

Online Video Killed the Radio Star

Mobile marketing and online video are coming of age as economic pressures and the realities of where viewers are prompt pharmas to shift dollars, reports **Matthew Arnold**

Aneecdotal evidence suggests that pharma sector spending on interactive marketing is finally approaching parity with consumer packaged goods firms. Now the question is: Can drug companies outperform their peers on creativity and tactics?

With marketing budgets under intense pressure and companies emphasizing more targeted therapeutics, the allure of cheaper and more targeted digital channels is (finally) proving irresistible to pharmas. WEGO Health CEO Jack Barrette says he sees big brands spending 20% and 30% of their marketing budgets on digital where they were only shelling out 2%-3% a year ago.

“We’re seeing a real shift to digital from traditional, and that’s as much as anything motivated by the economic reality,” says Barrette. “But major brands are also looking to align their digital spend with consumer behavior. That’s something that was supposed to happen for a decade, but now brands are really doing it.”

Barrette says driving that is, in part, e-marketing specialists, formerly relegated to isolated outlier units within big pharmas,



are being incorporated into brand teams en masse, effectively mainstreaming interactive.

For comparison, research firm Forrester projects interactive spend across all sectors rising to \$55 billion, or about 21% of all marketing spend, by 2014, with significant cannibalization of traditional media spend. A recent Forrester survey cited the economic slump, empowered marketers, moribund print inventories and better ROI measures as factors in the shift, along with changing expectations of customer relationships.

“Empowered consumers today expect a customized, interactive brand experience that goes way beyond a 30-second television spot or two-dimensional print ad,” said Forrester’s most recent US Interactive Marketing Forecast. While most of the dollars are in display ads and website development, spending on emerging media like online video and mobile marketing, delayed because of the recession, is set

to take off as marketers emerge from the slump.

“This is really the year to figure out what you’re going to do with mobile marketing to physicians, since adoption is so high, particularly in some segments, and handsets are so much more advanced,” says Manhattan Research’s Monique Levy, senior director, research. Manhattan Research data show that 64% of physicians currently own smartphones – the firm projects that 81% will have mobile devices by 2012.

Mobile vogue

Meanwhile, 20.2 million US adults access health info from their cell phones, smart phones or PDAs. That’s up from 10.2 million last year. “Both BlackBerry and Apple have sophisticated app stores, and the market readiness is there,” adds Levy.

Google health head Amy Cowan notes that medical apps are the third fastest-growing category for Apple, which saw a 133% jump in that category last April compared with the previous three months. In January, the company clocked its three-billionth app download. According to a Google study from last year, 86% of physicians have used the Internet to gather health, medical or prescription drug info and 92% use the Internet to gather medical info in an office or clinical setting.

And while mobile device penetration in the general population is far behind that of physicians, apps have enormous potential on the consumer side, as well. Bill Drummy, CEO of Heartbeat Digital, says the hype around social media has stolen the spotlight from this fast-emerging media.

“The untold story people are missing out on is the importance of mobile apps,” he says. “They’re already hugely important with your clients, but it’s strange how little attention they’re getting given the high value to patients and caregivers as well as physicians, and there are none of the kind of regulatory issues that social media has. You can deliver real value in an iPhone or Android app, even a Facebook page.”

For UCB, Heartbeat Digital recently launched an iPhone app for Chron’s patients, a Cimzia-branded symptom tracker dubbed Wellness Widget. Sanofi-Aventis and Intouch Solutions launched their GoMeals carb counter for diabetics late last year.

“The growth curves in this are astonishing,” says Drummy. “These phones are going to change the entire landscape. Everyone’s going to have one. This is the future. And even if it takes you a year to figure out your strategy, there’s only going to be greater penetration.”

Google’s top interactive trends in 2010

■ Emergence of e-patients

Healthcare searchers get more savvy to find the information they need along the patient pathway. Search query length in the health industry is growing—in Dec. 2009, 84% of queries were 2+ keywords. In Dec. 2007, 80% of queries were 2+.

■ Proliferation of online health video

Nearly 50% of consumers report that online health videos serve as a top resource when searching for medical conditions and Rx info.

■ Mobile will impact healthcare decisions

Medical apps are the 3rd fastest growing category for Apple, with a 133% jump in April compared with the previous three months collectively.

■ Social media provides a tool for meaningful connections

Over 80 million US adults use social media for health-related issues, creating or using content on health blogs, message boards, chat rooms, health social networks and health communities, and patient testimonials.

■ Doctor immersion in the digital channel

Internet is an integral part of physicians’ clinical practice. 86% of physicians have used the Internet to gather health, medical or Rx info and 92% of physicians use the Internet to get medical info in office/clinical settings.

Apple was on track to sell upward of 30 million iPhones by the end of Q3 2009, just two years out the gate, and Google’s Android is coming on strong.

Adding value

HealthCentral CEO Chris Schroeder says the key to app development—and interactive marketing generally—is to give something of value to the user.

