



Media Channel Analysis and the Patient: a Data-Driven Overview

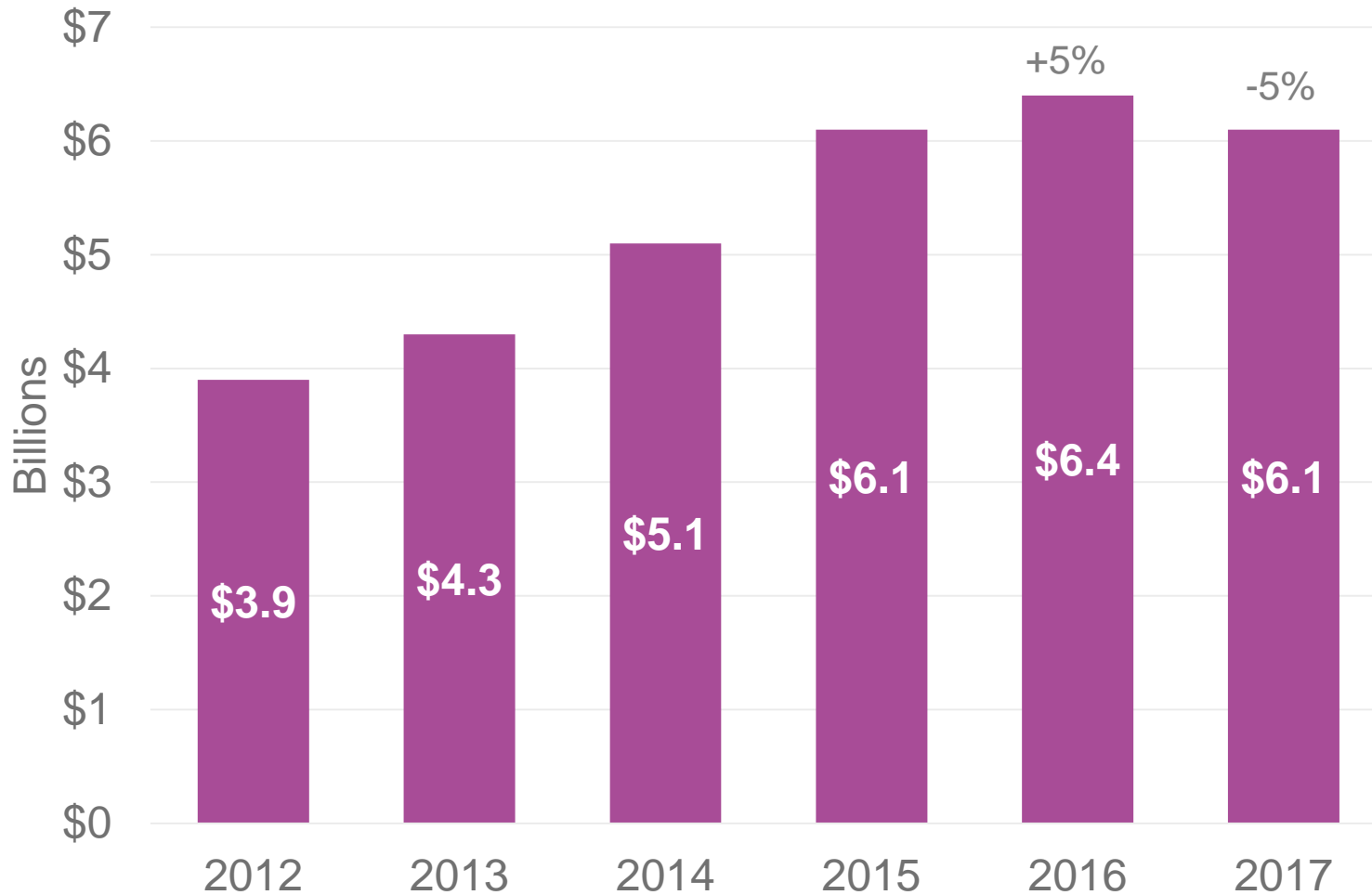
2018 DTC National

Dave Emery

Michele Deutschman

The advertising landscape: Recent trends in DTC pharmaceutical ad spending

DTC ad spending flat over past 3 years



Rx and OTC remain in the Top Ten ad categories

| 2017 Rank | Category | 2017 Ad \$ (billions) |
|-----------|------------------------|-----------------------|
| 1 | Retail | \$16.5 |
| 2 | Automotive | \$14.7 |
| 3 | Telecom | \$8.4 |
| 4 | Financial Services | \$7.6 |
| 5 | Insurance | \$6.8 |
| 6 | Restaurants | \$6.3 |
| 7 | Pharmaceutical | \$6.1 |
| 8 | Travel & Tourism | \$5.6 |
| 9 | Food | \$4.6 |
| 10 | Non Rx Remedies | \$4.6 |



4 factors that can impact DTC spend

- **New product approvals** (number and condition)
- Product **lifecycle** and **competitive environment** (e.g. new competition, shift to generic or OTC)
- General **business conditions** and regulatory environment
- Changes in **media consumption** or advertiser media preference

What happened in 2017?

- Fewer NDA's in 2016, many in cancer and rare disease
- Generic ED (Viagra, Cialis), end of exclusivity for Eliquis
- Uncertainty with first year of new administration in Washington
- How we watch TV, use our mobile devices and engage digitally, read magazines continues to evolve

What was the impact?

