

Pharmaceutical Marketing

Targeting consumers. Connecting online.
What's in store for patients.



Sponsored by:

KANTAR MEDIA

Health Professionals Marketing

GENERIC DRUGS

Drugstore.com

PR
BACKLASH!

Rx Drug
Ads

Aging Baby
Boomers

SEARCH KEYWORD
ANALYTICS

OTC ADVERTISING

Budget
Cuts

Direct to Consumer Advertising!

OBAMACARE

KEY OPINION
LEADERS

Medicare Part B.

F.D.A

Patient
word-of-mouth

HMO

Blockbuster
Drugs

Big
Pharma.

Blockbuster Drugs

Healthcare Reform

Web Self-diagnostic

Consumer
segments

#WellnessTweet

Where others see chaos, we see possibilities.

Everyday, we monitor and connect billions of digital, social and traditional media interactions to transform healthcare marketing data points into powerful insights. We help clients decode the scale, scope, and resonance of marketing messages that influence patients, health professionals and the media – as well as the larger political debate.

Our insights. Your inspiration. www.kantarmediana.com

KANTAR MEDIA
MASTER THE MOMENTUM OF MEDIA

INTRODUCTION

Ad spending: 15 years of DTC

BY BETH SNYDER BULIK

IT'S BEEN ALMOST 15 years since U.S. direct-to-consumer advertising regulations were loosened. And in those years, the consumer pharmaceutical marketing industry has gone from about \$700 million in ad spending to a peak of \$5.4 billion in 2006. Spending in 2010—about \$4.3 billion—was down, but pharmaceutical advertising remains a big business.

Before 1997, pharma marketers were allowed to name a brand in an ad—but with the onus of the “brief summary,” a summation of side effects, contraindications and effectiveness usually written technically and typically anything but “brief.” Ads appeared in print, but the summary mandate would have made TV ads too long.

FDA guidance, introduced in 1997 and formally adopted in 1999, allowed TV ads to name a pharma brand and the condition it treated without the summary. Instead, TV ads were required to include a “major statement” of the most important risks with a referral to a source of in-depth information. That led to the explosion of DTC advertising, mostly in TV.

Pharma marketing is in flux again. The meteoric rise of digital information and social-media channels, the still-evolving regulatory environment, the maturing of mainstream blockbuster drugs, and fewer new drugs being brought to market all point to a major inflection point in pharmaceutical marketing.

Change means new opportunities. Globalization, personalized medicines and therapies, the potential for niche drugs, and diversification into broader health-care portfolios are all potentially positive side effects pointed out by the experts interviewed for this white paper.

“This industry is in massive transition,” said Nick Colucci, president-CEO, Publicis Groupe’s Publicis Healthcare Communications Group. “The health-care industry in general is changing, going from broad-based to targeted therapies. Like any evolution and change, there are some players that will come out stronger and there are some that will disappear. ... The future is all about products that will be more targeted, products that will be used, ultimately, just for you.”

What does that mean for advertising and marketing of pharmaceuticals? It means that will have to change as well. Change is already happening. Health-care standalone agencies are no longer standoffish in agency families and instead are being reintegrated into the larger group or broadened into wider agency networks.

WPP’s Grey Group recently created Grey Healthy People, a “specialized unit totally integrated within the overall agency” and meant to house not only its DTC and over-the-counter clients, but also broader health-care clients including personal-care products such as toothpaste, mouthwash and tampons.

\$259 B

U.S. 2010 prescription drug costs¹

\$4.3 B

U.S. 2010 prescription drug ad spending²

1. U.S. Department of Health and Human Services. Includes spending by consumers, insurance companies, government and various third parties.
2. Kantar Media for 17 measured media.

MORE ON ADAGE.COM

This is one in a series of white papers published by Advertising Age. To see other Ad Age white papers and to obtain additional copies of this one, go to AdAge.com/whitepapers

TABLE OF CONTENTS

AD SPENDING: 15 YEARS OF DTC	3
- MEDIA SPENDING: 1996 TO 2010	5
- LARGEST PHARMA ADVERTISERS	6
- MEDIA SPENDING BY CATEGORY	7
- MOST-ADVERTISED PHARMA BRANDS	8
- PHARMA ADVERTISING BY MEDIUM	9
- HEALTH-CARE REFORM	9
WEB MARKETING CHALLENGES	10
- TIME SPENT ON PHARMA SITES	10
- LARGEST PHARMA INTERNET ADVERTISERS	11
SOCIAL MEDIA AND HEALTH	13
- SHARE OF DISCUSSION	
- HOW DIABETES-RELATED BRANDS RESONATE IN SOCIAL MEDIA	
PHARMACIES AND PHARMACISTS	14
- FIVE MOST-VALUED SOURCES FOR HEALTH-CARE INFORMATION	14
- BABY BOOMERS TAKING ON NEW HEALTH-CARE RESPONSIBILITIES	15
- MOST-PRESCRIBED PHARMACEUTICALS	16
PHARMACY BENEFITS MANAGERS	17
- LARGEST FIRMS	
- PRESCRIPTIONS FILLED BY PBM	
- PRESCRIPTIONS FILLED WITH GENERICS	
COMMERCIAL TUNEAWAY	18
- HOW WELL PHARMACEUTICAL ADS RETAIN VIEWERS	

CONTACT AD AGE

Email: DataCenter@AdAge.com. Send mail to Ad Age DataCenter, 360 N. Michigan Ave. 6th Fl., Chicago, IL 60601.

Additional copies: Order print at customerservice@adage.com. Digital edition available free online at AdAge.com/whitepapers.

Ad sales: (212) 210-0171.

This document, and information contained herein, is the copyrighted property of Crain Communications Inc. and Advertising Age (Copyright 2011) and is for your personal, non-commercial use only. You may not reproduce, display on a website, distribute, sell or republish this document, or the information contained herein, without prior written consent of Advertising Age. Copyright 2011 by Crain Communications Inc. All rights reserved.

THE
ME * SOCIAL * MOBILE * TECHNOLOGY
CONFERENCE * CONTENT ENGAGEMENT
GAMING * EVOLUTION
PUBLISHERS * **NOVEMBER 15TH**
*MEDIA EVOLVED

2011 SPEAKERS INCLUDE:

LAURA DESMOND, Global CEO, Starcom MediaVest Group

SHIV SINGH, Global Head of Digital, PepsiCo Beverages

ROBERT A. SAUERBERG, JR., President, Condé Nast

ALISON MOORE, SVP-Digital, HBO

CHRIS BURNS, Director, Content & Entertainment Curation, Cosmopolitan Hotel

JOSH QUITTNER, Editorial Director, Flipboard

JASON HIRSCHHORN, Former President, MySpace

STEPHEN FRIEDMAN, President, MTV

MICHAEL YANOVER, Head of Business Development and Investments, CAA

MATT KOZLOV, CEO, Qualcomm-CAA Creative Mobile Labs

NOVEMBER 15, 2011 * METROPOLITAN PAVILION * NEW YORK, NY

EARLY BIRD REGISTRATION RATE UNTIL OCTOBER 19TH

adage.com/meconference

AdvertisingAge

Presenting Sponsor



McCANN
WORLDGROUP

Supporting Sponsors



Indeed, the agency executives Ad Age interviewed agreed that those silos of DTC ad specialists won't work with the changing landscape. Most of the industry embraces the idea of broader health-care communications.

"The role of agencies as mediator, negotiator, liaison and ultimately ambassador between pharmaceutical companies, third parties that have the trust, and academics and researchers that have the clinical knowledge and understanding ... that's where we can help usher in that new era. That's the value we can provide," said Michael Spitz, VP-digital strategy, inVentiv Health's Ignite Health.

AD SPENDING CHANGES

U.S. measured-media ad spending by pharmaceutical marketers, mostly in the traditional areas of TV and print with digital claiming only a minor share of what most marketers spend, peaked at \$5.4 billion in 2006, according to WPP's Kantar Media. Spending has declined every year since then to \$4.3 billion in 2010, a decrease of almost 20% over five years. Year-over-year ad spending from 2009 to 2010 alone dropped 8.8%.

Pharmaceutical companies are spending less on marketing for several reasons including some heavily marketed drugs that have gone off-patent, a smaller pipeline with fewer new drugs coming to market and more skeptical consumers. But the main reason they've cut back is, like many other companies and consumers in the recession and tepid recovery, they simply have less to spend.

That's not likely to change anytime soon. Along with fewer groundbreaking mainstream drugs, the dreaded "patent cliff" is looming with even more blockbuster—and heavily marketed—prescription drugs set to lose their patents and go generic. Pfizer's Lipitor leads the pack in November 2011, but it will be followed in 2012 by Bristol-Myers Squibb's Plavix, Merck's Singulair,

AstraZeneca's Seroquel, Takeda's Actos and Forest Laboratories' Lexapro. However, the end of those drugs as brands, while dramatic, is not a death knell for any company and certainly not the end of the pharma ad industry.

