



Healthcare Advertising & the American Consumer: a Data-Driven Overview

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DTC Forum on TV & Print

Healthcare Advertising & the American Consumer

Introduction

Healthcare consumers and the media information sources they value

The advertising landscape: Recent trends in DTC pharmaceutical ad spending

Message differentiation

Summary

1. Introduction

About Kantar Media

- Our experts work with 32,000 clients tracking over 3 million brands in more than 70 countries
- Our clients are diverse and span global brand owners, media owners, media agencies, advertisers and SMEs
- We leverage expertise and knowledge across multiple businesses within Kantar and WPP to bring the best solutions to our clients
- The who, what, where, why and how of the communication planning process
 - Who is the target audience? What media do they spend time with?
 - What is the creative message?
 - Where did the ad appear? How much was spent to place it?
 - Who saw it? What are they saying about it?
 - What is the ROI?



Brand Reputation / Sentiment

We measure social conversations & media in **67 languages** across **190 countries**.



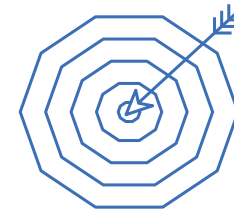
Brand advertising activity *(spend/creative/occurrence)*

We track **96% of all global ad spend** across all media types.



Channel reach / performance

Advertisers use our audience measurement services in **60+ markets** to influence **\$200 billion+** in global TV advertising.



Consumers

800K+ people in **70 countries** are surveyed every year to inform our consumer insight studies.

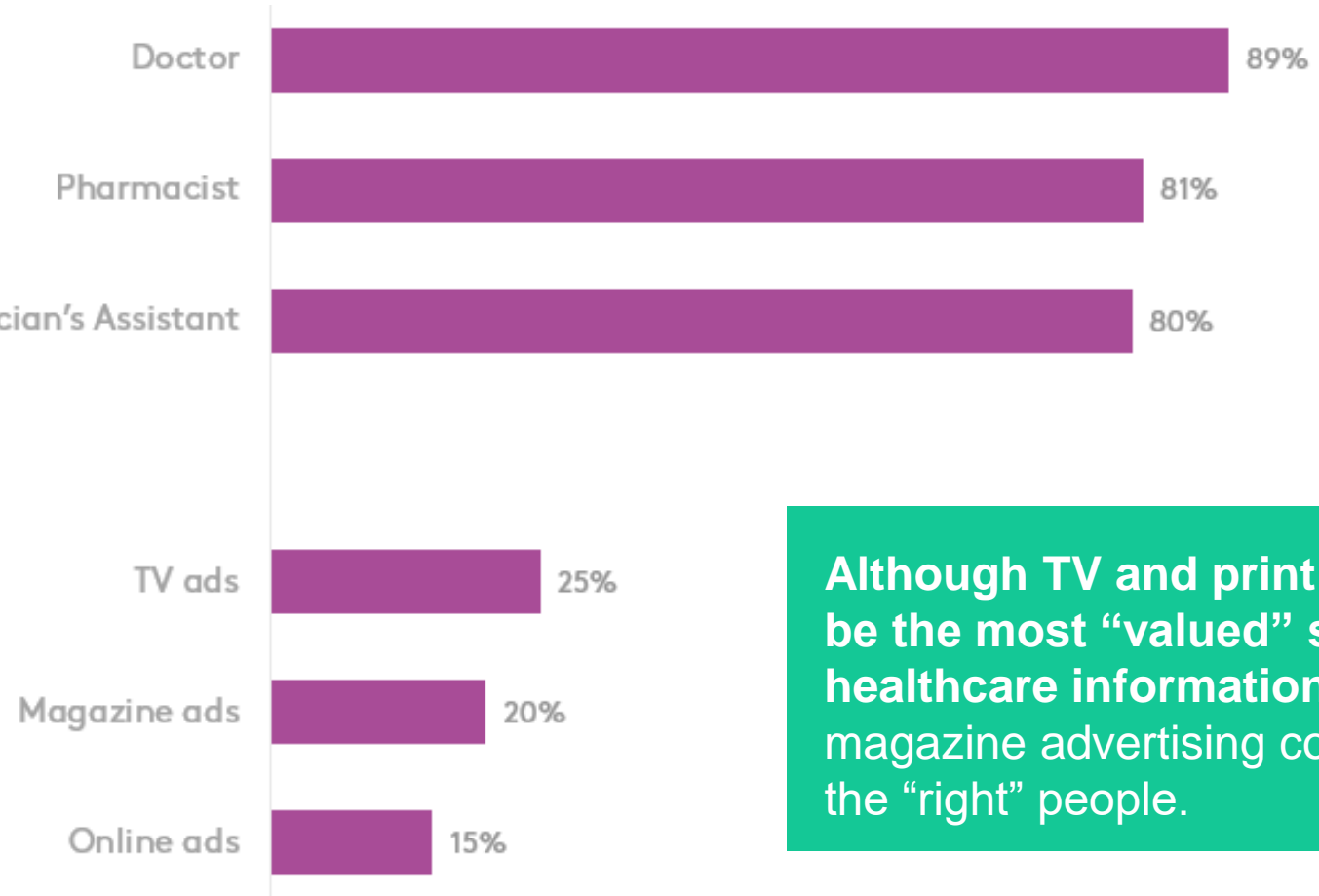
2.