Change in Top 50 brands, 2016 to 2017

21 increased spend

+ \$703 mil

4 grew by 50% or more

Biggest \$ gainers

- #29 Keytruda +213%
- #23 Taltz +155%
- #50 Ibrance +276%

29 decreased spend

-- \$1,104 mil

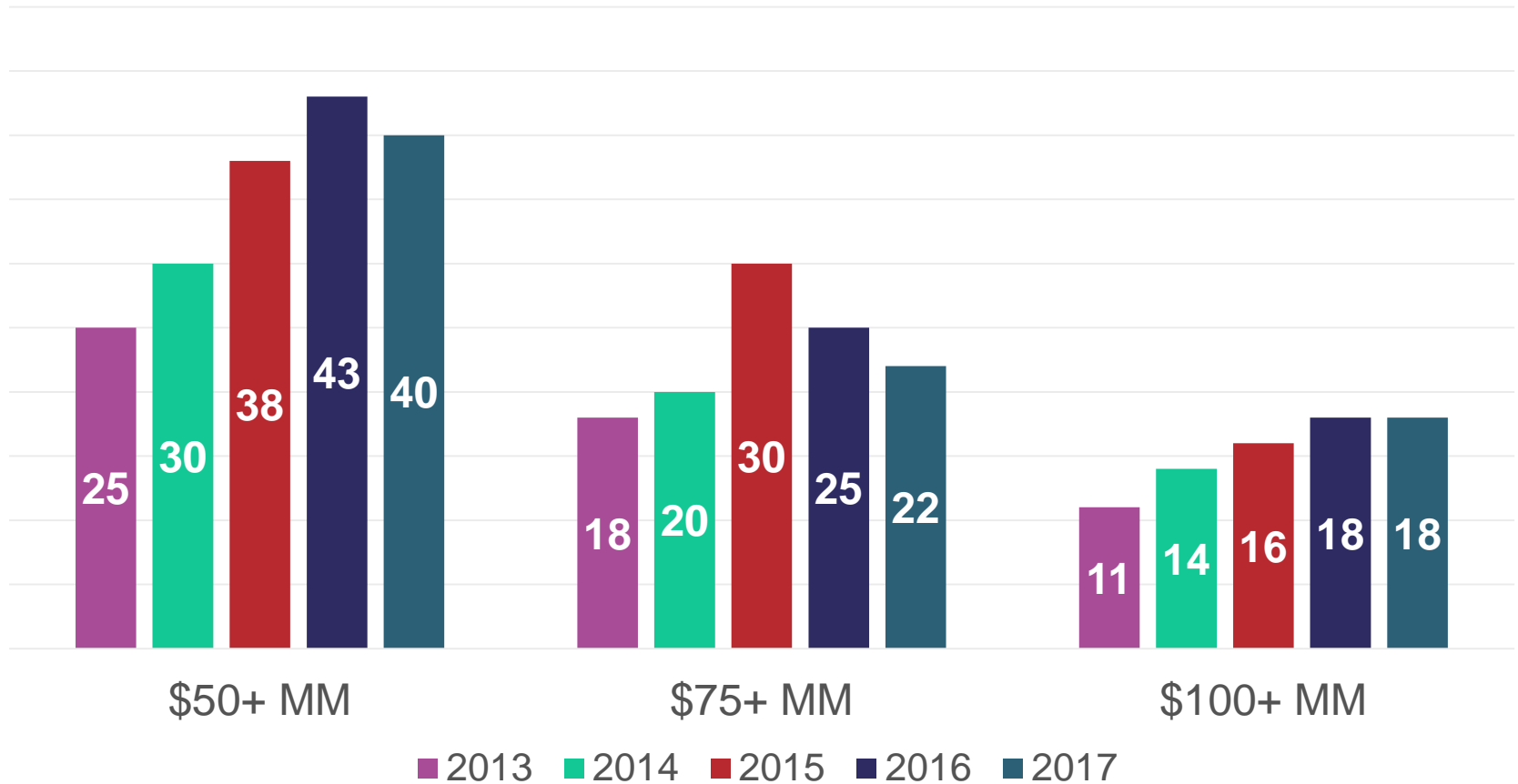
12 dropped by 50% or more

Biggest \$ decreases

- #7 Viagra -74%
- #8 Cialis -58%
- #3 Eliquis -25%

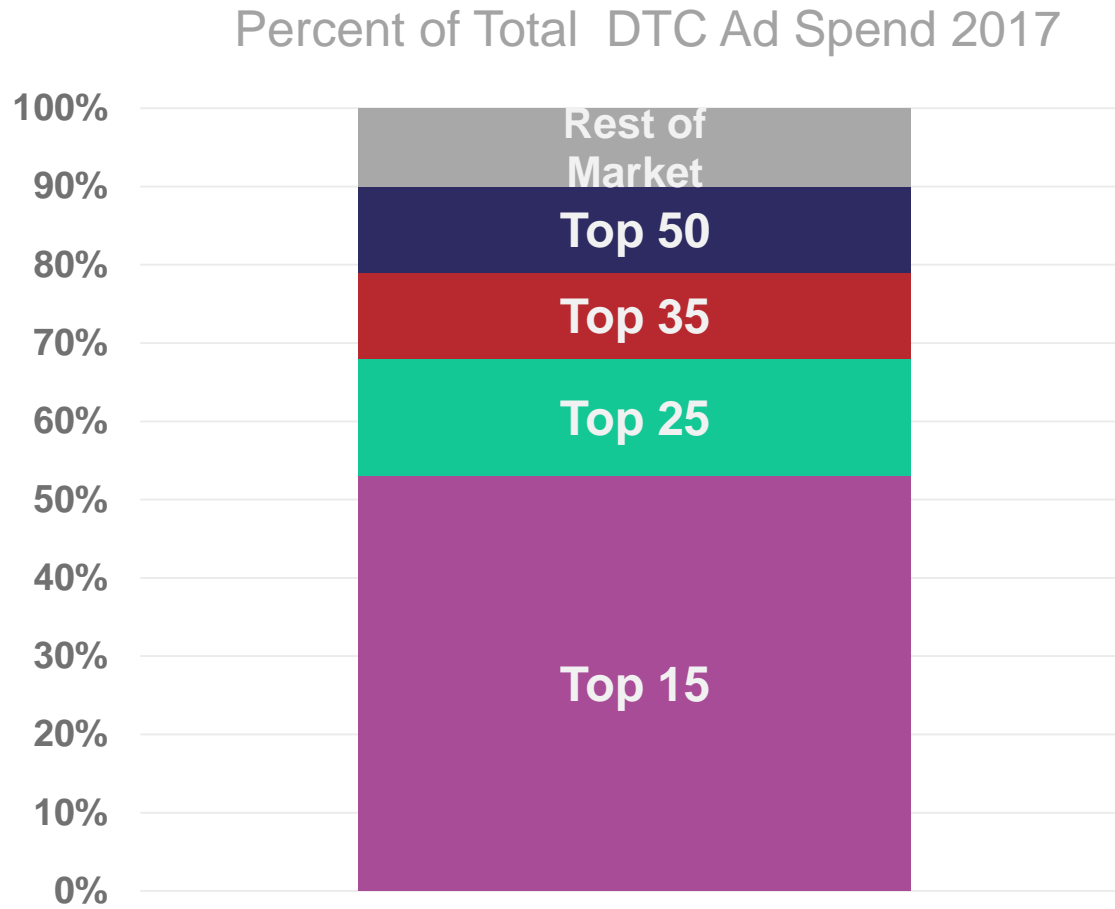
Slightly fewer brands with \$50 and \$75 mil+ budgets

But the number of \$100 mil+ campaigns held steady



Top-spending brands dominate

Half the spend from top 15, 90% from top 50

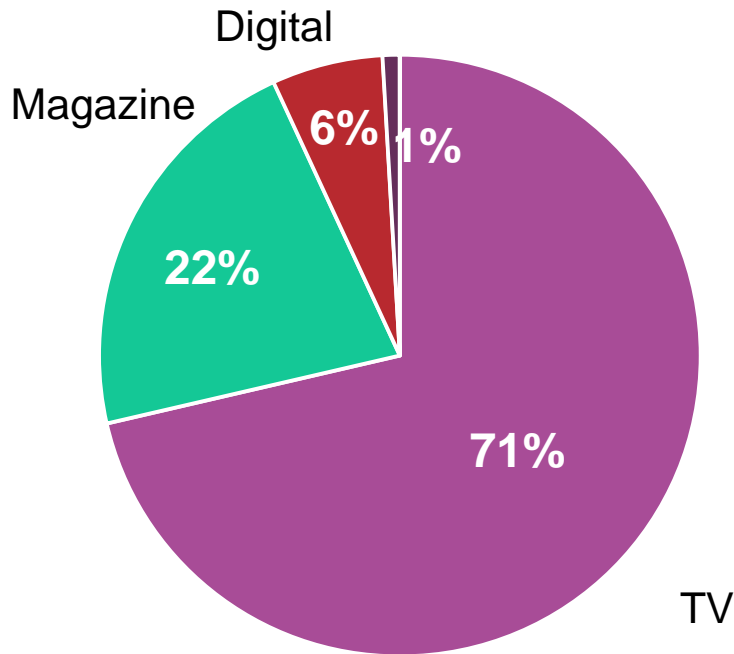


DTC media investment across many channels

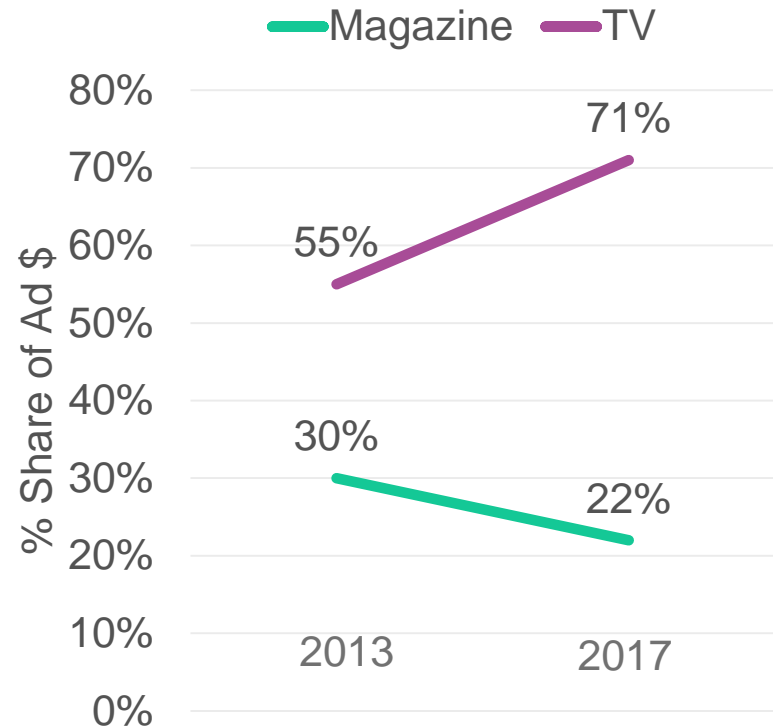
| | 2016 (000) | 2017 (000) | Difference | % change | % of total |
|-------------------------|---------------|---------------|------------|----------|------------|
| Network TV | 2,042,330 | 2,410,902 | 368,572 | 18% | 42% |
| Magazines | 1,566,295 | 1,177,732 | -388,563 | -25% | 20% |
| Cable TV | 956,529 | 962,361 | 5,832 | 1% | 17% |
| Syndication | 669,961 | 707,065 | 37,104 | 6% | 12% |
| Search | 226,873 | 222,642 | -4,231 | -2% | 4% |
| Spot TV | 115,765 | 108,319 | -7,446 | -6% | 2% |
| Display/Mobile | 206,537 | 80,233 | -126,304 | -61% | 1% |
| Sunday Magazines | 27,985 | 33,973 | 5,988 | 21% | 1% |
| Newspapers | 29,383 | 33,014 | 3,631 | 12% | 1% |
| Other | 105,956 | 45,462 | -60,494 | -72% | 1% |