"It's incredibly short-sighted, but a lot of people are saying the sky is falling because Lipitor is going off patent," said Ned Russell, managing director, Publicis Groupe's Saatchi & Saatchi Wellness. "Yes, some blockbusters are going generic, but there are so many other things going on. There are great opportunities, but it's just not a \$150 million ad campaign for Lipitor or Plavix or whatever. It's more about targeting to patients who have specific needs. ... It's also about proactive health. It's more of a journey where marketing communications plays a role in advising and helping the consumer along."

IMPERATIVE TO CREATE BRAND VALUE

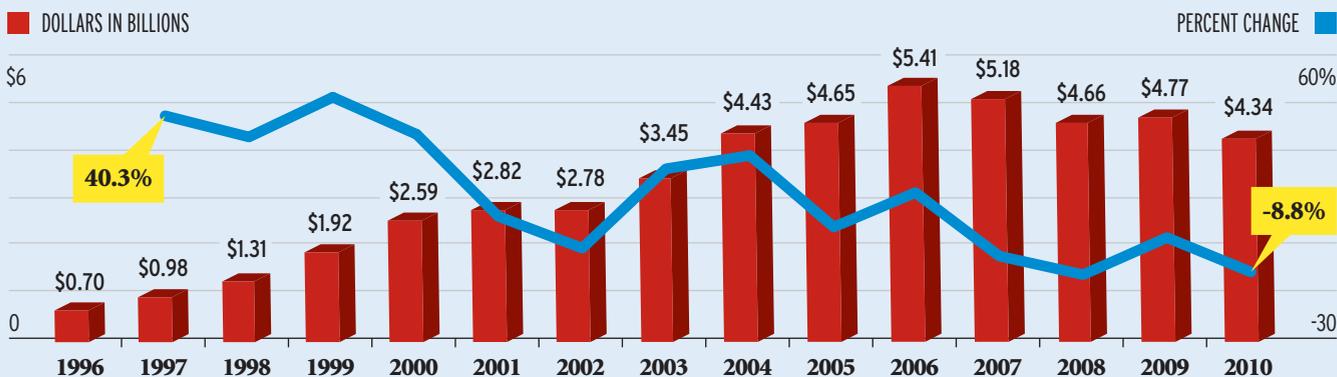
Mark Goldstone, president of Omnicom Group's DDB Health, said marketing will have to change along with the industry. The old way, when innovation in the form of a breakthrough drug or treatment sold the product, is gone. Major mainstream breakthroughs are few and far between. It will be up to agencies to help marketers create value.

"The difference between the old and the new drugs was great. So the drug rep went into the doctors and explained that, then took them to lunch, took his whole family to Disney, and sales went up," Mr. Goldstone said. "They didn't have to create value, like bottles of water have to. That was created in the lab, and reps would do the rest. ... Now everyone is under pressure, the new drugs may only deliver a small benefit, and the drug rep has to go in and explain why that justifies the expense. And oh, I can't leave you a pen anymore, I certainly can't take you to lunch, and there is definitely no Disney."

"It's incredibly short-sighted, but a lot of people are saying the sky is falling because Lipitor is going off patent."

PHARMACEUTICAL MEDIA SPENDING: 1996 TO 2010

By U.S. measured-media ad spending.



Source: Kantar Media. Totals are for 17 measured media: network TV, spot TV, cable TV networks, Spanish-language TV networks, syndicated TV, consumer magazine, Sunday magazine, Spanish-language magazine, local magazine, newspaper, national newspaper, Spanish-language newspaper, national spot radio, network radio, local radio, outdoor and internet display (excluding search and broadband video).

25 LARGEST PHARMACEUTICAL ADVERTISERS

By 2010 U.S. measured-media ad spending in 17 media. Dollars are in millions.

RANK	MARKETER	2010	MEDIA SPENDING 2009	% CHANGE	MOST-ADVERTISED BRAND	BRAND'S 2010 MEDIA SPENDING
1.	Pfizer , New York	\$967.5	\$1,148.6	-15.8	Lipitor	\$272.0
2.	Eli Lilly & Co. , Indianapolis	470.8	370.0	27.2	Cialis	220.6
3.	AstraZeneca , London	422.7	388.6	8.8	Symbicort	152.2
4.	GlaxoSmithKline , London	338.6	311.2	8.8	Advair	200.5
5.	Bristol-Myers Squibb Co. , New York	330.0	423.6	-22.1	Abilify	155.7
6.	Merck & Co. , Whitehouse Station, N.J.	320.6	460.1	-30.3	Singulair	70.3
7.	Johnson & Johnson , New Brunswick, N.J.	173.7	88.9	95.3	Simponi	70.1
8.	Allergan , Irvine, Calif.	166.6	137.5	21.2	Restasis	58.0
9.	Abbott Laboratories , Abbott Park, Ill.	143.4	157.5	-9.0	Trilipix	56.3
10.	Roche Holding , Basel, Switzerland	95.9	93.2	3.0	Boniva	85.2
11.	Takeda Pharmaceutical Co. , Osaka, Japan	93.8	2.5	NA	Uloric	43.6
12.	Sanofi-Aventis , Paris	92.6	190.0	-51.3	Lantus	46.5
13.	Dainippon Sumitomo Pharma Co. , Osaka, Japan	89.1	55.0	61.9	Lunesta	54.1
14.	Boehringer Ingelheim , Ingelheim, Germany	85.5	193.8	-55.9	Spiriva HandiHaler	70.7
15.	Novartis , Basel, Switzerland	78.2	145.3	-46.2	Reclast	48.2
16.	Shire , Dublin	71.9	84.9	-15.3	Vyvanse	58.0
17.	Bayer AG Group , Leverkusen, Germany	71.8	115.2	-37.7	Yaz	41.5
18.	Amgen/Pfizer , Thousand Oaks, Calif.	71.5	91.1	-21.5	Enbrel	71.5
19.	Astellas/GlaxoSmithKline , Tokyo	43.6	38.3	13.9	Vesicare	43.6
20.	Galderma (L'Oreal/Nestle) , Lausanne, Switzerland	36.6	57.4	-36.3	Epiduo	26.2
21.	UCB , Brussels	30.4	0.3	NA	Cimzia	21.1
22.	Teva Pharmaceutical Industries , Petach Tikva, Israel	27.6	32.6	-15.3	Seasonique	27.4
23.	Auxilium Pharmaceuticals , Malvern, Pa.	18.2	0.0	NA	Xiaflex	18.2
24.	Ferring Pharmaceuticals , Parsippany, N.J.	17.3	0.0	NA	Lysteda	9.3
25.	Novo Nordisk , Bagsard, Denmark	15.7	2.1	NA	Victoza	8.5

Source: Kantar Media. Totals are for 17 measured media: network TV, spot TV, cable TV networks, Spanish-language TV networks, syndicated TV, consumer magazine, Sunday magazine, Spanish-language magazine, local magazine, newspaper, national newspaper, Spanish-language newspaper, national spot radio, network radio, local radio, outdoor and internet display (excluding search and broadband video).

Innovation is still there, just in more niche audiences. Cancer treatments, for instance, show promise as areas where drug companies can innovate for smaller audiences of patients.

REGULATORY ENVIRONMENT

Exacerbating the market difficulties is the unique position the pharma industry is in when it comes to federal regulations. It is a very regulated industry, from research, development and testing of new drugs to marketing those drugs. While regulations are there for a good reason, they also are an additional challenge.

That's particularly true now that the consumer world has gone totally tech and pharma companies are hampered in their efforts, partly by their own concerns of sanctions and partly by the fact that there are no real guidelines for digital marketing given by the FDA.

"How do we become a customer-centric industry when we've never been one before? Outside of OTC, the focus in DTC has been on physicians. We're not a direct seller, not an online pharmacy and we're not selling Tylenol," said Fabio Gratton, chief innovation officer at Ignite. "A company is a company is a company, but yet pharma has its hands tied a bit."

Pharma companies will have to market online.

"Budgets are shrinking, physicians are more skeptical and have less time for reps, and pharma has less money to spend. Pharma almost has no choice but to turn away from expensive media channels and embrace the more economical digital channels," Ignite's Mr. Spitz said.

TRADITIONAL MEDIA

So what will happen to TV and print advertising, with their long and sometimes off-putting explanations of side effects and potential problems, when the money moves online in the pharmaceutical industry? Like many other industries where the change has already occurred, traditional media will survive. The function of

those ads may change, though.

