

DTC DRAIN

Consumer ad spend fell sharply in 2012 as the number of mass-market blockbusters continued to dwindle and marketers shifted their focus away from TV and toward digital channels. Meanwhile, as **Matthew Arnold** finds, the debate over the pros and cons of DTC is still raging, even as evidence of its merits accumulates

Consumer advertising of prescription drugs is effective. It's controversial—reviled, even. It influences the medical decision-making of lay people with little medical knowledge—while educating them about diseases and treatment options they might not otherwise know about. Detractors argue that it corrupts the physician-patient dialogue, though there's evidence that it prods patients who otherwise wouldn't to see their doctors.

But direct-to-consumer advertising, as we've known it, at least, is not the be-all and end-all of marketing prescription drugs to patients anymore.

"Today, it's about starting a conversation and not being the entire conversation," says McCann HumanCare chief Andrew Schirmer. "Appropriate use of mass media drives attention and engagement, and the richer discussion happens with higher-involvement media—print and online. Because the behavior is that I hear about a drug from the advertising and then go Google it, what good marketers have done over the last decade is...craft touchpoints around that natural pattern of awareness, investigation and involvement."

Traditional DTC—TV and print ads, mainly—remains a powerful tool for building awareness of brands and conditions. It's also, compared to a relationship-marketing approach, beguilingly straightforward.

"I think one of the advantages of DTC that became apparent 10 or 12 years ago is that it's a whole lot easier to just run a commercial on TV than it is to do the tactical work of tracking down where our patients are to try and encourage them to stay on a drug," says DTC pioneer Frank Hone, now managing director of Healthcentric Partners. "It was a lot easier for many companies to just keep filling the bucket with new patients through the use of TV ads."

But with those blockbusters that TV advertising built going off-patent en masse, with fewer mass-market drugs dribbling out of pharma company pipelines, and with younger audiences getting media through mobile devices, the locus of consumer marketing efforts is shifting to cheaper, more targeted digital channels. That's why consumer ad spend for prescription drugs

ILLUSTRATION: RICHARD THOMPSON





Top 20 companies by DTC spending, 2012

Rank	Company	US DTC media \$ (000s)*	% change vs. prior year
1	Pfizer	\$621,989.8	-30%
2	Eli Lilly	\$433,502.8	-3%
3	Abbott	\$301,141.1	65%
4	Merck	\$285,660.1	53%
5	Amgen	\$229,451.2	63%
6	AstraZeneca	\$209,161.7	-38%
7	Allergan	\$185,653.0	16%
8	Boehringer Ingelheim	\$174,708.7	-8%
9	GlaxoSmithKline	\$171,839.5	-16%
10	Otsuka	\$115,135.7	-15%
11	Novo Nordisk	\$81,171.9	12%
12	Novartis	\$72,655.6	-27%
13	Bristol Myers-Squibb	\$60,827.6	-28%
14	Johnson & Johnson	\$58,336.6	4%
15	Teva	\$49,768.7	64%
16	Sumitomo	\$47,840.1	-36%
17	Roche	\$46,921.5	-27%
18	Sanofi	\$38,335.6	-13%
19	Astellas	\$30,816.1	-28%
20	Shire	\$26,103.2	-21%

*Total spend comprises broadcast, print, outdoor and B2B, but not digital
Source: Nielsen

Top 20 brands by DTC spending, 2012

Rank	Brand	Company	US DTC media \$ (000s)*	% change vs. prior year
1	Cymbalta [†]	Eli Lilly	\$165,789.5	-1%
2	Cialis	Eli Lilly	\$162,919.2	13%
3	Celebrex	Pfizer	\$129,840.0	14%
4	Enbrel	Amgen	\$127,123.1	28%
5	Abilify	BMS	\$114,785.0	-13%
6	Viagra	Pfizer	\$107,864.0	-15%
7	Advair Diskus	GSK	\$99,813.9	22%
8	Lyrica	Pfizer	\$91,730.8	-11%
9	Spiriva	BI	\$89,752.4	18%
10	Humira ^{††}	Abbott	\$83,952.1	71%
11	Pradaxa	BI	\$80,412.4	-26%
12	Androgel	Abbott	\$79,988.2	100%
13	Cymbalta ^{†††}	Eli Lilly	\$77,197.7	-26%
14	Chantix	Pfizer	\$65,367.9	-19%
15	Prolia	Amgen	\$60,004.0	181%
16	Symbicort	AstraZeneca	\$57,292.4	-2%
17	Nexium	AstraZeneca	\$57,251.4	187%
18	Humira ^{††††}	Abbott	\$57,224.4	100%
19	Restasis	Allergan	\$56,689.3	8%
20	Humira ^{†††††}	Abbott	\$53,953.7	27%

Total spend comprises broadcast, print, outdoor and B2B, but not digital [†] for pain ^{††} for arthritis ^{†††} for depression ^{††††} for Crohn's disease ^{†††††} for psoriasis
Source: Nielsen

dropped 13% last year, to \$3.4 billion, according to Nielsen figures.