Television remains the main beneficiary of increased DTC ad spending

% Share of Ad \$ in 2017



TV share of DTC ad spending has grown



The Top 15 brands are all \$100 mil+ spenders and all utilize a wide range of media platforms

| Brand | channels used* | % of total \$ |
|-----------|----------------|---------------|
| Humira | 13 | 7.5% |
| Lyrica | 14 | 6.1% |
| Xeljanz | 13 | 4.7% |
| Eliquis | 13 | 3.9% |
| Keytruda | 16 | 3.6% |
| Taltz | 13 | 3.6% |
| Chantix | 14 | 3.6% |
| Trulicity | 13 | 3.4% |
| Cosentyx | 14 | 3.0% |
| Entresto | 14 | 2.8% |
| Opdivo | 14 | 2.6% |
| Ibrance | 12 | 2.1% |
| Jardiance | 13 | 2.1% |
| Xarelto | 19 | 2.0% |
| Victoza | 14 | 1.8% |

* Out of 21 monitored

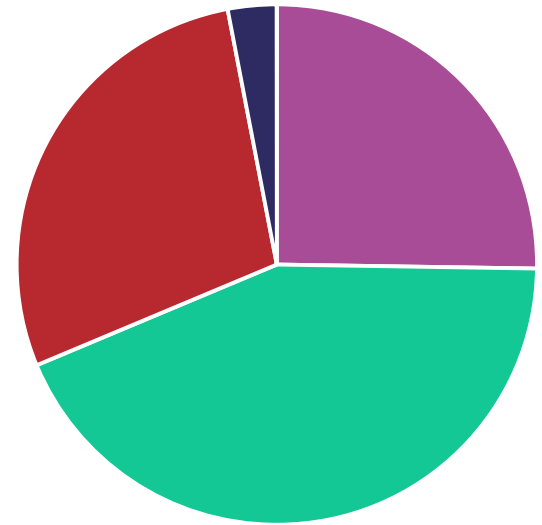
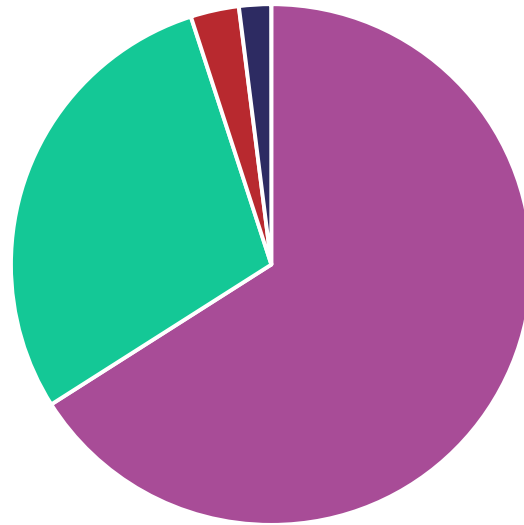
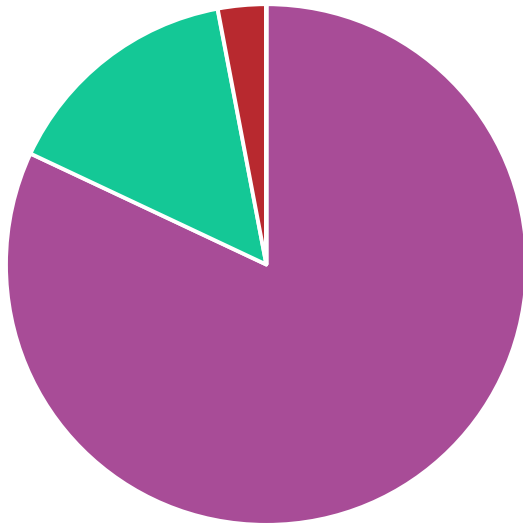
Media mix varies by brand “rank”

TV dominates bigger spend brands, magazines and digital share increases after the top 25

Top 25

Next 25

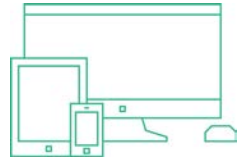
Rest of Market



Diabetes, Psoriasis and Cancer top the list of advertised conditions

| Condition | 2016 | 2017 | % Change vs 2016 |
|-------------------------------|----------------------|----------------------|------------------|
| Brand | 2016 \$ (000) | 2017 \$ (000) | (%) |
| Diabetes | 717,453 | 725,096 | 1.1 |
| Psoriasis | 495,285 | 577,392 | 16.6 |
| Cancer/Oncology | 290,275 | 521,219 | 79.6 |
| Arthritis/Rheumatoid | 383,778 | 392,975 | 2.4 |
| COPD | 230,248 | 254,090 | 10.4 |
| Diabetic Nerve Pain | 209,733 | 189,337 | -9.7 |
| Fibromyalgia | 209,230 | 187,330 | -10.5 |
| Arthritis/Psoriatic | 185,575 | 175,990 | -5.2 |
| Vaccinations | 245,045 | 168,806 | -31.1 |
| Heart Disease/A-Fib | 124,203 | 167,907 | 35.2 |
| Blood clots in the legs (DVT) | 140,566 | 162,526 | 15.6 |
| Liver Disease/Hepatitis C | 152,957 | 161,908 | 5.9 |
| Depression | 193,916 | 160,897 | -17.0 |
| Heart Disease/Heart Failure | 234,291 | 159,059 | -32.1 |
| Crohns Disease | 85,831 | 131,939 | 53.7 |

WHY USE A MEDIA MIX?