"TV, magazines and journals will continue to have a role, and it will still be appropriate to communicate through those media. But that focus will be more on the appropriate use, the continued use and adherence (to a prescribed medicine)," DDB's Mr. Goldstone said. "Fewer than 50% of people on cardiovascular products take their medicine regularly. ... There's a lot of work to be done around adherence and compliance. Connect with their physicians through advertising or an introduction to a website, then you're connected, and the CRM (customer relationship management) connection is made. 'Welcome to the use of the product' with robust programs behind that."

EMPOWERED PATIENTS

Perhaps the biggest challenge pharmaceutical companies face is in building a more direct relationship with the consumer. Some won't attempt to do it—whether in fear of FDA reprisal or a corporate philosophy that they are science and research companies, not marketers. One agency executive reports a senior pharma executive said—in a recent tweet chat on mobile health—that he believes pharma companies should stay out of mobile health ad campaigns entirely.

Some pharma marketers have jumped right in.

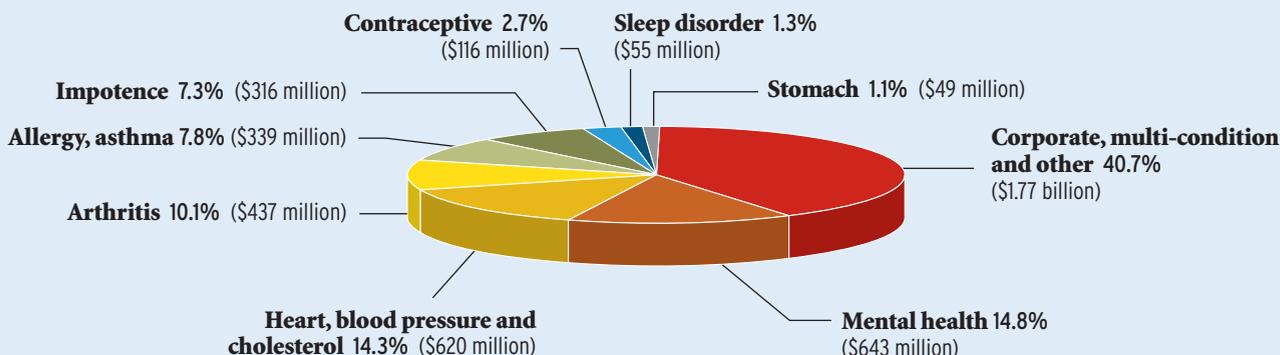
Mr. Gratton pointed to a social-media effort Ignite created for Novo Nordisk with the Juvenile Diabetes Research Foundation to develop a vibrant patient community, Juvenation, a peer-to-peer social group for people with type 1 diabetes. Launched in November 2008, the community now has 14,000 members, according to its Facebook page.

"We've all heard what's happening now called things like 'Pharmageddon,' but there are also many people who are excited by all the changes. They're experimenting, maybe failing, and trying again. They're creating campaigns by listening and opening up channels and trying everything they can to understand consumers today," Mr. Gratton said.

Like other industries with digital marketing growth, traditional media will survive. But the function of the ads may need to change

PHARMACEUTICAL AD SPENDING BY CATEGORY IN 2010

U.S. measured-media ad spending of \$4.3 billion by condition.



Source: Kantar Media. Conditions listed based on Kantar Media classifications for prescription drugs and pharmaceutical houses. Over-the-counter medications are excluded.

25 MOST-ADVERTISED PRESCRIPTION DRUGS

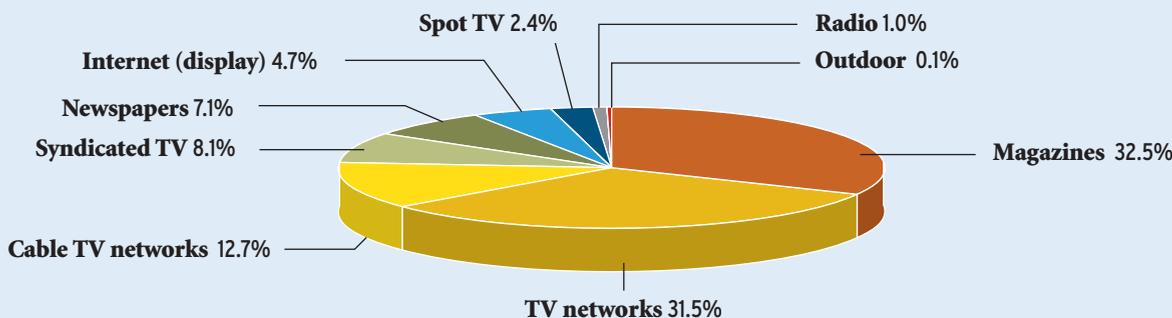
By 2010 U.S. measured-media ad spending in 17 media. Dollars are in millions.

RANK	PHARMACEUTICAL, MARKETER	MEDIA SPENDING			PRIMARY CONDITION(S)
		2010	2009	% CHANGE	
1.	Lipitor , Pfizer	\$272.0	\$247.1	10.1	High cholesterol
2.	Cialis , Eli Lilly & Co.	220.6	179.2	23.1	Erectile dysfunction
3.	Cymbalta , Eli Lilly & Co.	206.0	182.7	12.7	Mental health, depression
4.	Advair , GlaxoSmithKline	200.5	183.3	9.4	Asthma, respiratory
5.	Abilify , Bristol-Myers Squibb Co.	155.7	205.7	-24.3	Mental health, depression
6.	Symbicort , AstraZeneca	152.2	136.2	11.8	Asthma, COPD, respiratory
7.	Pristiq , Pfizer	127.4	124.4	2.4	Mental health, depression
8.	Plavix , Bristol-Myers Squibb Co.	127.3	149.9	-15.1	Blood thinner
9.	Chantix , Pfizer	122.2	155.8	-21.5	Smoking
10.	Lyrica , Pfizer	112.2	162.2	-30.8	Diabetes, fibromyalgia
11.	Toviaz , Pfizer	109.5	56.5	93.7	Bladder control
12.	Viagra , Pfizer	99.9	128.0	-22.0	Erectile dysfunction
13.	Crestor , AstraZeneca	95.1	129.4	-26.4	High cholesterol
14.	Boniva , Roche Holding	85.2	81.6	4.4	Osteoporosis
15.	Lovaza , GlaxoSmithKline	80.7	6.4	1152.5	High cholesterol (triglycerides)
16.	Seroquel , AstraZeneca	80.6	64.2	25.4	Mental health, depression
17.	Enbrel , Amgen/Pfizer	71.5	85.3	-16.1	Arthritis, psoriasis
18.	Spiriva HandiHaler , Boehringer Ingelheim	70.7	77.6	-8.8	COPD, respiratory
19.	Singulair , Merck & Co.	70.3	78.1	-10.0	Asthma, allergy, respiratory
20.	Simponi , Johnson & Johnson	70.1	5.9	1089.5	Arthritis
21.	Januvia , Merck & Co.	64.6	27.6	133.8	Diabetes
22.	Restasis , Allergan	58.0	41.0	41.5	Chronic dry eye
23.	Vyvanse , Shire	58.0	84.6	-31.5	ADHD
24.	Trilipix , Abbott Laboratories	56.3	43.7	28.8	High cholesterol
25.	Lunesta , Dainippon Sumitomo Pharma Co.	54.1	19.4	179.3	Sleep disorder

Source: Kantar Media. Totals include 17 measured media. Ranking based on Ad Age DataCenter analysis. Some pharma brands are co-marketed. See P.5 and P.7 for notes on measured media.

PHARMACEUTICAL ADVERTISING BY MEDIUM IN 2010

U.S. measured-media ad spending of \$4.3 billion for medicines and pharmaceutical companies.



Source: Kantar Media. See P.5 and P.7 for notes on measured media.

>> HEALTH-CARE REFORM

President Obama's health-care reform law, passed in March 2010, is a looming pill for insurance companies, doctors, hospitals and the entire health-care system.

The main drug-related shift under the Affordable Care Act is that the government—already the biggest pharma customer—may become an even bigger one as a vastly larger percentage of Americans become insured. For pharma marketers, that means the government will have more influence over prescription drugs.

One question is how off-label drug use will be covered. Drugs are used off-label to treat many diseases. That means a drug is not specifically approved, or has not been through the rigorous approval process, for a particular use. The American Cancer Society says off-label use is common in treating cancer. But it can already be difficult to get an insurer to reimburse or pay for an off-label drug treatment.

"The question is what are the policies for off-label use," said Wayne Pine, a pharma industry consultant and former FDA chief spokesman. "At one extreme, and it is an extreme, government could prohibit any use or reimbursement for a product being used off label. That is an extreme, of course, and I don't think they will end up there."

Decisions now on off-label coverage are made by the government on a case-by-case basis. That could continue, or an overarching policy could be established, he said.