Some of Digitas Health's clients are spending a fifth of their overall marketing budgets on digital, mobile and social media marketing, says Digitas Health's Mukarram Bhatti, adding that while some products in CNS, cardiovascular, GI and metabolic are still spending heavily on TV, "drugs on the other end of the spectrum are being forced to be a bit more intelligent about their promotional investments, and that's leading them to greater investment in targeted, focused and relevant channels that can return a greater value."

At the same time, with few new Nexiums or Lipitors in their pipelines, pharmas are spending more on their remaining primary care blockbusters later in the lifecycle. Six of last year's top 20 biggest-spending brands are set to lose patent protection in the next couple of years. The top spender, Eli Lilly's Cymbalta for pain, is up in 2014, as are its depression indication (No. 13), Pfizer's arthritis drug Celebrex (No. 3) and AstraZeneca's acid reflux treatment Nexium (No. 17). BMS/Otsuka depression drug Abilify (No. 5) and AstraZeneca's COPD drug Symbicort (No. 16) go off-patent in 2015.

A pair of ED drugs, Lilly's Cialis and Pfizer's Viagra, were among the top 10 spending brands for 2012. Cialis (No. 2) actually saw ad spend rise 13% to \$163 million, while Viagra (No. 6) saw spend slide 15% to \$108 million. The two drugs are classic examples of the power of DTC TV and print to create a category and make medicines household names while educating consumers about a condition that impairs quality of life and may signal more serious problems. They're also, to critics of the medium, a cautionary tale.

Rub-a-dub-dub

Nothing seems to rouse the passions of pharma foes quite like ads for ED drugs, which were the subject of much fulmination on Capitol Hill for a time in the middle of the last decade, when three of them — Pfizer's category-defining Viagra and newcomers Cialis and Levitra, from GSK/Bayer — were shooting it out for market share on air, everywhere. Never mind that the ads were actually absurdly chaste — the friskiest they ever got was probably poor old Mike Ditka tossing a football through a tire swing for also-ran Levitra.

Talk of legislating an ad ban, for the category or for all prescription drugs, died down after PhRMA introduced a self-policing scheme in 2005. Among other things, signatories, which included nearly every large pharma, agreed not to air ads touching on sensitive topics like sexuality at times when more than 20% of the audience might, per TV tracker numbers, be under the age of 18 (the number was subsequently lowered to 10%).

A study published in February rekindled the debate over DTC with the finding, based on an analysis of Nielsen numbers, that in the four years from the beginning of 2006 to the end of 2009, "children were exposed to sexually-themed promotional messages" via ads for the three drugs "more than 100 billion times."

The authors of the study, which ran in *The Journal of Health Politics, Policy and Law*, cast PhRMA's Guiding Principles for DTC Advertising as a "collective blocking strategy," a hopelessly compromised watchdog meant to ward off further regulation, and called for a kind of user fee-funded advertising equivalent to "counter-detailing."

Besides some other, less cut-and-dry beefs with the ads, authors also found that the ads were largely compliant with accuracy, balance, condition and risk-disclosure requirements. They didn't exactly shout that finding from the rafters. Another recent study, a review of decades'-worth of scientific literature on DTC and advertising in general for the National Bureau of Economic Research, paints a more nuanced portrait of the medium's effects, with some real plusses—in particular, that ads drive doctor visits and diagnoses.

“There's this view that advertising these drugs to consumers may not be a good thing, that it may disrupt the meditative process between patient and physician,” said author Dhaval Dave, an associate professor of economics at Bentley University. “But at the same time, some studies show that when consumers are exposed to these ads, it may induce them to visit the physician, it may induce them to realize that there are treatments out there for their symptoms.”