WHY MEDIA MIX?

Ensure You Reach All Sufferers Of An Ailment

SAME DIAGNOSIS, DIFFERENT PEOPLE

5.6 Million
Psoriasis
Diagnosed Adults



Gender

- 43% male
- 57% female

Age

- 44% ages 18-49
- 56% ages 50+

Employment

- 65% work full/part time
- 24% retired

Marital Status

- 56% married
- 18% single

Severity

- 45% mild
- 55% mod/severe

DIFFERENT TREATMENTS

Diagnosed Psoriasis **5.6** Million Adults

Any Treatment **89%**

Not Treating **11%**

Of those treating:

Any Rx **72%**

OTC **20%**

Herbal/Home
Remedies
11%

Other
Treatment
10%

Phototherapy
9%

Vitamins/
Supplements
8%

Diet/Exercise
6%

DIFFERENT TREATMENTS

Diagnosed Psoriasis and Treating with Any Rx:

Use Branded Rx **62%**

Use Generic Rx **48%**



DIVERSE MINDSETS

32% in fair or poor health

56% say they're in control over their health (mostly or complete)

36% report unhealthy diets at home

63% always try to eat healthy and maintain a balanced diet

36% pharma ads make them more knowledgeable about treatment options

35% don't trust pharma cos. that advertise the Rx they take

61% discuss a new Rx with their doctor

47% research treatment options on their own before discussing with doctor

70% always do what doctor tells them

26% sometime stop taking Rx meds without consulting their doctor



DIVERSE BEHAVIOR

Not at all motivated for improving my health

70% participate in preventative healthcare

Have BMI 30+

49% say they do everything they can to promote & maintain their personal health

Use tobacco on a regular basis

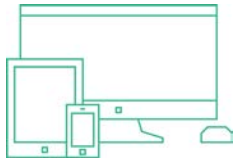
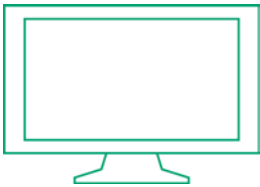
74% research HC info so they are better informed about different treatments



SAME DIAGNOSIS BUT NOT THE SAME PATIENT

DIFFERENT DEMOGRAPHY, VARIED TREATMENTS AND DISSIMILAR MINDSETS/BEHAVIOR

As Diverse As The Sufferers Are,
So Are Their Media Habits...



Unique Qualities of Each Advertising Medium

TV

Moving images

Intrusive

Big, timely reach

Magazines

Special interests

Save ads

Large circulation

Internet

Engage &
interact

Track user

Narrow target

HOWEVER...