The next biggest customer of pharma

companies after the government is the primary payer group of managed care and insurance companies. That's where health-care reform tends to move decision making, said John Kamp, executive director, Coalition for Healthcare Communication.

"The pharma business has to respond by looking at its newest customers. The FDA rules are aimed at regulating what drug companies can say to doctors and consumers, but there isn't much thinking about how to interact with payers and the government," he said.

Moreover, marketers will need to reach new prescription drug consumers—the more

Many questions remain. How much off-label use will be covered? What role will the states play? Will the new law survive high court review?

than 30 million people who had previously been uninsured. Combined with the more limited access to doctors, not by health-care reform but by hospital policies or simply physicians' time constraints, pharma seems to have more reason to advertise directly to consumers.

"Pharma companies will still try to reach doctors through salespeople and professional publications, but also in the same way they reach consumers. Doctors watch TV, too," said Kenneth Goldstein,

president of Kantar Media's Campaign Media Analysis Group. "We still live in a world, even with the internet, where people still spend more time watching TV, and even more so with older people, TV draws big eyes."

Pharma, however, will face another challenge as the health-care reform act is established because while it is a national law, some money and administration are filtered down through the states.

"On multiple issues and at multiple levels of government, pharma companies are going to have to be involved with government relations," Mr. Goldstein said.

There also are some direct costs in the act, in the form of new annual taxes to be levied at the pharma industry, paid based on market share.

Those taxes are set to begin next year with \$2.8 billion to be paid in 2012 and 2013; \$3 billion in 2014

through 2016; \$4 billion in 2017; \$4.1 billion in 2018; and \$2.8 billion in 2019 and beyond, according to the Kaiser Family Foundation.

Of course, that is if health-care reform remains law.

Recent court challenges to the reform act by states have made their way through the local and regional courts and are likely headed to the Supreme Court, with several states, state groups and even the Obama administration asking recently for a review by the high court.

Web marketing challenges

EVERYONE'S LOOKING ONLINE for health information.

In fact, research shows that a majority of people turn to the web first when looking for health information. Not just at some point, but "first." That means about 57% of the online population turns to the internet before talking to their doctor, spouse, friends or even their mom when looking for information. And about 82% of people deem access to online tools and health information as "critical," according to Kantar Media's 2011 MARS Online Behavior Study.

Physicians are also increasingly going online. Whether looking for the latest research or treatment information, 86% of medical professionals read journals online, and another 80% use reference publications on the internet, according to Kantar Media's 2011 MARS Physician Sources & Interactions Study.

Hospitals use the internet to give information about their services, create patient groups and build wellness communities around their brands. Boston University Medical Center, for instance, has developed a strategy that includes online virtual patient advocates to help reduce patient re-hospitalization after discharge.

So it would seem that pharmaceutical marketers would also be somewhere in the mix, just as they are in the offline mix of health-care information. But in general, they're not.

Already a cautious industry, pharmaceutical marketers are concerned about violating regulations, crossing privacy lines or appearing too aggressive to consumers. They also tend not to be experienced in digital marketing. So the net effect for these marketers is that they either can't, or won't, go where many people and medical communities already are.

Pharma companies do play some role online, of course. Many place paid search advertising, and others buy display ads on medical community web pages. They maintain branded drug websites detailing things like the drug's usage, risks and rewards, for instance. However, the more forward-looking one-to-one marketing written about so much in other industries is virtually unheard of.

"When I read stories about what hospitals and doctors are doing online, I wonder why can't pharma do similar kinds of things?" said Ned Russell, managing director of Publicis Groupe's Saatchi & Saatchi Wellness. "When it comes to digital and social, because of things like adverse reporting, they generally just don't do it."

Adverse reporting—the Adverse Event Reporting System—is a U.S. Food and Drug Administration program intended to monitor negative effects attributed to prescription drugs. Filing reports is voluntary for health-care professionals and consumers. However, pharma marketers are mandated to report. The FDA website reads: "If a manufacturer receives an adverse event report, it is required to send the report to FDA as specified by regulations."

The fear is that web communications, such as blog postings by visitors to a pharma-hosted or -sponsored site or comments on a pharma social-media page, could fall under that mandate.

Several studies have shown that only a small percentage of online pharma-related comments met all the criteria requiring a company to report. But the onus of monitoring and reporting has kept many pharmaceutical marketers from trying.

TIME SPENT ON PRESCRIPTION-DRUG WEBSITES

Ad Age asked Kantar Media Compete to look at web traffic and engagement on sites for prescription drugs focused on five conditions: arthritis, cancer, depression, diabetes and high cholesterol.

Site selection was limited to websites averaging more than 10,000 monthly unique visitors from August 2010 to August 2011.

The table below shows the top three in each category by average minutes per page per session over the same time period.

RANK	CONDITION/SITE	AVERAGE MONTHLY UNIQUE VISITORS	AVERAGE TIME ON PAGE PER SESSION ¹	AVERAGE PAGE VIEWS PER SESSION
Arthritis				
1	rituxan.com	26,282	4.48	4.75
2	hyalgan.com	16,384	4.09	2.35
3	celebrex.com	108,375	4.05	2.36
Cancer				
1	herceptin.com	10,435	5.12	7.92
2	femara.com	16,683	4.41	8.45
3	xeloda.com	11,419	4.34	2.68
Depression				
1	effexorxr.com	48,736	4.15	2.50
2	seroquelxr.com	174,962	4.06	2.45
3	amoryn.com	24,121	3.89	2.83
Diabetes				
1	humalog.com	17,717	6.17	2.50
2	byetta.com	11,778	6.12	2.45
3	actos.com	34,686	4.69	2.83
High cholesterol				
1	lovaza.com	40,998	5.78	5.32
2	crestor.com	155,553	5.43	3.83
3	lipitor.com	198,815	4.46	2.10

1. In minutes. Source: Kantar Media Compete, Ad Age DataCenter analysis.

When Facebook changed its rules in August 2011 and required all Facebook pages to enable comments, some pharmaceutical marketers shut down their Facebook pages for just that reason. Others have posted warnings and reserve the right to disable comments, although some noted that kind of policy can hamper the building of trusting two-way relationships.

But still others are trying and are getting kudos for effectiveness. Boehringer Ingelheim is often cited as a pharma example of the right way to do Facebook. Visitors land on a “welcome” page, versus the typical straight to wall postings on most pages.

On the welcome page, the pharma company explains its Facebook mission and policies in a friendly casual manner. The page reads in part: “We have enabled our wall for commenting because we want to hear from you! Help us to keep this wall interesting by actively contributing in the spirit it’s intended for but please respect the following otherwise our lawyers will be mad at us.”

Boehringer Ingelheim lists and offers a rationale for its posting policy:

“The company reserves the right to remove any postings at its sole discretion (we work with serious medical conditions and we can’t risk unmonitored or unverified medical advice being published).” A disclaimer/caution about not using the site as a substitute for professional medical advice adds: “We know a lot of doctors and trust us—they know about health!”

AstraZeneca is another drug maker attempting to connect in the social-media space. In 2011, it held the first pharma-hosted Twitter chat (on the subject of prescription savings plans) and continues to keep an active Twitter voice. The drug maker also maintains a blog, Facebook page and YouTube channel.

AstraZeneca laid out its position on social media in a 2010 white paper that said in part:

“AstraZeneca believes that we have an obligation to participate in social media in a responsible way to help educate patients, caregivers, health-care providers and the general public. Our active participation can provide information to help ensure that patients get the appropriate medicine at the right time and that it is taken in the right way. As we await FDA guidance and determine the appropri-

ate path forward for AstraZeneca, outreach to other individuals who engage in this arena—patients, caregivers, health bloggers, media stakeholders—simply makes sense; it has helped inform and shape AstraZeneca’s perspective on key issues.”

LACK OF GUIDELINES

Adverse-reporting regulations create a challenge for pharma firms in social and digital media that marketers in other industries don’t face. But it is the lack of digital guidelines that seems to frustrate pharma marketers even more.

The FDA held a two-day hearing with physicians, marketers and other industry experts regarding web and social-media advertising in fall 2009 in Washington, D.C., but no guidelines have been issued from that. Most of the comments and notices issued by the FDA since then have been vague and haven’t offered a specific timetable.

An FDA spokeswoman in October 2011 said: “Policy and guidance development for promotion of FDA-regulated medical products using the internet and social media tools are among our highest priorities. Despite our limited resources and increasing workload, we remain committed to this area in terms of both time and human resources.”