Healthcare consumers and the media information sources they value

Which information sources do consumers value for healthcare information?



Nurse/Physician's Assistant



Although TV and print may not be the most “valued” sources of healthcare information, TV and magazine advertising connects with the “right” people.

% “Very Much” or “Somewhat Value” as a healthcare information source

Healthcare consumers who value TV and print are **proactive**



value magazines

46%
more likely than
all US adults



value TV

38%
more likely than
all US adults

I am willing to ask my doctor
for a prescription medication
or drug sample that I have
seen or heard advertised

Healthcare consumers who value TV and print are **proactive**



value magazines

78%
more likely than
all US adults



value TV

72%
more likely than
all US adults

I'm comfortable registering on
a website which consistently
offers useful info about my
condition

Healthcare consumers who value TV and print see the value in health-related apps



value magazines

58%
more likely than
all US adults



value TV

57%
more likely than
all US adults

I believe there are mobile
apps available that would
improve my current health

Healthcare consumers who value TV and print trust pharmaceutical marketers more



value magazines

216%
more likely than
all US adults



value TV

106%
more likely than
all US adults

I trust pharmaceutical
companies that advertise the
medications I take

Healthcare consumers who value TV and print trust pharmaceutical marketers more



value magazines

89%
more likely than
all US adults



value TV

90%
more likely than
all US adults

Pharmaceutical advertisements
make me more knowledgeable
about medicines

Healthcare consumers who value TV and print will pay more for branded Rx



value magazines

81%
more likely than
all US adults



value TV

68%
more likely than
all US adults

It's worth paying more for
branded Rx rather than
getting generics

Healthcare consumers who value TV and print will pay more for branded Rx



value magazines

44%
more likely than
all US adults

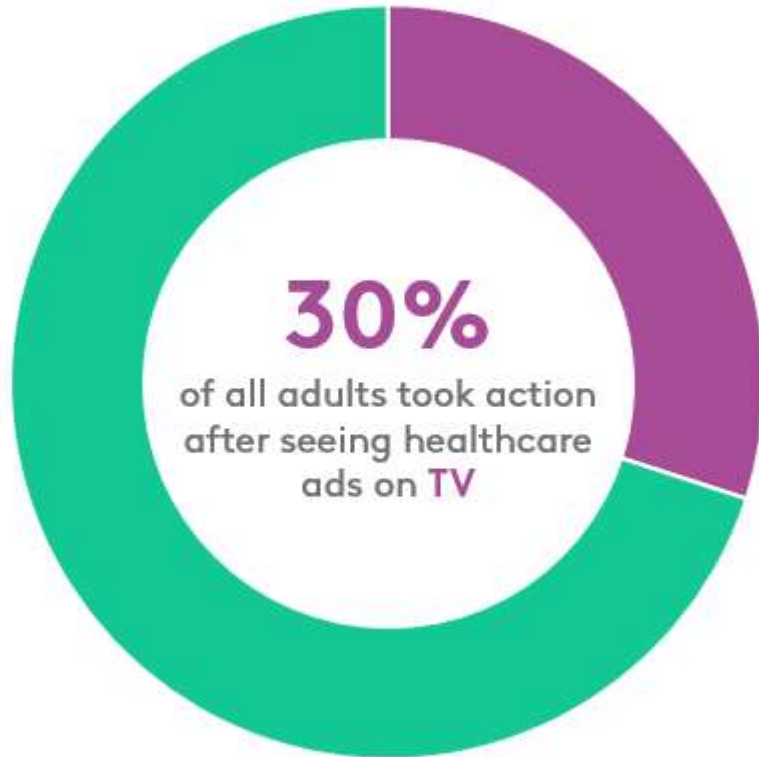


value TV

36%
more likely than
all US adults

I'm willing to pay extra for
Rx not covered by
insurance

Healthcare consumers who value TV and print take action after seeing healthcare advertising



1 in 4 adults exposed to **any** healthcare advertising took some action

Healthcare consumers who value TV and print **take action** after seeing healthcare advertising

Those who recall seeing healthcare advertising are x% more likely to..



Discuss ad with doctor	52% More likely	105% More likely
Ask doctor to prescribe specific Rx product	38%	53%
Visit pharma company website	26%	89%
Refer to book/journal/mag for more info	28%	104%
Refill prescription	30%	75%
Take medication	27%	84%

TV and print are valuable media channels for healthcare marketers

- Connecting marketers with high value audiences of healthcare consumers
 - Attitudes and behaviors
- How is this being translated into advertising investments?