High cost

Viewing is
changing

Expensive

Reading is
changing

Privacy

Social media

**Diagnosed
Psoriasis**

Time Spent Per Day with Television

5 hours **26** mins

Value Television Sources for Health Info

41%

Time Spent Per Day reading Magazines

19 mins

Value Magazines for Health Info

72%

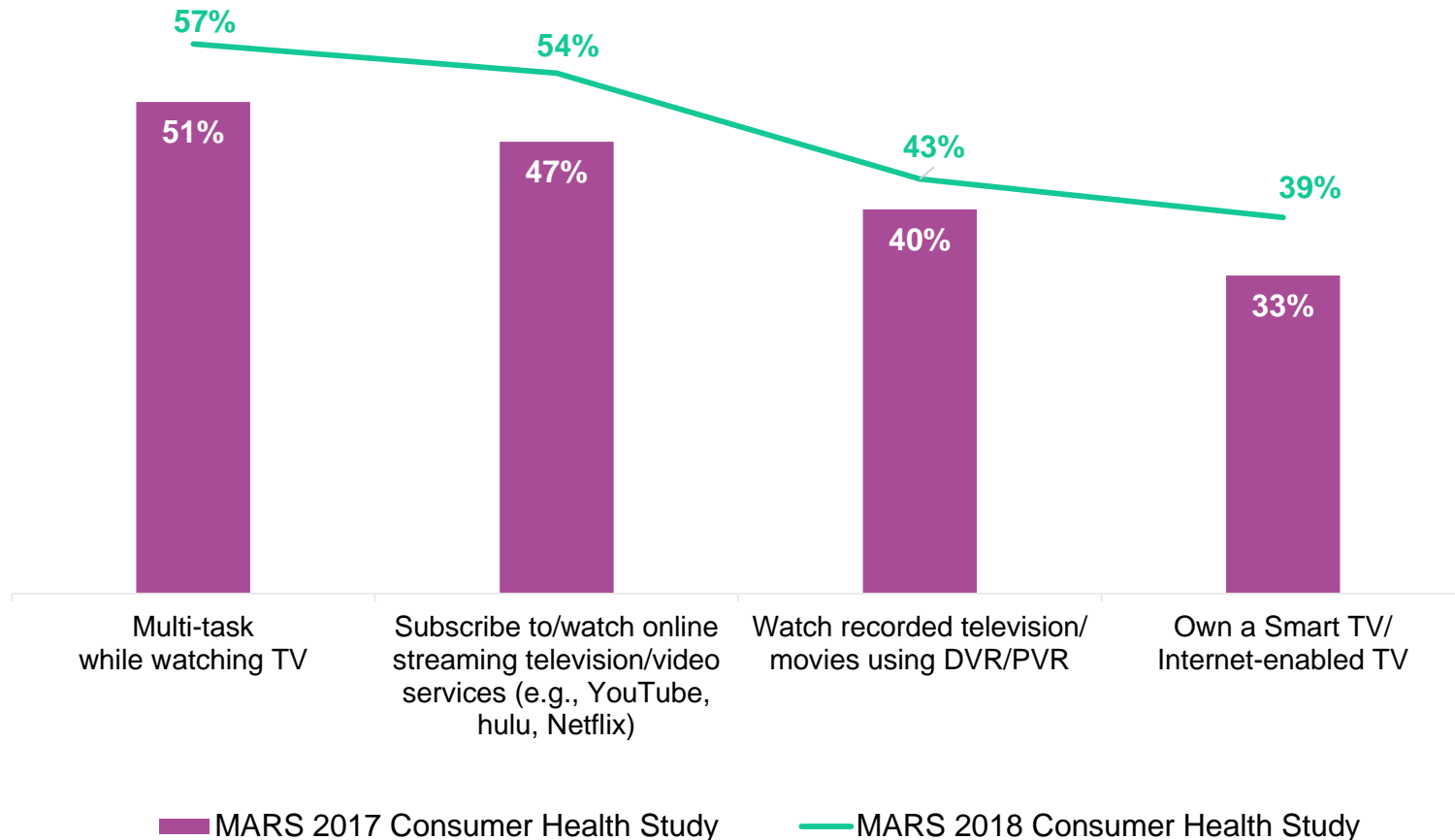
Time Spent Per Day Online

4 hours **55** mins

Value Internet for Health Info

87%

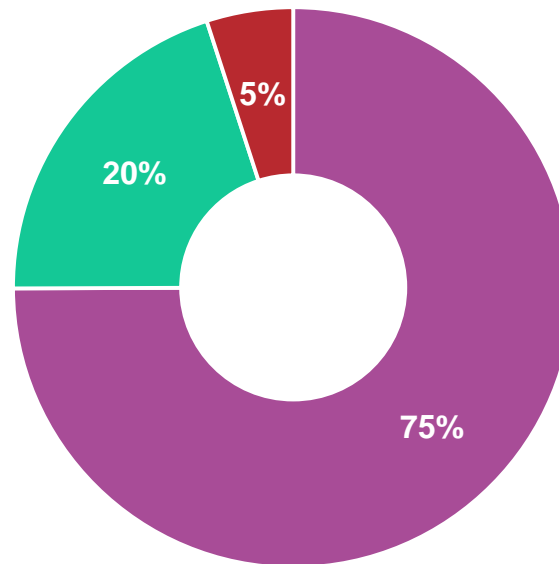
HOW CONSUMERS VIEW TV HAS CHANGED



RECORDED TV VIEWING

Among Diagnosed Psoriasis using a DVR

How often do you skip commercials when watching pre-recorded TV?