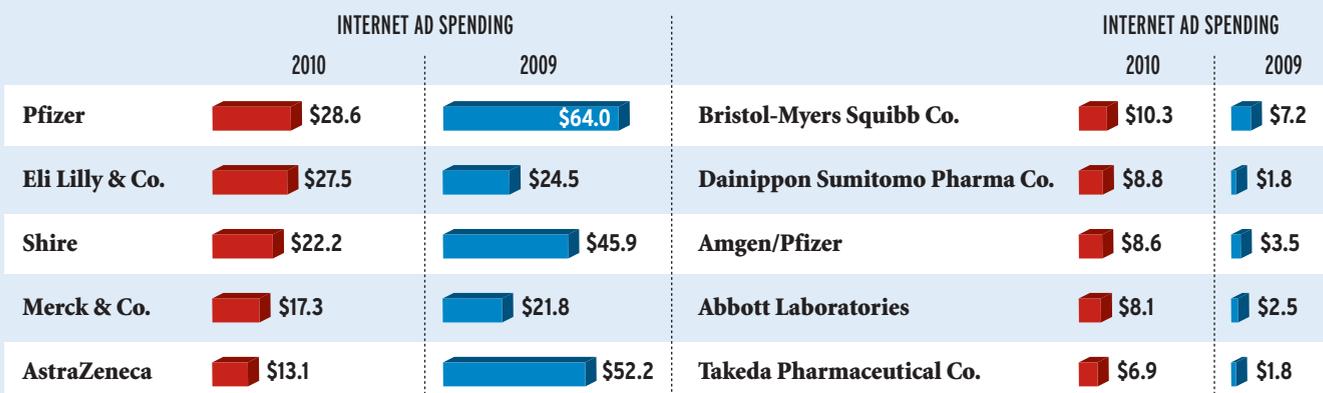
The spokeswoman added: “It is difficult to provide a timeframe for the issuance of our guidances due to the extensive work and review process, or ‘Good Guidance Practices,’ which ensures that FDA’s stakeholders are provided well-vetted guidances articulating FDA’s current thinking on a topic.”

The FDA has identified these issues as “important to address”: responding to unsolicited requests; fulfilling regulatory requirements when using tools associated with space limitations; fulfilling post-marketing submission requirements; online communications for which manufacturers, packers or distributors are accountable; use of links on the internet; and correcting misinformation.

“We are developing multiple draft guidances to address these topics to benefit industry and the public by ensuring that these draft guidances are meaningful and well thought out when they are issued,” the spokeswoman said.

LARGEST PHARMACEUTICAL INTERNET DISPLAY ADVERTISERS

U.S. spending by company for corporate pharmaceutical campaigns and prescription drugs. Dollars in millions.



Source: Kantar Media. Ad Age DataCenter analysis. Figures exclude search and broadband video. Numbers rounded.

The FDA has a tough job in regards to the web and social-media guidelines. Not only are new technologies constantly emerging, but the import of the task—regulating drugs that affect people's health and well being—is not as easy as regulating laundry detergent or soft drinks. Industry experts interviewed for this white paper do realize and respect that. But they await formal guidance.

"We've been holding our breath waiting for them to tell us what we can and cannot do," said Buddy Scalera, VP-interactive content and market research, WPP's Ogilvy CommonHealth. "We try to apply the offline rules online, but that doesn't always translate. ... Some of the other guidance we do have comes from the reactions of the FDA to something a marketer has done."

He is referring to warning letters the FDA sends to inform a marketer it has violated policy. For example, the FDA sent Novartis a letter in July 2010 requesting that it remove a Facebook share widget for leukemia treatment drug Tassigna because Novartis did not disclose all risk information at the widget site. A link to more information was not sufficient, the FDA stated in the letter.

The FDA issued a less serious "untitled letter" (also called a notice of violation letter) to Pfizer in August 2011 about a Lipitor web page where an "online resources" section mentioned other Pfizer drugs: Caduet, Chantix and Norvasc. The drugs listed included links to more information but not a full list of risk disclosure. The FDA deemed that disclosure insufficient.

Those FDA communications indicate that when it comes to the web, no shortcuts are allowed in explaining risks. Just like in traditional-media advertising, it seems to say via these letters, a detailed disclosure of risks must be presented.

Meanwhile, some marketers and industry advocates are coming up with their own rules for web and social media.

"Waiting for the stone tablet to come down from the mountain is probably not going to happen, so we will develop best practices ourselves," said John Kamp, executive director of Coalition for Healthcare Communication, referring to the new Digital Health Coalition. That group, made up of a broad swath of health-care company executives, is drafting its own best practices and plans to put them out for public comment by the end of 2011 with the goal of publishing the voluntary guidelines by the end of 2012.

WEB AND SOCIAL MEDIA ARE FUTURE FOR PHARMA

The coalition is pushing forward, despite no clearcut FDA guidelines, because it believes that pharma must find a way to use the web and social media to connect with consumers. As is the case in many industries, the voice of the consumer is becoming an important part of the brand, and the era of one-way messaging is over.

"All of the sudden, companies are looking at health care in a very different way than they used to. Social media and mobile health are just triggers that are pushing it," said Fabio Gratton, chief innovation officer at inVentiv Health's Ignite Health. "The real opportunity is to be a complete service provider. It's drugs versus health care."

Mr. Gratton said there are two ways of thinking about the changes in pharma and the web. One group is already out there experimenting—failing sometimes, but always trying—to reach consumers in new ways. The other, afraid or uninterested in becoming consumer-centric, will likely pull back and stick to drug R&D.

No matter which direction a company goes in online marketing, two key web issues—privacy and brand safety—will be even more important in the heavily regulated pharma industry.

"There's probably going to have to be a lot of opting in, and 'real' informed consent, if you will," said Mark Goldstone, president of Omnicom Group's DDB Health. "But it's not just that pharma or health care is behind the times. It's not a lacking of wanting. It's the delicacy of it."

You can see by spending patterns that drug firms are treading lightly. Web spending is still a tiny part of pharma companies' U.S. ad spending. About \$203 million was spent on internet display ads in 2010 out of a total \$4.3 billion, according to Kantar Media data. Pfizer, the top-spending pharma at \$967.5 million in 2010 measured media, spent an estimated \$28.6 million on internet ads, or 2.8%.

DO CONSUMERS CARE?

While pharma tends to sit cautiously on the sidelines, consumers have rushed ahead in searching the web for health information. However, the vast majority of consumers visit so-called non-branded websites—sources of information such as WebMD—rather than pharma branded websites (sites run by drug companies).

In fourth-quarter 2010, of the 6.5 million unique visitors to all websites about cancer, only 276,000 (about 4.2%) were to branded sites, according to Kantar Media Compete data. Compete also found low single-digit percentages for such other health conditions as diabetes, depression, high cholesterol and rheumatoid arthritis.

Another metric from Compete looks at the time spent on specific branded drugs' websites. Time spent varied from as little as about two minutes per web session to as high as eight minutes.

That may not seem like a long time to spend on a site. But if you take into account the likely large volume of people who click away from the page immediately, an "average time of four to five minutes by any industry's standards is not bad," said Ogilvy CommonHealth's Mr. Scalera. "On a lot of consumer sites, two to three minutes is average."

It's also probably a more qualified or quality amount of time spent, Mr. Scalera said. By the time consumers go to a prescription drug page, they have had symptoms, seen a doctor, likely were tested and have been prescribed a medicine that is now a part of their lives either temporarily or permanently.

So what's a pharmaceutical marketer to do? While even the taint of FDA warning letters is a potential public relations problem, there is also the potential danger that too many warning letters could lead to an FDA shutdown on marketing a drug while claims are investigated. That represents not only lost revenue to the marketer, but also the loss of a drug a patient might need to treat a serious medical condition.

Insiders said drug companies are going to need to get creative—not only to maneuver through the digital-marketing landscape, but also in the new lay of the land that will be the pharma industry.

Nick Colucci, president-CEO of Publicis Groupe's Publicis Healthcare Communications Group, cited an example of Johnson & Johnson's Realize gastric band.

J&J realized that the band alone doesn't work because diet and behavior modification are needed as well. The company created an online tool that patients—and their doctors and surgeons—could use to monitor diet and exercise. After one year, J&J found the more the online tool was used, the more weight was lost and kept off.

Said Mr. Colucci: "Clients are going to have to be more insightful and creative in thinking about what the product can do and go beyond the obvious."

Social media and health

Data show more discussion of general conditions than brands. When DTC branded campaigns are mentioned, posts tend to be negative in all forms of social media.

