

Transcript Details

This is a transcript of an educational program accessible on the ReachMD network. Details about the program and additional media formats for the program are accessible by visiting: <https://reachmd.com/programs/clinicians-roundtable/direct-to-consumer-advertising-becomes-targeted-less-intrusive-to-doctors/3972/>

ReachMD

www.reachmd.com
info@reachmd.com
(866) 423-7849

Direct-to-Consumer Advertising Becomes Targeted, Less Intrusive to Doctors

CHANGES IN DIRECT-TO-CONSUMER ADVERTISING

It was not long after direct-to-consumer advertising of prescription drugs came on the scene a decade ago that ads proliferated the airways, but times have changed with drug companies changing how and when they advertise their new prescription. You are listening to ReachMD XM160, the Channel for Medical Professionals. I am Bruce Japsen, the healthcare reporter with the Chicago Tribune and joining me today is David Kweskin. David is the Senior Vice President and practice area leader of Brand Communications at TNS Healthcare. TNS has a US office in Manhattan and is a worldwide market research consulting firm with the pharmaceutical biotech medical device industries as well as various other health-focused ad agencies, media, and analysts. David has 35 years of marketing research experience and for the last decade has been responsible with his team for nearly all of TNS' tracking of direct-to-consumer advertising in pharmaceuticals. He speaks widely on the issue of DTC advertising and has been quoted in a number of publications and spoken to a number of groups. Mr. Kweskin holds an undergraduate and graduate degrees in Psychology from the University of Pittsburgh and Boston University.

BRUCE JAPSEN:

David Kweskin, welcome to ReachMD XM160, The Channel for Medical Professionals.

DAVID KWESKIN:

Glad to be here.

BRUCE JAPSEN:

It just seems like only yesterday that drug advertising proliferated the airways after the FDA loosened guidelines if you will to allow prescription drug advertising on television, but there has been a lot of scrutiny in this area and you are going to tell us today about how this has changed over the last decade and what we are going to be seeing now and in the future from these companies?

DAVID KWESKIN:

As you have indicated, DTC advertising, direct-to-consumer, really took off in the early 2000 years, growing by 20% from years. What we noticed in this past year, 2007, and continuing into this year has been clear slowing down. In fact, there has been somewhat less advertising taking place in the DTC world. Last year, for example, 2007, it was down by 3% and through the first 8 months of this year, it's trailing behind by about 6%. So, that's clearly a pattern and the pundits are predicting that this pattern will continue through rest of this year and most likely into next year as well, although we don't see an accelerating rate of decrease, but we just see this pattern decreasing. So, the question is, you know, what's going on out there that is making this happen. The fact that, you know, 2007 was a down year takes away the argument that it's all about the economy. Something that has been going on is really related to the pharmaceutical industry itself where we are seeing patterns such as the fact that there were fewer new drug launches taking place over the last year or two and certainly with fewer launches, there is going to be logically fewer DTC opportunities. Also, what's been going on is that the launches of new drugs that have been taking place are often times with a narrow window of indication and so therefore we are appealing to a narrow rate of consumers. Therefore, it spells out fewer media dollars because we are not looking for a very large audience to be advertising to, so that's one another element that is taking place. Also, as I mentioned, the fact that there are fewer new drugs coming out. What's been happening is that several drugs have new indications added to them for approval and when that happens there usually is less advertising that is put against the new indication because the brand name is already familiar out there. One brand that comes to mind would be Cymbalta, a new indication was added to it and they are spending not as much against that new indication.

BRUCE JAPSEN:

And Cymbalta treats what?

DAVID KWESKIN:

Depression with pain. Also, what has been going on in the category is that in 2005, the industry accepted guidelines because of pressure from outside the industry concerning of what they call a reasonable amount of time having the lapse between when a drug is approved by the FDA and when DTC advertising begins and the logic behind that was that physicians want to become more familiar with the drug and their own observations, their own clinical experience before wanting the consumer to come in and asking about the drug and so what that has done has lengthened the time between when a drug first comes on the market and when the advertising has begun. So, for example, there had been about a 6 months' delay back in 2004-2005 and even into 2006, but last year that had increased to a 12 months' delay and that continues into this year. So, what we are seeing then is this volunteer effort in the part of the pharmaceutical industry to allow the physicians to have more experience with the drug before the DTC effort begins.

BRUCE JAPSEN:

And usually about how many months is that, is it 3 to 6 months that they are usually waiting until they start to advertise on TV, and I think what drove the physicians crazy about that is that they often wouldn't be familiar with the drugs, there are patients, who would see the drug advertised on TV and they would come running in their office.

DAVID KWESKIN:

It had been 6 months for the most part and now that's almost doubled and I think you are right when you say that and physician wants to know about the drug and be familiar with it before someone is claiming about the drug. It worked well, I think, all around for all parties.

BRUCE JAPSEN:

Have we seen any shift? I know myself from my full-time job at the Chicago Tribunes that print advertising is falling off and even advertising in a broadcast media is down. Are we seeing advertising of prescription drugs moving to new areas where the doctors and their patients should be on the lookout on the Internet where it's cheaper to advertise? Are the pharmaceutical companies going in those directions to be more targeted?

