the programming delivered audiences that were not as well developed with actual users of prescription drugs within the category it competes.

The TV schedule for Brand C was the least efficient. It delivered an audience with only 14% more potential patients (114 Index) versus the average.

The potential for Brand B to drive incremental prescription sales following exposure to its advertising was primarily suppressed by a media plan with a third of its weeks off-air, which stunted its impact potential. Brand B's TV schedule was more efficient than Brand C since the programming where its commercial aired reached more potential patients per GRP evidenced by the stronger index of actual users of the prescription drug category it competes within (127 vs. 114 Index, respectively). By reaching more of its potential patients for each GRP purchased (less media waste), Brand B's TV campaign was able to diffuse the momentum lost by its flight plan.

In summary

To secure a budget for TV, pharmaceutical marketers must validate the return on investment and demonstrate how they can increase it. To do so, a few key takeaways can be summarized from the comparison of performance between the

media plans supporting the three national DTC TV campaigns analyzed:

1. Although single-source data now enables DTC marketers to truly quantify the volume of prescription sales driven by their TV advertising initiatives, it's not enough on its own to determine campaign effectiveness.
2. Quantifying the efficiency of the media plan and then applying actionable revisions will maximize the profit potential.
 - a. The direct link of media weight and behavioral response can now be defined through a single-source sample.
 - b. Less time between exposures to your ads will have a less damaging effect on your sales lift potential.
 - c. Continuity on-air, particularly in cluttered categories, will sustain the momentum of your advertising affect, even if weekly weight levels are reduced to remain within budget and support this strategy. Weaker creative executions that are not as memorable will have a tougher time regaining lost ground when the air time is pulsed.
3. TV programming with an audience more likely to reach actual users within the category your brand competes will ultimately increase the efficiency and profit potential of the TV investment. **DTC**

References:

1. TRA, Inc. is a media measurement and analytics software company that improves advertising accountability and sales impact from TV ad spending.
2. IMS Health delivers innovative healthcare data products and analytic services to the pharmaceutical, biotech, healthcare, medical device, financial services, and consumer packaged goods industries.

About this Methodology:

TRA, Inc. is a media measurement and analytics software company that improves advertising accountability and sales impact from TV ad spending. TRA has more than a million second by second national live and time shifted TV database of households. IMS Health delivers innovative healthcare data products and analytic services to the pharmaceutical, biotech, healthcare, medical device, financial services, and consumer packaged goods industries. IMS uses HIPAA-compliant methods to link, measure and track aggregated and anonymized patient level diagnosis and treatment across the complete continuum of care.

Fariba Zamaniyan is Senior Vice President with TRA, Inc., a media measurement technology innovator. With 20 years experience, Zamaniyan is a seasoned advertising research expert, well known for her work and public speaking on the impact of prescription drug advertising on consumer response since its inception in the late 90s. She can be reached via email at fariba@traglobal.com or telephone at (212) 796-0379.