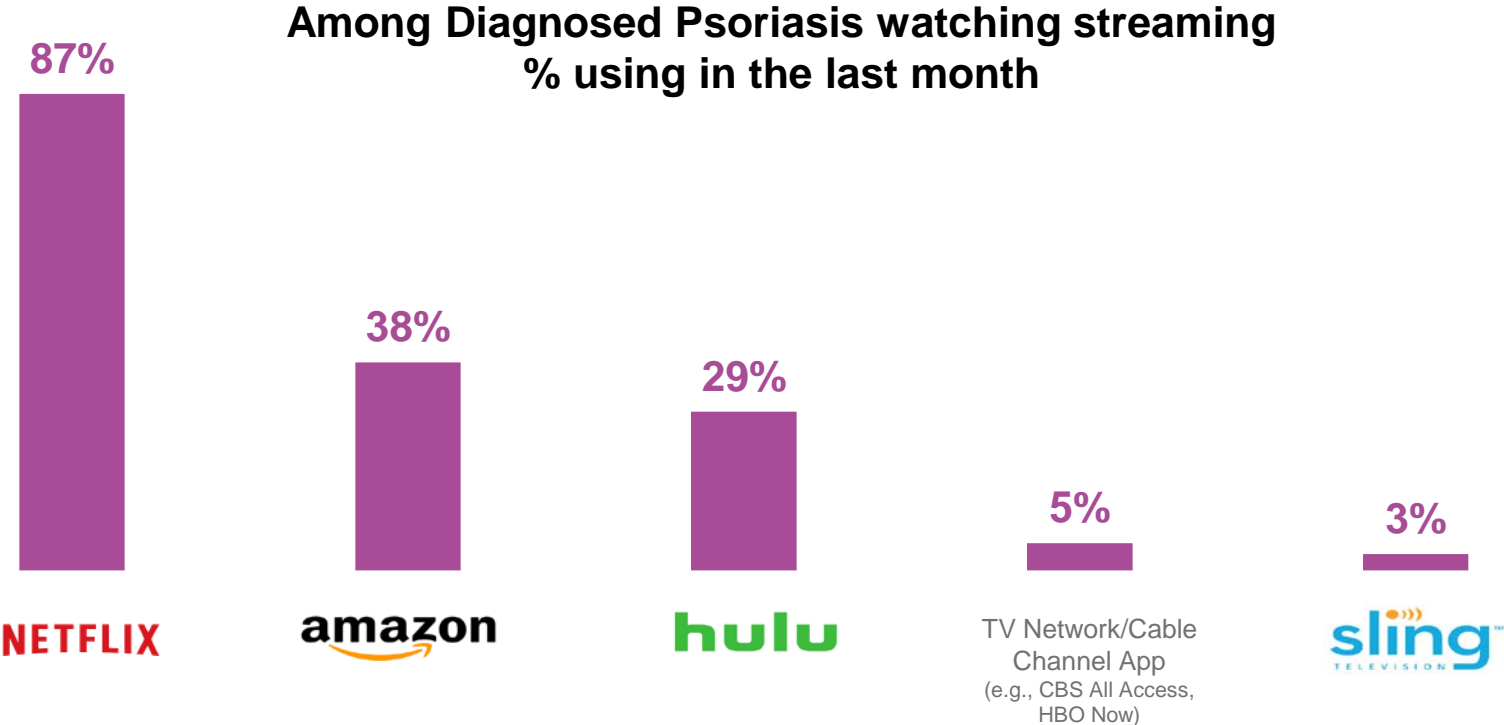


3 OUT OF **4**
FREQUENTLY SKIP

■ Frequently ■ Occasionally ■ Seldom/Never

OPPORTUNITY TO SEE ADVERTISING ON TV DECREASING

1 in 4 diagnosed viewers primarily or only watching ad/commercial free programming



VALUE HEALTHCARE IN **MAGAZINES**

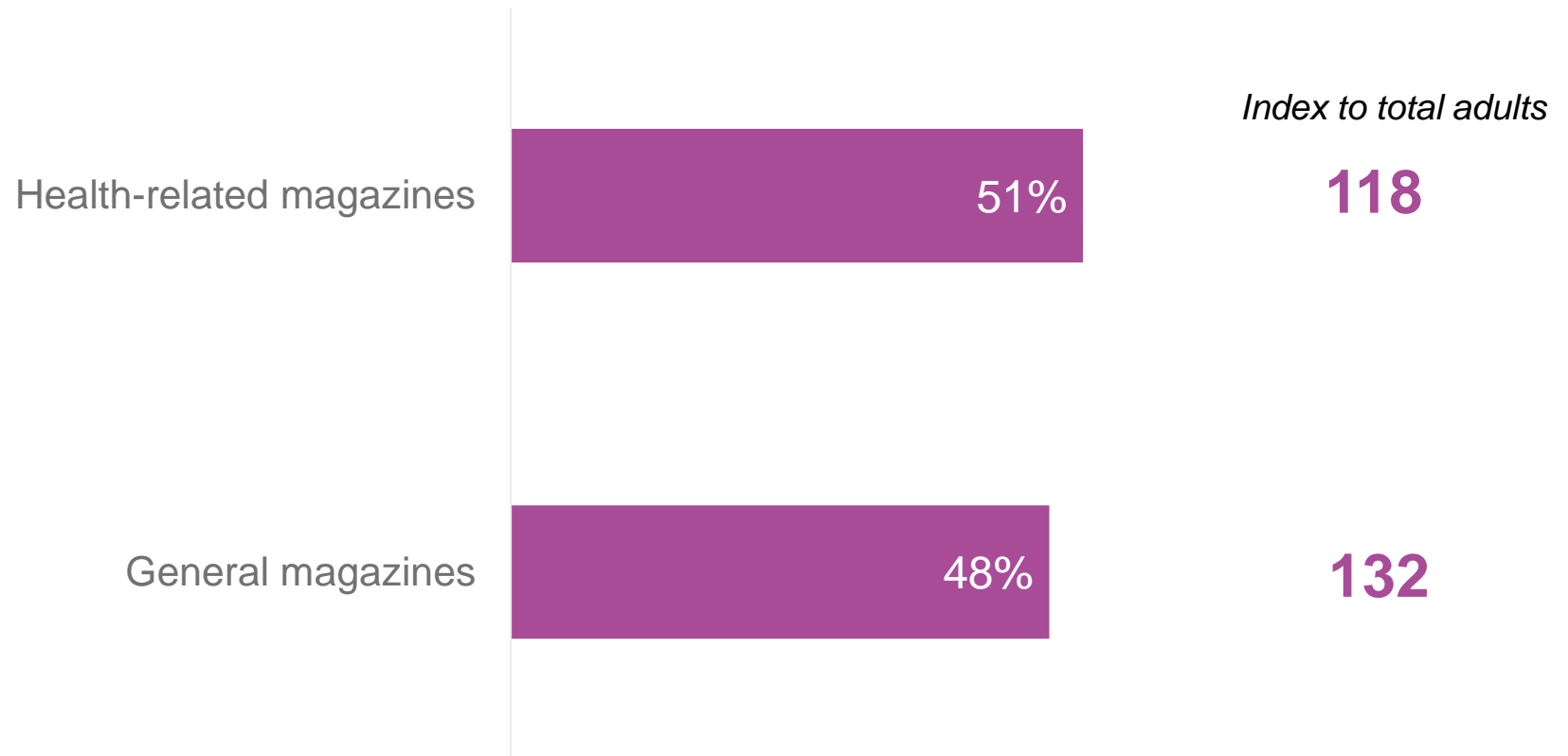
Diagnosed Psoriasis

Value as a source of healthcare information very much/somewhat

| | |
|-----------------------------|------------|
| Health-related publications | 58% |
| Magazine ads | 18% |
| Magazine articles | 47% |