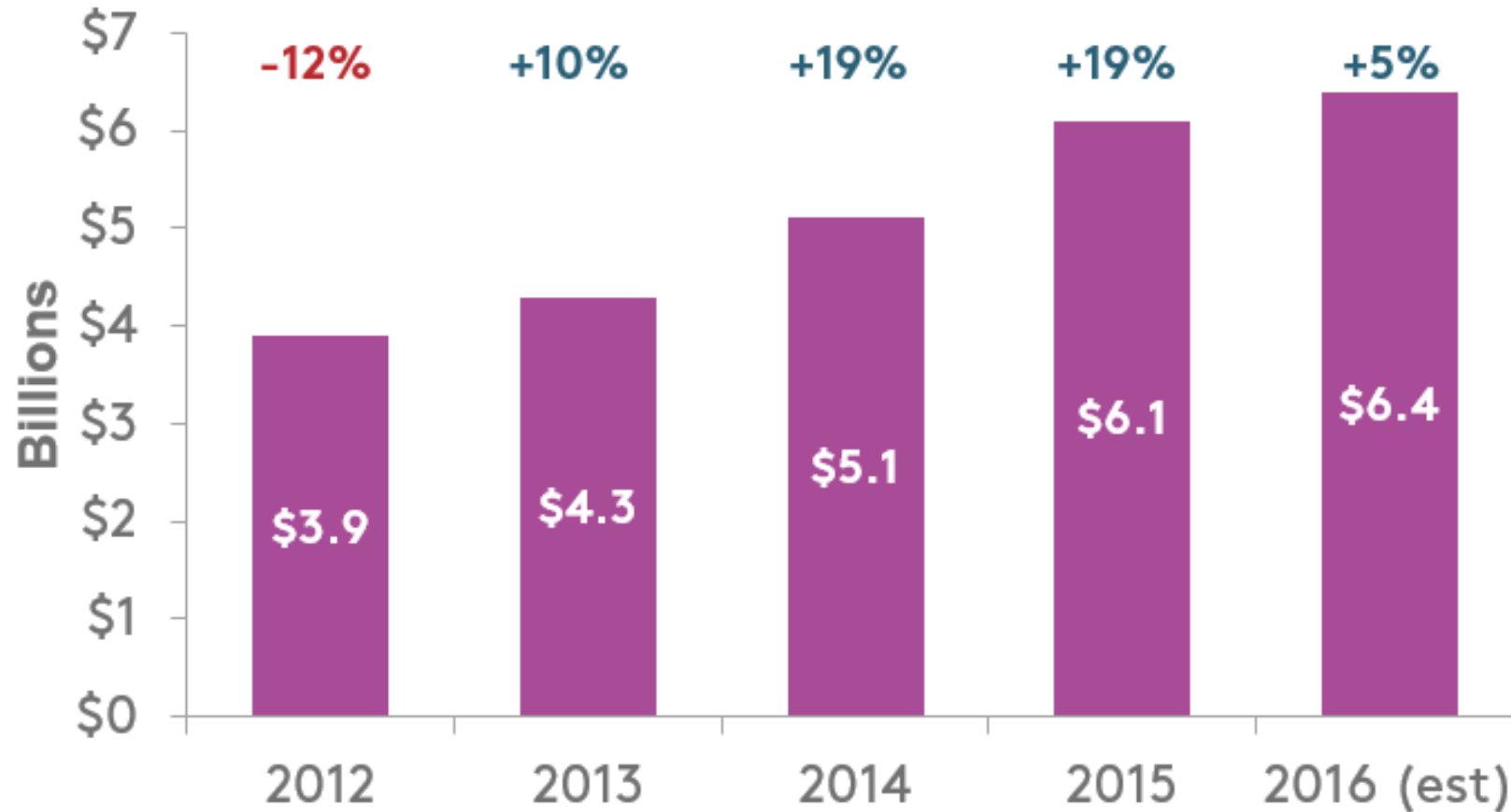


3.

The advertising landscape:

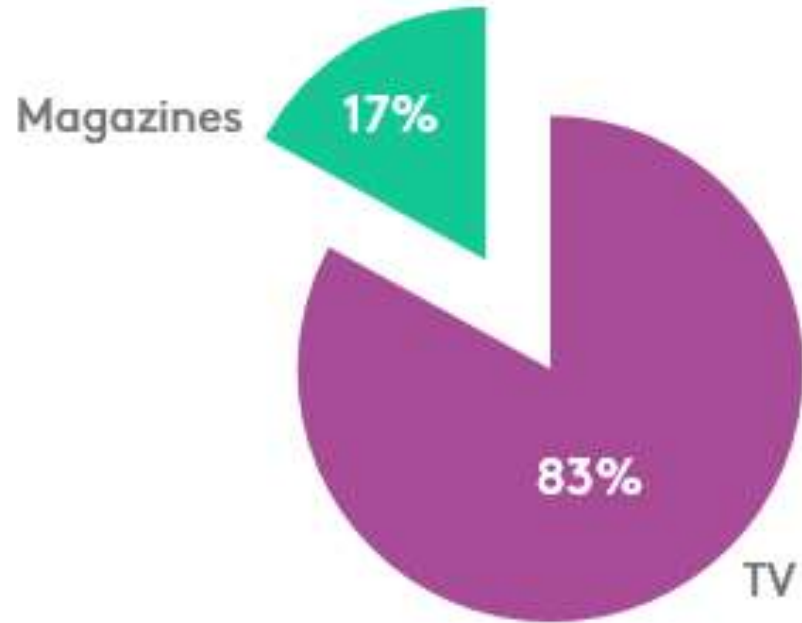
Recent trends in DTC pharmaceutical ad spending