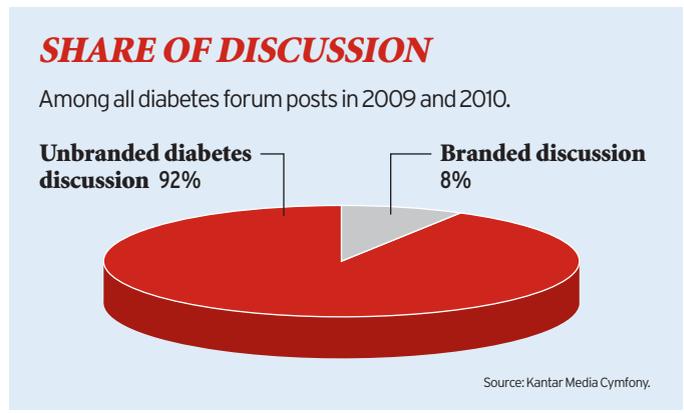
A LARGE PERCENTAGE of medical condition-related conversations in social media are “unbranded” (discussions where no specific branded medication is mentioned). Across several therapeutic areas, only about 1% mention direct-to-consumer ad campaigns.

Most discussions related to branded DTC campaigns take place on blogs and forums. “The emotional and psychological toll of the condition is touched upon frequently,” according to a Kantar Media Cymfony study. The second-quarter 2011 study examined social-media conversations about brands and patient response to DTC campaigns.

DTC posts increase with new campaigns; campaign frequency; launch of a key partnership with a celebrity; and unique storylines. This trend is particularly visible in patient-generated posts on Facebook and Twitter. When posts do mention specific campaigns, consumer sentiment tends to be negative—with large doses of ridicule directed at the list of potential side effects.

A Facebook post illustrates consumer confusion and concern: Regarding a branded campaign for what a poster called a psoriasis “cream”, the post noted, “it can increase your chances of cancer or heart attacks. Guess people will be sticking to the scratching.” The post was for an injectable medicine.

Nevertheless, social media can assist pharma marketers and their agencies with insights into positioning, consumer response and targeting. A look at diabetes-related discussions (bottom) shows the volume of posts and multiple brand mentions. For example, Lantus was mentioned in social-media posts 40,998 times during 2009 and 2010. Of those, 8% also mentioned Levemir.



DIABETES-RELATED BRAND NAMES MENTIONED IN FORUMS

Ranked by number of posts in 2009 and 2010. Table shows percentage of posts about a brand that mentioned other diabetes drug brands.

RANK	BRAND	POSTS	Lantus	Byetta	Levemir	Humalog	Actos	Januvia	Glucophage	Avandia	Amaryl	Janumet
1.	Lantus	40,998	-	7%	37%	42%	12%	7%	3%	4%	11%	4%
2.	Byetta	9,356	2%	-	2	1	7	10	3	5	9	6
3.	Levemir	9,152	8	2	-	8	1	2	1	1	1	2
4.	Humalog	7,132	7	1	7	-	0	1	0	0	1	0
5.	Actos	6,015	2	5	1	0	-	9	5	23	12	5
6.	Januvia	4,313	1	5	1	0	6	-	3	5	8	26
7.	Glucophage	3,877	0	1	0	0	3	3	-	4	6	2
8.	Avandia	3,784	0	2	0	0	14	4	4	-	6	2
9.	Amaryl	1,396	0	1	0	0	3	3	2	2	-	1
10.	Janumet	1,279	0	1	0	0	1	8	1	1	1	-

Source: Kantar Media Cymfony. Figures in red indicate highest resonance. Resonance indicates the presence of a discussion topic within a discussion set. For example, resonance of Byetta against Lantus means how often Byetta is mentioned within all posts about Lantus. The % means what percent of Lantus posts contain a mention of Byetta.

Pharmacies and pharmacists

AMERICANS SUBMIT ALMOST four billion drug prescriptions every year, with an average of more than 12 prescriptions per person, according to the Kaiser Family Foundation.

While a growing number of those orders are filled by mail order, the vast majority of prescriptions are still filled at pharmacies, either traditional ones or increasingly at pharmacies inside supermarkets and mass merchants.

And that makes the pharmacy, and the pharmacists themselves, a key cog in not only the pharmaceutical chain, but also in the marketing of prescription drugs and services. The pharmacy is quickly becoming the hub of American health care. While people may see a doctor or go to a hospital three to four times a year, they likely make more trips to the pharmacy for those prescriptions and refills along with other health-care needs.

“Statistics say that as a member of the healthcare team, the pharmacist is seen more than any other member. That gives them a unique opportunity to interact with patients and customers,” said Mark McCoy, senior VP-brand planning at inVentiv Health’s Palio and a registered pharmacist for 30 years.

The role of the pharmacist has been expanding, too, as patients see their doctors less often and take on more decision making, as an aging population begins to take more and multiple drugs, and as generics become more popular but also more confusing as a choice for consumers. The former reactionary role of pharmacists has become a much more proactive one.

Consider that many pharmacies offer vaccines and immunizations, such as flu shots, which are now allowed to be given by pharmacists in all 50 states. Some pharmacies now also provide quick emergency care in the growing trend of minute clinics or ready care operations inside the store that can provide convenient visits and pain relief. It all adds up to a pharmacy renaissance, harkening back to the small trusted local pharmacies of yesteryear.

Consumers do trust them, and in fact, pharmacists rank near the top of the most-trusted professions at No. 3 on Gallup Poll’s annual Honesty and Ethics of Profession with 71% of people agreeing that pharmacists are honest and ethical in 2010. Only nurses (81%) and military professionals (73%) ranked higher. Medical doctors were No. 5 at 66%.

Some retail pharmacy brands are recognizing that as well, and have become more aggressive marketers, reaching out to consumers with messages of saving money, convenience and a ready staff of helpful, knowledgeable pharmacists.

Target’s “Ask Us” campaign for its in-store pharmacies began in 2009 and morphed into “Ask Me” this year, and is a great example of that. At the core of the message and creative work are Target pharmacists. Clad in signature Target red shirts and traditional pharmacist white jackets, they dispense friendly smiles along with the encouragement to “Ask me anything about anything.”

“We needed to drive awareness for our pharmacies. At that point, we had won two or three J.D. Power awards, but the categories more associated with Target are style and fashion,” said Will Setliff, senior VP-marketing, Target Corp. “With health care as an

FIVE MOST-VALUED SOURCES FOR HEALTH-CARE INFORMATION

By the percent of respondents who answered: “very much/somewhat.”

	2011	2002
1. Doctors	69.9%	76.2%
2. Pharmacists	55.9%	52.9%
3. Nurses, physician assistants	55.1%	47.9%
4. Friends, spouse, other relatives	53.2%	55.9%
5. In-doctor’s-office ads, brochures, pamphlets, wallboards	39.1%	47.4%

Source: Kantar Media’s 2011 MARS OTC/DTC Study, 2011 versus 2002. Respondents were asked to indicate the value of certain sources for health-care information.

emerging business for us, we needed to develop a message and marketing that didn’t mimic the fashion side or other parts of our business. We already had these highly educated, passionate team members (in pharmacy), so we decided to build around them.”

Pharmacy organizations also realize that the pharmacist is more important than ever to consumers. The National Association of Chain Drug Stores promotes the pharmacist role as “medication therapy experts” and offers best-practice suggestions to its member pharmacists in working directly with patients in medication therapy management, or MTM. That plan includes reviewing medications with patients, developing a personal medication record and action plan for each patient, and working with doctors to resolve medication-related problems.

While many pharmacists already do those things, it is becoming more structured. Target, for instance, is piloting a formal program, now testing in several stores, that uses MTM.

“The expectation of what a pharmacist should be to customers has increased over the past few years,” said Jose Barra, senior VP-health and beauty, Target Corp. “Our pharmacists are more available to guests, they take more time with each customer. We encourage them to be proactive. They dispense advice on prescription drugs, but also on over-the-counter drugs as well.” The whole mindset is rather than just helping customers get better, Target helps them stay healthy, he said.

Mr. Barra described the Target pharmacy guest profile as a wide spectrum with the sweet spot the mom with two kids, who in some cases might also be providing care for aging parents. That’s where programs like its trademark ClearRx system—with easy-to-read labels, simple patient info cards on the back and color-coded rings

around the neck of the bottle (meant to distinguish each member of the household's prescriptions)—won the Design of the Decade award from the Industrial Designers Society of America. The system works in multi-generational busy households and is easier for older consumers to understand.

RISE OF GENERICS

Whether it is due to drugs going off patent or from pressure by health-care management companies to cut costs or by consumers looking for less expensive options, the use of generic drugs is growing by leaps and bounds. In 2010, 72% of all prescriptions dispensed were generics, up from 68% the year before.

The rise in generic drugs has played a role in the rise of the pharmacist. With so many generics bearing complex chemical names, and even more about to flood the market, the potential for confusion is high. Pharmacists can fill that role of balancing price advantages with health advantages—and not just for prescription drugs but for OTC as well.

"Eighty-two percent of people say they buy the over-the-counter drug recommended by their pharmacist. And pharmacists tend to favor prescription-drug-to-over-the-counter switches because of their visibility and long safety track records," Palio's Mr. McCoy said. "Look at Zantac, Prilosec, Zyrtec—when a well-known branded drug goes OTC, it allows the marketer to continue marketing under the name. There is still value in that brand name."