AND **MAGAZINES** ARE READ AT POINT OF CARE

POC Sources Valued for Healthcare Information **Diagnosed Psoriasis**



CHANGING WORLD OF **MAGAZINE** READERSHIP

Diagnosed Psoriasis

53% read **magazine** content online

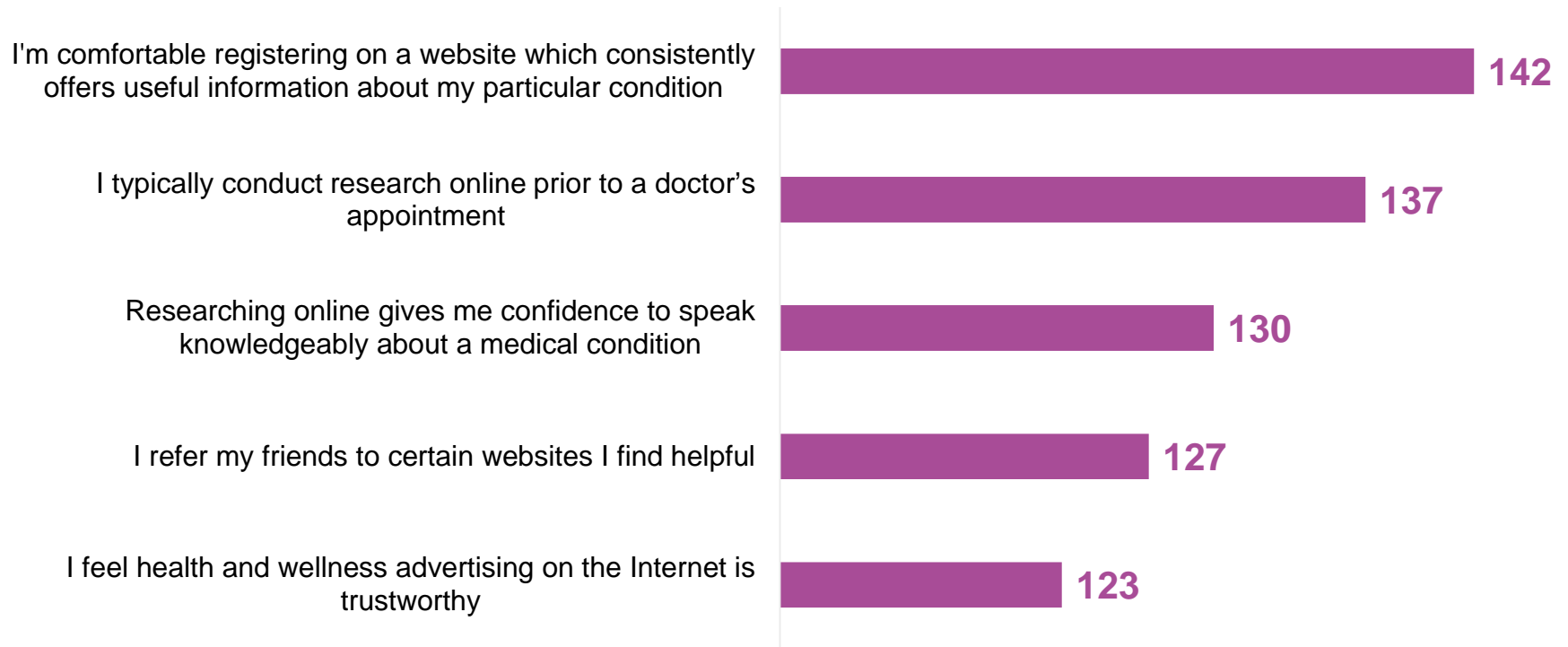
50% more likely to follow **magazines** on social media than all adults

31% value **magazine websites** as a health information source

THE **INTERNET**, THE PERFECT RESEARCH TOOL

Diagnosed Psoriasis

Index to total adults



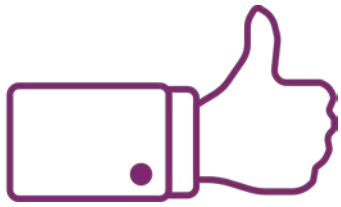
THE **INTERNET**, THE PERFECT HEALTHCARE TOOL

Diagnosed Psoriasis

Online health-related activities performed on any device:

% more likely than all adults

| | |
|--|------------|
| Looked for information about a particular health condition | 58% |
| Looked for alternative (non-medical) treatments or home remedies | 47% |
| Researched or read reviews of medications or types of treatments | 39% |
| Tracked my diet/exercise | 37% |
| Researched symptoms I/someone else was experiencing | 37% |
| Looked for healthy recipes or other healthy lifestyle information | 32% |
| Used a patient portal to access electronic medical records | 30% |
| Performed any online health-related activity on a smartphone/tablet | 43% |



SOCIAL MEDIA

Diagnosed Psoriasis

% more likely than all adults

Value social networking sites as a source for health information

27%

Visited a social media site related to a condition or prescribed treatment after seeing HCP

42%

I trust the medical information other people share on social media

20%

HEALTH ADVERTISING RESPONSE

Psoriasis Who Saw A Healthcare Ad On **TV** Or In A **MAGAZINE**

Conducted an online search

Refilled an Rx

Made doctors appointment

Psoriasis Who Saw A Healthcare Ad On The **INTERNET**

Conducted an online search

Watched a video online

Refilled an Rx

THAT'S WHY THERE'S A VARIED ALLOCATION OF AD SPEND BY MEDIA CHANNEL

Top 10 Psoriasis Rx Brands by Ad Spend

| % of total brand budget | % of total brand budget | % of total brand budget |
|-------------------------|-------------------------|-------------------------|
| TV | Magazines | Internet |
| 54% - 80% | 12% - 46% | 1% - 100% |

Thank You!

To learn more about Kantar Media please **contact us:**

David Emery

VP, General Manager

Kantar Media Healthcare Research

Phone 630.780.7501

Email Dave.Emery@KantarMedia.com

Michele Deutschman

VP, Strategic Partnerships & Business Development

Kantar Media Healthcare Research

Phone 212.991.6008

Email Michele.Deutschman@KantarMedia.com

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