DTC ad spending by pharmaceutical companies has **increased 62% since 2012**

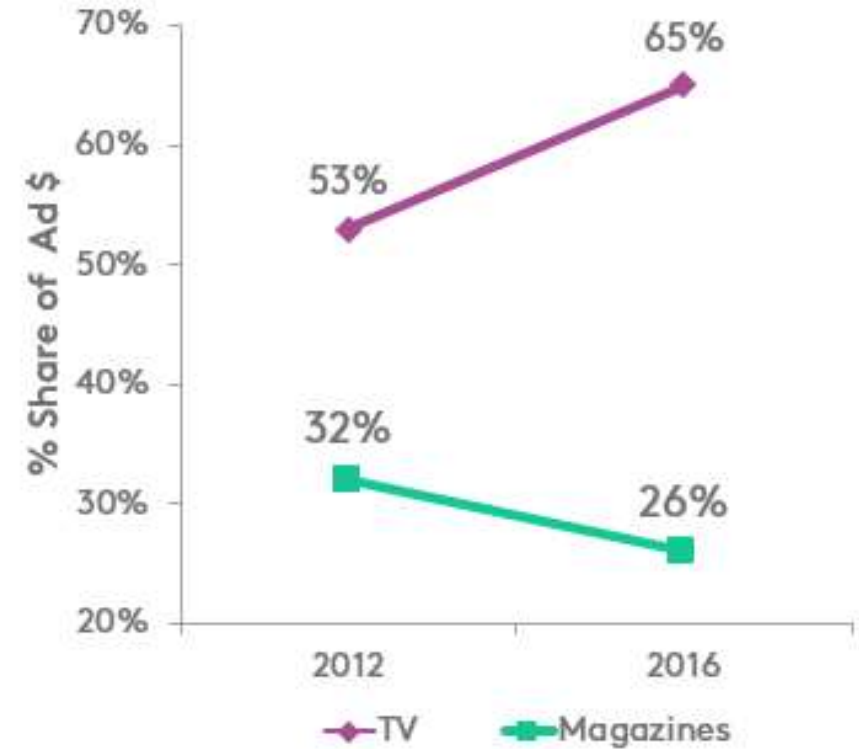


Television has been the main beneficiary of increased ad spending

TV has captured 83% of the incremental category ad spending since 2012

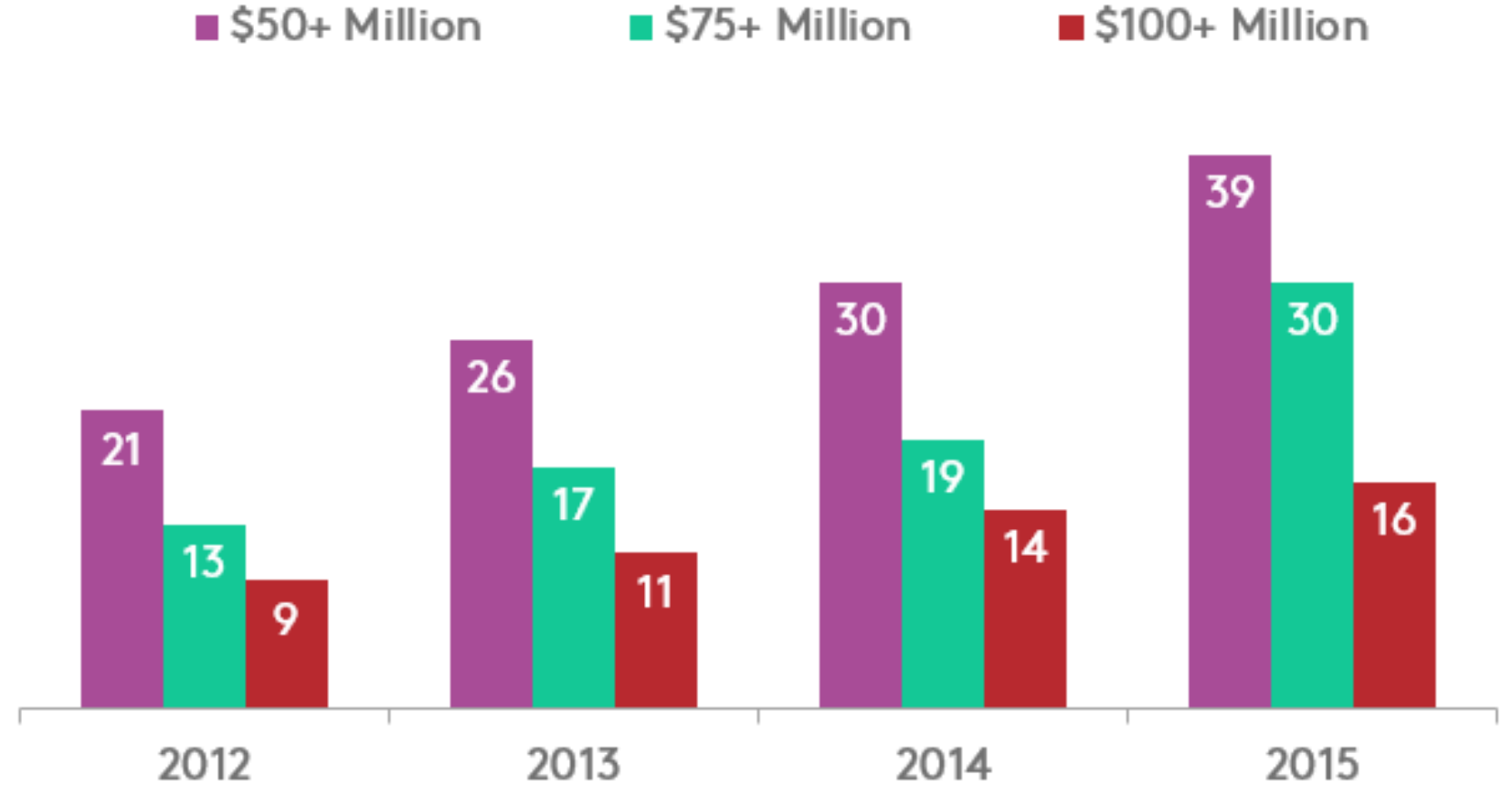


TV share of DTC ad spending has grown 12 points



Larger Budgets have contributed to ad spending growth

The number of Rx drug brands with \$50 million or more in yearly ad spending has nearly doubled since 2012



Marketing Launches have also been a catalyst

	2013	2014	2015
# of Rx Brand Launches	24	33	33
Total Ad Spend in Year 1 (MM)	\$313	\$639	\$436*
Freshmen Year 1 Ad Spend as % of Category Ad Spend	7%	13%	7%

* Includes several brands which launched in late 2015 and have not yet been advertised for a full 12 months

\$50+ Million Freshmen

2013 Launches

Year 1 Ad Spend (mm)

 Eliquis	\$130
 Myrbetriq™	\$78

2014 Launches

Year 1 Ad Spend (mm)

 JUBLIA	\$134
 BREO[®] ELLIPTA[®]	\$102
 ANORO[®] ELLIPTA[®]	\$94
 OPDIVO™	\$93
 HARVONI[®] ledipasvir/sofosbuvir	\$93
 forxiga.▼	\$70

2015 Launches

Year 1 Ad Spend (mm)

 Belsomra.	\$111
 Cosentyx[®]	\$68
 Entresto[®] (sacubitril/valsartan) tablets	\$64
 REXULTI brexpiprazole	\$53

Competitive Ad Clutter

Birds of a feather flock together

- Pharma advertisers place 59% of national TV ad spend on just 3 networks (A/C/N)
- Concentrated in programs that appeal to older viewers
- Multiple pharma ads per telecast = category clutter
 - Competing with each other for *share of attention*

Analysis of category ad clutter

- May 2016
- 8 broadcast and cable networks – all telecasts, all pods, all spots
- Base: telecasts containing at least 1 pharma spot



When a pharmaceutical advertiser runs a TV spot, **they often have company**



Norm: 35% of pods have a pharma ad



Norm: 37% of pods have a pharma ad



72% of pods



66% of pods



67% of pods



62% of pods



58% of pods



54% of pods

Messaging that is both **targeted and differentiated** can help an advertiser cut through category ad clutter



4.