AGGRESSIVE CAMPAIGNS

We've all seen, or been the target of, retail pharmacy efforts to get your "dance card" of prescriptions. In the past, many different pharmacies have offered cash back or other in-store discounts for switching. And while some still do, the current trend in pharmacy advertising is more about establishing trust and helping customers figure out the ever-changing world of health care.

CVS Pharmacy, for instance, is currently offering advice as its

bonus for new or transferred prescriptions. Those new customers can get its Care 1on1 service, which is a personal review by your local pharmacist to talk about "topics related to savings, safety and side effects."

Among the five retailers that spend the most on pharmacy-related ads, No. 1 Walgreen Co. increased spending a bit from 2009 to 2010, but Nos. 2 and 3, CVS Caremark Corp. and Walmart Stores, respectively, dropped spending by more than 30% each, according to Kantar Media data. (CVS and Walmart declined requests for interviews for this story.) However, Rite Aid Corp. and Target, the No. 4 and 5 ad spenders, respectively, both increased their ad spending fairly significantly. Supermarkets are excluded from this ad spending ranking. But pharmacies inside grocery stores account for about \$13.3 billion in sales.

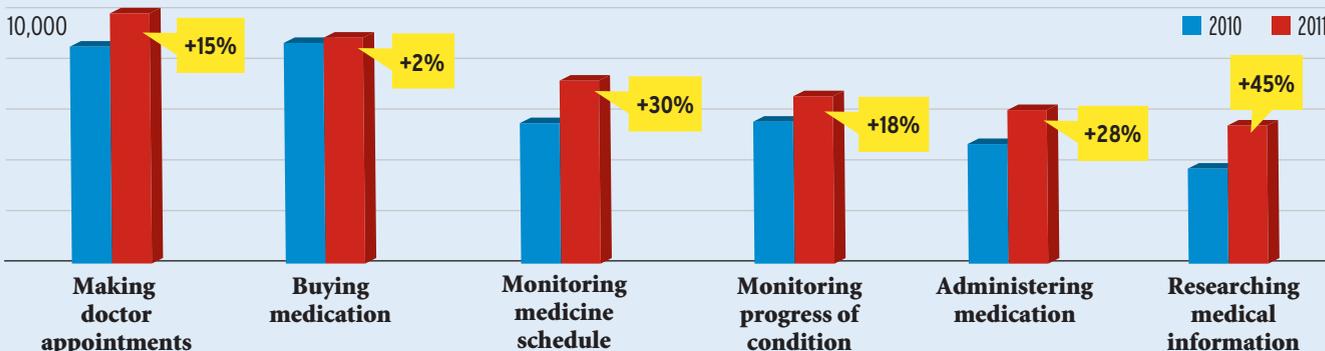
Walmart, which sparked the initial pharmacy marketing war with its \$4 generic prescription promotions five years ago, still offers a \$10 gift card for online prescription transfers with home delivery. Its move, although controversial, forced mass-merchant pharmacy retailers—and eventually some drug stores—to make the same offer.

Rite Aid is finding success with its Wellness+ lifestyle marketing and loyalty program. Rite Aid just launched its first condition-specific Wellness+ for diabetes in collaboration with WebMD, offering free lifestyle management tools as well as a welcome package with \$100 in savings. Meanwhile, Rite Aid's crossover from pharmacy to other in-store shopping is high, with almost 90% of its Wellness+ card holders shopping both sides of the store. Its tagline, reflecting its take on the importance of a quality relationship between pharmacy and customer is, "With us, it's personal."

"We've got an aging population and, to be honest, an overweight population. People are starting to have chronic conditions they need medication for. They go to the drugstore once a month, or even more, to pick up scrips. Now the retailer knows they can get customers to the store 12 times a year, whereas before it may have only been three or four times," Mr. McCoy said. "It's a real opportunity to sell 'front of the store,' as it used to be called."

BABY BOOMERS ARE TAKING ON NEW HEALTH-CARE RESPONSIBILITIES

Caregivers (population in thousands) for those 65 or older increased 8% in 2011. On average these caregivers are 55; 62% of them are female; 62% are married.



Source: Kantar Media's 2011 MARS OTC/DTC Study.

Customer service is important to shoppers at pharmacies, as are good prices. Opportunities to speak with the pharmacy staff and brief wait times for prescription refills improve satisfaction.

The fifth annual pharmacy report from J.D. Power and Associates released in September 2011 found that customers have higher than ever expectations when it comes to pharmacy shopping and performance.

Last year, for instance, customer satisfaction increased when the wait time was less than seven minutes for a prescription. However, this year customer satisfaction decreased with wait time of just

three minutes for a prescription.

“Customers are expecting more from their brick-and-mortar pharmacy—not just in terms of wait time, but also in terms of contact with the pharmacist and pharmacy staff,” said Rick Millard, senior director of the health care practice at J.D. Power and Associates, in a press release.

“In fact, brick-and-mortar pharmacies are able to better differentiate themselves by offering additional services from the pharmacy staff,” he said. “These personal contacts may help distinguish the store experience as satisfying for pharmacy customers.”

MOST-PRESCRIBED PHARMACEUTICALS

Ranked by total number of U.S. retail prescriptions, 2010 (numbers in millions).

RANK	PRESCRIPTION DRUG, MANUFACTURER(S)	RETAIL PRESCRIPTIONS IN MILLIONS			PRIMARY CONDITION(S)
		2010	2009	% CHANGE	
1.	hydrocodone/acetaminophen , Mallinckrodt Ph.; Watson Ph.	122.8	120.3	2.1	Pain
2.	lisinopril , Lupin Pharmaceuticals	76.9	73.8	4.3	High blood pressure
3.	simvastatin , Lupin Pharmaceuticals and Teva Pharmaceuticals	76.8	73.2	4.9	High cholesterol
4.	levothyroxine , Mylan Pharmaceuticals	68.2	63.0	8.2	Hypothyroidism
5.	amoxicillin , Sandoz	51.1	51.4	-0.6	Bacterial infection
6.	amlodipine besylate , Mylan Pharmaceuticals and Greenstone	50.2	44.9	11.7	High blood pressure
7.	azithromycin , Greenstone and Sandoz	48.8	49.8	-2.1	Bacterial infection
8.	alprazolam , Sandoz	46.2	44.5	3.9	Mental health, anxiety
9.	hydrochlorothiazide , Ivax Pharmaceuticals	45.8	46.2	-0.8	High blood pressure
10.	omeprazole , Mylan Pharmaceuticals	44.8	38.8	15.4	Gastroesophageal reflux disease
11.	metformin , Teva Pharmaceuticals and Zydus Pharmaceuticals	41.9	40.1	4.7	Diabetes
12.	Lipitor , Pfizer	37.5	42.3	-11.3	High cholesterol
13.	furosemide oral , Mylan Pharma. and Ranbaxy Pharma.	36.6	36.6	-0.1	High blood pressure
14.	metoprolol tartrate , Mylan Pharmaceuticals	34.7	34.9	-0.5	High blood pressure, angina
15.	atenolol , Sandoz and Mylan Pharmaceuticals	33.8	38.0	-11.0	High blood pressure, angina
16.	sertraline , Greenstone	33.4	30.7	8.9	Mental health, depression
17.	metoprolol succinate , Par Pharm. Cos. and Watson Pharma.	32.2	28.8	11.9	High blood pressure
18.	zolpidem tartrate , Teva Pharmaceuticals	29.7	30.6	-2.8	Mental health, sleep disorder
19.	oxycodone/acetaminophen , Mallinckrodt Pharmaceuticals	28.7	26.9	6.8	Pain
20.	citalopram HBr , Torrent Pharmaceuticals	28.0	25.6	9.4	Mental health, depression

Source: SDI. Data from Advertising Age sibling Modern Healthcare, June 13, 2011. Note: Manufacturers indicated are majority manufacturer. Numbers rounded. For more information about the data used to compile this list, contact: SDI, 1SDI Drive, Plymouth Meeting, Pa. 19462; 610-834-0800; sdhealth.com; also Special Projects/Research Editor Rebecca Mielcarski, rmiecarski@modernhealthcare.com.

Pharmacy benefits managers

Revenue, prescriptions filled and the dominance of generics in 2010.

LARGEST PHARMACY BENEFIT MANAGERS

Ranked by 2010 revenue from unbundled PBM services. Dollars in millions.

