

DTC Ads for Prescription Drugs Are Proving Their Worth

*Six years of consumer purchase trends support their effectiveness, reveals
Ipsos PharmTrends*

Long Island, NY, May 21, 2003 – Consumer advertising is working as well for the prescription (Rx) drug market as it has been for the consumer packaged goods industry, Ipsos PharmTrends® has found.

The birthplace of direct-to-consumer (DTC) advertising is the consumer packaged goods (CPG) market. The CPG experience in the US as well as abroad has taught marketers that DTC is the most effective method for building consumer awareness quickly and it is essential for the long-term development of brands.

Ultimately, the goal of DTC advertising is to drive sales through category expansion (increase the number of buyers) and encourage buyer loyalty (repeat purchases).

How has Rx DTC advertising shown that it's working?

There are a number of factors behind the success of Rx DTC advertising, which are measurable via metrics traditionally used within the CPG industry. To measure the success in generating incremental sales following DTC initiatives within the pharmaceutical industry, such metrics are accessible through longitudinal tracking of consumer purchase behavior for both prescription (Rx) and over-the-counter (OTC) drugs. Consider the following Ipsos PharmTrends® findings:

- Since 1997 there has been a significant expansion in the number of US households that have filled an Rx drug at least once. The Rx buyer base increased 19% in 2002 above 1997 levels. This double-digit growth in consumer trial outpaced the rate of growth in the US household population, which has averaged +2% increase annually.

A widening audience that is aging is only one reason for this growth (e.g. baby boomers). Significant expansion in ailment categories where DTC advertising spending has been strong has also contributed to Rx market expansion over the past six years. For example, the number of Rx Allergy buying households increased +76% from 1997 to 2002; +153% for the Cox-2/Arthritis segment; +151% for the Statin market and an even more impressive +192% for the Rx Proton-Pump Inhibitor (PPI)/Heartburn market.

- Second, DTC has given consumers a reason to call and/or visit their doctors. One out of five (20%) consumers have reported that an Rx drug advertisement has given them a reason to seek additional information from their doctors.

“This measure therefore indicates that Rx DTC advertising is empowering consumers by helping them get involved in the decision-making process for their health and wellness,” stated Ms. Fariba Zamaniyan, Director and spokesperson for Ipsos PharmTrends. “DTC is fulfilling consumers’ needs for information and their desire to play a greater role in illness treatment and prevention.”

In ailment categories such as the Statin market for treatment of Elevated Cholesterol, 18% of the category buyers asked their doctor specifically for the Statin Rx brand by name in 2002, which is double the level experienced in 1997 (9%). Historically, this measure has been the barometer for determining DTC’s success.

- Third, DTC advertising of branded Rx drugs has helped consumers tap into the decision-making process for treatment of their respective ailments -- whether encouraging a switch from an existing Rx or OTC drug or filling an Rx for the first time. For example, the Rx Allergy market, which includes both Oral Antihistamines and Inhaled Nasal Steroids, has demonstrated significant success in changing the purchase mix for Allergy treatment. The efforts not only expanded the Rx Allergy buyer base but also boosted market share above OTC alternatives both branded and generic.

Last year, half of the total Allergy buyer base purchased an Rx exclusively for their Allergy treatment. This is an increase from 39% in 1997. This growth not only came from new category entries but from the move to Rx by the self-medicating, OTC exclusive Allergy buyer pool. A direct trade-off in Allergy purchase behavior has since prevailed. OTC exclusives declined from 47% of the buyer base in 1997 to 34% in 2002. Of course, this mix is expected to reverse following the switch of Claritin to OTC availability.

- Finally, DTC has demonstrated that it has a positive effect on patient persistency, particularly in those ailment categories where consumer promotion via DTC advertising is consistent. Increasingly, consumers are stating that Rx DTC ads are reminding them to refill their existing Rx (15% in 2002 up from 12% year ago).

These statements are supported by actual consumer/patient purchase behavior. Ad aware buyers demonstrate higher levels of persistency (buying rates) than those who report they are not ‘ad aware’ of the Rx they filled. In drug classes such as Oral Antihistamines/Nasal Steroids, Statins and Cox-2 -- in which DTC spending has historically topped the charts -- ad aware buyers of these drugs filled one script more per buyer on average than those not aware of ads, within the drug class. “This behavior is further evidence that DTC is contributing to improved health outcomes,” said Ms. Zamaniyan, “as patients are demonstrating an increased likelihood of staying on their prescribed therapy when exposed to Rx drug advertising.”

Ad campaigns must become more innovative

Although Rx ad recall continues to soar (60% of the US population recalls seeing an Rx ad in 2002 vs. 47% a year earlier), manufacturers are challenged to move the meter on consumer 'call to action' following ad exposure. The percentage of consumers that called or visited their doctor to discuss the Rx brand seen advertised has remained flat from year to year (20% in 2002 vs. 22% in 2001).

"Similar to the early years of DTC in the CPG industry, Rx manufacturers are now faced with the same challenges of breaking through the volume of ads consumers are now exposed to," stated Ms. Zamaniyan. "A few years ago, less than half the population recalled having seen an Rx drug ad. Now that more consumers are aware of drug ads, the need for creative and innovative executions prevails."

Buyer retention and improved persistency measurements will continue to serve as evidence of successful brand development as the industry approaches a new era – one with an influx of generics, increasing financial and formulary acceptance pressures from managed care providers, and the continued threat of Rx to OTC switches.

Ipsos PharmTrends Methodology

Each month, the Ipsos PharmTrends® syndicated tracking service captures both prescription fulfillment and over-the-counter purchasing data through a longitudinal and continuous consumer panel of 16,000 households that is representative of the U.S. census composition. Each month, panelists report their prescription and over-the-counter purchases for the treatment of a full spectrum of conditions (general and specific). The monthly tracking began in 1997.

To learn more about Ipsos PharmTrends please visit our [Homepage](#).

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