Message differentiation

Segmenting patient populations

To inform the creation and differentiation of ad messages

Overall, adults who suffer from chronic ailments are more likely to be heavier users of TV and print

Index of Concentration

Total (index)	Television Top 2 Quintiles	Magazines Top 2 Quintiles	Internet Top 2 Quintiles
Chronic Ailments (ever had)	111	110	96
Non-chronic (past 12 months)	102	108	105

High recall of healthcare ads on TV and in magazines by ailment sufferers

% of People Who Recall Seeing Healthcare Ads



	<u>%</u>	<u>Index</u>	<u>%</u>	<u>Index</u>
All Adults	56%	100	25%	100
Type 2 Diabetes	59%	105	31%	126
Hepatitis C	61%	108	41%	163
IBD-Crohn's	80%	142	40%	160

Diabetes Sufferers

Attitudes About Exercise and Diet

	Agree a lot	Agree a little	Neutral	Disagree a little	Disagree a lot
Exercise is important to my diet and nutrition plan	32%	28%	30%	5%	5%
I always try to eat balanced foods and maintain a healthy diet	19%	31%	30%	14%	6%
Diet plans usually work for me	3%	12%	41%	23%	21%
I can't seem to adhere to a diet plan and often 'cheat' when I'm on one	10%	32%	35%	13%	10%

Message Differentiation

Targeting Different Attitudinal Segments of a Patient Population



FARXIGA TV AD

JARDIANCE TV AD

What are these brands saying?

Farxiga

- “We’re just everyday people fighting high blood sugar”
- Exercise – bicycling; basketball; leisurely walking
- Diet/Food – no portrayal of food, eating, nutrition choices
- Easy-peasy

Jardiance

- “I’m gonna change that tune”
- Exercise – aerobic gym workout; adults playing with kids
- Diet/Food – eating healthy; making good nutrition choices
- Strong motivation; resolute compliance w/ diet & exercise

To whom are they speaking?

	Agree a Little	Disagree a Little	Disagree A Lot
Diet plans usually work for me		23%	21%
I can't seem to adhere to a diet plan and often 'cheat' when I'm on one	32%		

	Agree a lot	Agree a little
Exercise is important to my diet and nutrition plan	32%	28%
I always try to eat balanced foods and maintain a healthy diet	19%	31%







TV and print media are vital channels for healthcare marketers to connect with the “right” healthcare consumers in a competitive advertising landscape.

- **Consumers that value TV and print as a source of healthcare information are a highly valuable audience** - They are more likely to be proactive about their health, trust pharmaceutical marketers more, pay more for branded medications and take action after seeing healthcare advertising.
- Increases in DTC pharmaceutical ad spending, ad budgets and market launches are creating a **greater need for healthcare marketers to break through the clutter.**
- **Messaging that is targeted and differentiated** can help advertisers, pharmaceutical companies and healthcare marketers reach the right people with the right message. **Not all Patient populations are the same** – they have very different attitudes and behaviors around health, the way they value media and healthcare information.

Questions?

About Kantar Media

Kantar Media is a global leader in media intelligence, providing clients with the data they need to make informed decisions on all aspects of media measurement, monitoring and selection. Part of Kantar, the data investment management arm of WPP, Kantar Media provides the most comprehensive and accurate intelligence on media consumption, performance and value. For further information, please visit us at www.kantarmedia.com

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