Advertising works in part by altering consumer tastes and preferences—by setting the menu of available options. But healthcare is, much more than the world of tires, diapers and detergents, characterized by imperfect information. Drug ads, however skewed to sell a particular pill, help right that imbalance by tipping off undiagnosed or untreated patients, particularly those in underserved populations such as Medicaid recipients; they boost compliance and adherence by reinforcing perceptions of the drugs' effectiveness and reminding patients to take them; and they prompt patients to go to the doctor, spurring diagnoses as well as sales. One 2005 study found that each \$28 increase in DTC advertising leads to an additional physician visit within a year where a prescription drug from the advertised class is prescribed.

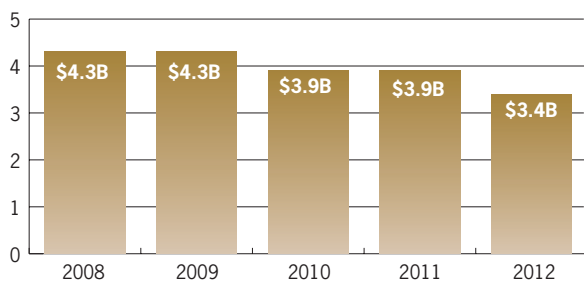
On the downside, the literature suggests that plenty of physicians are writing scripts for advertised drugs unnecessarily. A “secret shopper”-style study from 2005 that used actors posing as patients with depression found that they were prescribed GSK antidepressant Paxil in 27% of visits where they explicitly mentioned the drug and just 2% where they made a general request for a drug.

FDA focus on the format

I asked Tom Abrams, director of FDA's Office of Prescription Drug Promotion, if he saw compliance improving.

“I believe the quality of promotion has increased over the years as far as not being misleading, false, inaccurate or imbalanced, and I believe this is due to the combined efforts of FDA and industry,”

During 2012, DTC ad spend across all media (excluding Web) fell 13%



Source: Nielsen

DTC spend by media type, 2012

Rank	Media	US DTC media \$ (millions)	% change vs. prior year
1	Television	\$2,166.9	-10%
2	Magazine	\$1,014.6	-16%
3	Newspaper	\$192.3	-22%
4	Internet*	\$68.4	-33%
5	Radio	\$23.1	-34%
6	Outdoor	\$3.0	61%

*The following websites have been excluded from internet spending: MySpace.com, Realtor.com, Yahoo! Mail, YouTube

Source: Nielsen

said Abrams. “Unfortunately, there's more violations occurring than we have resources to address. Quality is increasing but we're not where we should be at this point.”

OPDP has a staff of 70 and receives 80,000 submissions of promotional materials each year, of which Abrams estimates a quarter are DTC ads. Abrams' research team has for several years been churning out studies of consumer TV and print ads, looking at the format and content of the brief summary in print ads, distracting visuals in TV ads, comprehension of efficacy and effectiveness info, inclusion of an 800 number for adverse-events reporting, and comparative claims in ads, among other topics.

Out of the resulting flurry of data points has come lots of new guidance, and there's plenty more to come. A provision in the Affordable Care Act requires that the agency weigh inclusion of quantitative benefits information in print ads. The agency is also refining guidance on presenting the major statement “in a clear, conspicuous and neutral manner,” as mandated by the FDA Amendments Act of 2007. The initial draft of the guidance mandates pre-review of nearly all TV ads.

The proliferation of new rules for DTC worries some industry observers. “At what point have we so overburdened advertising that it makes it impossible?” wonders one, noting that the shift away from a fee-for-service model and the empowerment of payers means DTC also gives pharma less leverage than it used to.

“Even if I can clear this hurdle of getting someone to ask for a medicine,” he continues, “the likelihood that the doctor writes the script is diminished in this new world, and on top of that, it's probably going to get switched at the pharmacy.”

McCann HumanCare's Schirmer points out that while the media mix may change, the need for advertising to drive awareness of health conditions and products isn't going away.

“So many categories we work in are these desire-based categories,” says Schirmer. “I want a car. I want a product. Health, predominately, is about need. With the want categories, you have people actively aware and pursuing. If I want a guitar, I don't sit and wait until a new Fender ad comes onscreen—I research it. But if I have a health problem and I'm not even sure what it is, I'm not hunting and gathering information until something stops me and tells me what it is. So for healthcare, there's some need for interruption. I don't think that's going to go away. It's going to evolve, and it's going to be viewed as the beginning of the conversation, not the end.” ■