“The old way of thinking in advertising is that you’ve got to be interrupted—it’s the cost of doing business,” says Schroeder. “But I don’t want to be annoying you and I’m not trying to trick you. I’m trying to create something useful on its own terms, so that these apps become valuable products whether or not your brand is there.” The same logic applies

Top 5 Products in ePromotion Spending ‘09

	2009 ePromotion Dollars	2009 % Chg Yr Ago
Singulair	18,995,261	-29.2%
Vyvanse	17,808,888	0.8%
Concerta	14,554,351	96.3%
Vytorin	12,037,133	-6.1%
Januvia	11,984,215	0.0%

Source: SDI’s Promotion Audit 2009

Top 5 Companies in ePromotion Spending ‘09

	2009 ePromotion Dollars	2009 % Chg Yr Ago
Merck	67,690,777	-13.6%
Pfizer	31,167,854	88.9%
Novartis	27,909,757	122.0%
Shire US	25,329,173	7.6%
Wyeth-Ayerst	21,872,630	65.7%

Source: SDI’s Promotion Audit 2009

to website development. “A great microsite, in the end, is one where anybody who visits there is getting what they need.”

Schroeder points to Dunkin’ Donuts Dunkin’ Run app, which not only uses location-based technology to guide users to the nearest store, but also makes it easy for them to give their coworkers an electronic heads-up and ask them if they want anything.

HealthCentral recently beta launched an online mood tracker that will enable users to document their mood in real time and to share that with physicians or caregivers. “In the offline world you give people a cardboard diary,” says Schroeder. “Some people use it, some people don’t. Some throw it out

Overview

on their way home. It's not rocket science."

Online video is another of-the-moment medium. According to *Prevention Magazine's* annual DTC survey, almost half of consumers say online videos are a top resource for them when searching for info on drugs and conditions. That finding was backed up by Manhattan Research's ePharma Consumer study, released last month. Almost half of the survey's 6,575 respondents reported watching health videos online in 2009, and the study found that they tend to pull up relevant health videos as they search for information online, rather than going to YouTube.

"Most important, the study suggests health video strongly impacts health behavior," said Manhattan Research. "Nearly three-quarters of consumers went on to do additional research after watching online health videos."

"Video makes sense to pharmas because it feels like TV," says WEGO's Barrette. "You buy it like TV, only there's far more metrics and trackability."

E-patients, time-shifting physicians

In professional promotion, expect to see big investments in a more multichannel approach to reaching physicians online and on-demand, including e-detailing and e-CME. In the future, HCPs will employ time-shifting in their interactions with drug companies just as they do watching TV at home.

Pfizer nearly doubled its spending on e-detailing last year (through November) to \$27 million, according to SDI data. That's a 93% increase over the same period for 2008, led by spending on Aricept, Celebrex and Zynovox.

"The service model is evolving," says Manhattan Research's Levy. "It's not hinging on a tactic, like e-detailing, but more on building an online pipeline where physicians can choose how to engage, just like other verticals have a multichannel service model. When you call Bank of America, you have options. Email is still alive and well, but there's live audio and video conferencing and live chat. These are all different types of services you could provide."

This sort of interaction with physicians gives companies much more control over content than they have with traditional details—an advantage in an age of ever-greater lawsuits for off-label marketing. Pfizer has also just outfitted its sales force with tablet PCs, which provide a measure of message control.

"A lot of change is about to happen regarding the ways in which we reach out to the physician on a just-in-time basis," says Drummy, "what we call service on demand. Doctors don't really want to be

detailed, but they do have questions, and that's the point at which you can touch them."

Doctors, of course, continue to be the main drivers in healthcare decision-making. But the Internet is emerging as a powerful interlocutor. A recent Manhattan Research report found that "patients are using technology to improve conversations and decisions at the doctor's office, turning the traditional physician to patient lecture into an informed two-way discussion." All US physicians say some of their patients bring in health info they found online, and two-thirds approve, the report found. In addition, four in 10 physicians communicate with patients through email, IM or secure messaging services.

And then, of course, there's social media, in which there's been much interest and a few bold efforts—patient and caregiver communities like J&J's ADHD Moms Facebook page, contests soliciting response videos from consumers, even a few forays into Twitter, such as Novo Nordisk's collaboration with racer Charlie Kimball, Race With Insulin. But by and large, the ground rules are likely to remain unclear for some time, and blockbusters won't be built on tweets.

"I can't tell you how many times I get a client saying, 'What's our Twitter strategy?,' grouches Heartbeat Digital's Drummy. "Your Twitter strategy is don't worry about Twitter."

DDMAC has tacitly—but not expressly—approved a new search format designed by Google. A public comment period on the topics covered by the agency's November hearings on pharma promotion online closed March 1. The agency hasn't committed to issuing guidance and won't discuss timelines for when draft guidance might be released. Dr. Jean-Ah Kang, special assistant to DDMAC director Tom Abrams, told Ignite Health's Fabio Gratton last month "We want to do things right, not just fast."

Whatever in the way of guidance emerges—or doesn't—the hearings have already done a great service to the industry's social media efforts by bringing companies up to speed on the medium, says WEGO's Jack Barrette.

"I see a trend toward better-educated, more up-to-date regulatory teams," says Barrette. "The hearing just drove everyone to get up to speed and as a result there's a far better bench of digital knowledge among regulatory teams, especially in social media. It was a total immersion course for a lot of folks who previously only had occasional contact with tactical planning and now have a good grasp of the big picture." ■



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