RANK	COMPANY	UNBUNDLED PBM REVENUES
1.	Medco Health Solutions Franklin Lakes, N.J.	\$66,000.0
2.	CVS Caremark Corp. Woonsocket, R.I.	47,780.0
3.	Express Scripts St. Louis	44,973.2
4.	Prescription Solutions Irvine, Calif.	13,100.0
5.	Catalyst Rx Rockville, Md.	3,764.1
6.	informedRx Lisle, Ill.	1,841.6
7.	Envision Pharmaceutical Services Twinsburg, Ohio	1,200.0
8.	National Pharmaceutical Services Omaha, Neb.	1,100.0
9.	Restat Milwaukee	1,087.4 ¹
10.	Pharmacy Data Management Poland, Ohio	917.6

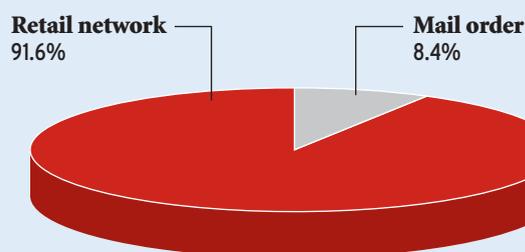
PRESCRIPTIONS FILLED BY PBM

Ranked by number of prescriptions filled in 2010.

RANK	COMPANY	PRESCRIPTIONS FILLED
1.	Express Scripts	753,900,000
2.	Medco Health Solutions	740,100,000
3.	CVS Caremark Corp.	530,958,000
4.	Prescription Solutions	346,278,000
5.	HealthTrans	108,000,000
6.	Catalyst Rx	80,835,554
7.	Restat	51,258,753
8.	Envision Pharmaceutical Services	31,500,000
9.	informedRx	22,023,914
10.	PerformRx	20,000,000

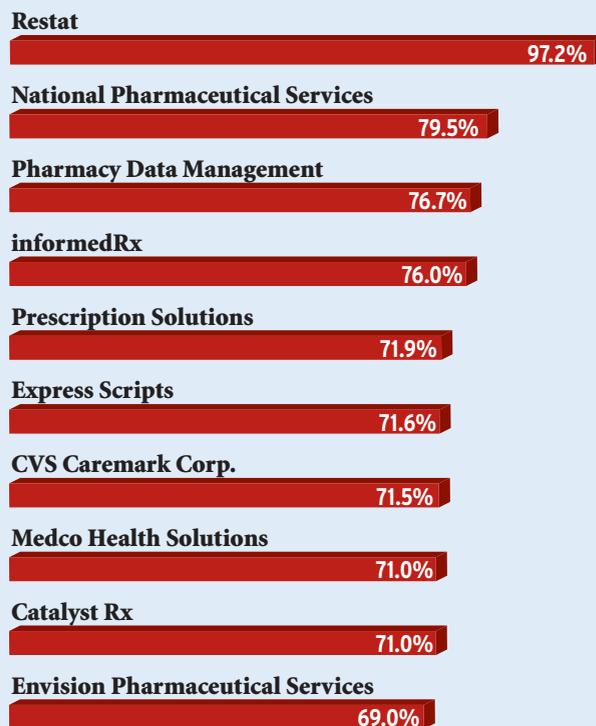
PBM DISTRIBUTION

Percentages of prescriptions filled for all companies listed.



PRESCRIPTIONS FILLED WITH GENERIC EQUIVALENTS

Percentages of prescriptions filled with generics by top 10 PBMs.



Source: Business Insurance survey, From Sept. 19, 2011, report. 1. Business Insurance estimate. Business Insurance is a sibling publication of Advertising Age. Visit Business Insurance Research Center: businessinsurance.com/directories.

Commercial tuneaway

Measuring how well pharmaceutical TV ads retain viewers.

Retention is better if viewers have a condition or know someone who does.

TUNEAWAY IS THE metric that defines the percentage of audience watching a TV show that changes channels when a commercial starts.

As Jeff Boehme, chief research officer at Kantar Media Audiences North America, explains: “The second an ad begins, what do people do? We know that dramas generally have less tuneaway than comedies. For commercials, the second an ad starts we can segment by category and by brand how well commercials are retaining viewers.”

Tuneaway is high across most pharma categories. Kantar Media data show most channel changing occurs when stop smoking, impotence and anti-depression drug ads begin, with more than 6% of audience checking out. That’s more than double the average 3% tuneaway for all commercials. Only wrinkle removers and stomach medications beat the average, at 2.2% and 2.5%, respectively.

“There are a lot of reasons why people might tune out of an ad. While the media environment has the strongest influence on ad avoidance, we see audiences reacting to specific creative messages and topics in very deliberate ways,” Mr. Boehme said.

“We can measure how audiences respond, and how quickly they

change the channel or stay tuned.”

Kantar Media also measures overall retention—that is, not only that first second when people tuneaway, but the overall audience that stays with an ad for the full duration. Kantar Media takes that measure of overall TV ad tuning and compares it with that TV show’s total audience to calculate commercial tuning index (CTI). According to this metric, pharma marketers seem to have trouble retaining viewers.

The industry average is about 95% or a 95 index, and only osteoporosis and overactive bladder commercials are close to that, at just under 95%. Ads most likely to cause consumers to leave, with almost 9% of audiences going elsewhere, are for contraceptives and hypotrichosis (eye-lash growing).

“Effectiveness is about relevancy. If it’s a drug for asthma and you or no one in your family has asthma, you’re more likely to tune out,” Mr. Boehme said. “From an advertising perspective, it really says they could do better at defining the target audience, and we now have the data to know how.”

PHARMA COMMERCIALS: AUDIENCE TUNEAWAY AND RETENTION

Tuneaway: Commercials with the highest tuneaways. Smoking cessation, impotence and anti-depression get tuned out most.

Smoking cessation aids	6.6
Impotence medications	6.4
Anti-depression medications	6.1
Contraceptive medications	5.9
Heart medications	5.7
Cholesterol medications	5.7
Arthritis medications	5.6
Psoriasis treatments	5.5
Sleep disorder medications	5.5
Chronic obstructive pulmonary disease	5.4
Gout treatments	4.9
Diabetes treatments	4.6

Retention (CTI): Index of commercial’s ability to keep audience for spot’s 30-second duration. Overactive bladder and osteoporosis ads do best.

Overactive bladder treatments	94.8
Osteoporosis medications	94.6
Chronic dry eye treatments	94.1
Diabetes treatments	94.0
Mental health medications	93.9
Psoriasis treatments	93.9
Fibromyalgia pain treatments	93.6
Chronic obstructive pulmonary disease	93.5
Asthma medications	93.4
Arthritis medications	93.3
Rosacea treatments	93.0
ADHD medications	93.0

Source: Kantar Media Audiences, which uses return path data (RPD) from a base of households with set-top boxes.

At Kantar Media, we'd love to talk about *your* needs.

Sure, we're the marketplace experts in delivering compelling insights on the healthcare competitive landscape. In fact, you'll find our data and insights throughout this whitepaper.

However, we really want to talk about your needs – whether it's connecting with your target audience, neutralizing competitive threats or uncovering new opportunities in the marketplace. To discuss any particular data point or a specific analytics capability, please contact our team.

Multimedia Competitive Advertising Information

Talk to Kantar Media Intelligence:
Carl Dickens
P: 212.991.6123
carl.dickens@kantarmedia.com

Consumer and Professional Health Intelligence

Talk to Kantar Media Healthcare:
Dave Emery
P: 847.375.5071
dave.emery@kantarmedia.com

TV Audience Analytics

Talk to Kantar Media Audiences:
Bud Breheney
P: 212.991.6080
bud.breheney@kantarmedia.com

Digital Intelligence

Talk to Kantar Media Compete:
Damian Roskill
P: 617.933.5670
droskill@compete.com

Social Media Listening

Talk to Kantar Media Cymfony:
Stewart Levin
P: 617-912-2820
slevin@cymfony.com

Media Opportunity Search Engine

Talk to SRDS:
Dave Emery
P: 847.375.5071
dave.emery@kantarmedia.com

Learn more at www.kantarmediana.com

Health Professionals Marketing

GENERIC DRUGS

Drugstore.com

PR
BACKLASH!

Rx Drug
Ads

Aging Baby
Boomers

SEARCH KEYWORD
ANALYTICS

OTC ADVERTISING

Budget
Cuts

Direct to Consumer Advertising!

OBAMACARE

KEY OPINION
LEADERS

Medicare Part B.

F.D.A

Patient
word-of-mouth

HMO

Blockbuster
Drugs

Big
Pharma.

Blockbuster Drugs

Healthcare Reform

Web Self-diagnostic

Consumer
segments

#WellnessTweet

Where others see chaos, we see possibilities.

Everyday, we monitor and connect billions of digital, social and traditional media interactions to transform healthcare marketing data points into powerful insights. We help clients decode the scale, scope, and resonance of marketing messages that influence patients, health professionals and the media – as well as the larger political debate.

Our insights. Your inspiration. www.kantarmediana.com

KANTAR MEDIA
MASTER THE MOMENTUM OF MEDIA