DAVID KWESKIN:

The answer is no. Despite what you would have expected and actually what I would have expected, because as you point out, the new media such as online is for the most part very inexpensive, but what has happened is that broadcast, TV in particular, is known for its ability to create awareness very quickly, that does not happen as quickly online. Also, we are talking in general to an average audience for a drug, is obviously an older audience for the most part, but chances are as not online a lot may be occasionally. So, you go where your audience is obviously though I will add that there is a published research in the public domain that shows that the efficiency of advertising online has the highest return of investment versus television, but again as I point out, TV has a very strong awareness-building factor more than any other medium. So, what the feeling is that things will be conservative in terms of where we will see our ads and not the popping up in strange places.

BRUCE JAPSEN:

Well, if you are just joining us or even if you are new to our channel, you are listening to ReachMD XM160, The Channel for Medical Professionals. I am Bruce Japsen, the healthcare reporter with the Chicago Tribune. I am your host and with me today is David Kweskin. David is with TNS Healthcare and we are talking about drug advertising, direct-to-consumer advertising, which came on the scene with quite fanfare about 10 years ago, is now slowing a little bit. As a matter of fact, it's dipping, he is telling us, next year and it is not necessarily because of the economy, but because of some changes in the industry and what they are doing to satisfy some of the critics out there.

David, when the critics were saying you advertise a drug like Vioxx on TV, it just gets into the hands of patients because doctors are not quick enough to be educated about the drug or the doctors fearing a law suit or something are giving the patients what they demand. Have there been any studies that have shown or any research that tells us that by delaying advertising drugs on TV that at least for a few months until the physician is educated, is that improving patient safety? Is that indeed giving the doctors more time? Have we seen any research with that?

DAVID KWESKIN:

What I have seen is that, you know, physicians are feeling better about that. You know, for the most part and that I know there is variation from physician to physician that they are okay and find many cases with DTC advertising because if 2 drugs pretty much will perform the same way and the patient is asking for drug A, it's better to prescribe something that a patient is asking for, that you feel comfortable with than one that is not asking for and then probably will stop using after such-and-such a period of time. So, compliance is going to work better with when someone is asking for a drug when the drug is appropriate. So, that's one of the main reasons why we see that DTC has some real benefits in terms of keeping patients on their meds for longer periods of times. All-in-all, I think that what I have been reading is that none of the physician will at least change in shift that we just talked about with the some delay in start, the Vioxx case of course being one that stands out the largest is indeed one that is making clear fun of the medical profession in general.

BRUCE JAPSEN:

You had said earlier that it appears that some of the drug companies are narrowing, trying to get more targeted audience in their

consumer ads and I am sort of thinking of a lot of the biotech drugs. These are really expensive drugs that they started advertising on TV, let's just say like Abbott Labs has Humira for rheumatoid arthritis or Enbrel is another one by Amgen and Remicade by Johnson & Johnson. They would may be go after let's just say rheumatoid arthritis patient of the 50, 60-year-old woman and they might advertise on the Lifetime Network. Are you seeing more and more things like that?

DAVID KWESKIN:

Yeah, absolutely. The ability of cable to target the audience and then therefore the advertiser to target to that audience. Clearly, that's true for really any industry and certainly DTC pharmaceutical is using the same approach. We will see a rectal dysfunction brand advertising obviously on more sports channels and that type of things. So, the media buyers are narrow casting, as it's called rather than broadly casting to capture their particular audience.

BRUCE JAPSEN:

Viagra for example, you see on my favorite show Mad Men. It's probably less expensive for the pharma companies as well to go on some of these cable shows. Is that true?

DAVID KWESKIN:

It may not been in terms of, I mean eyeballs are watching the show. It may not be more effective, but if you do it in terms of the right eyeballs that are watching the show, okay getting it to the target audience, then the answer is yes. So, therefore, some products or some brands that have a very broad appeal, may be like a sleep aid product, then you will generally see that advertise on a very more mass basis, but again as you pointed out perhaps an osteoporosis drug, then you we will see a more narrow full cast where you will find an older female watching a particular show. So, just smart buying of media.

BRUCE JAPSEN:

And are you seeing now that there is this sort of pullback in advertising. It seems like it's more targeted. Are the drug companies themselves benefiting? Are they seeing an uptick in sales? If you will, it seems like a few years ago that you would have seen samples where the sales of this erectile dysfunction class was not only flat, but it was falling, even though they were advertising so much. Are they seeing sort of an improvement if they were to go advertise on a Mad Men show that was more targeted or seeing Cialis on the Super Bowl or something like that?

DAVID KWESKIN:

Yes, that generally is the case, but it's all about efficiency and clearly you want to balance the amount of money you are putting in your advertising against what you anticipate you are going to get in return for your investment and there is a lot of this, we call return on investment, ROI, analysis that are going on so that a narrow audience for a particular drug would therefore have a generally smaller budget, but the trick is to get into the maximum efficiency of what you are spending on advertising against what you hope to get in return and as I mentioned earlier, you know, you carefully pick your media in terms of return on investment, something expensive like television, but it delivers a quick hit and if you have the competitive frame out there and another brand is coming, you know it's going to be approved in 6 months, you will spend a little inefficiently to create your awareness in order to be able to being first in line in consumers' minds.

BRUCE JAPSEN:

Well with that, I would like to thank David Kweskin who has been our guest. David is with TNS Healthcare and we have been talking about changes in direct-to-consumer advertising where 10 years ago it used to be something that would just be blasted over the airways and not so targeted and a lot of money was spent on it, although the money is flowing a little bit, doctors and their patients will be seeing these ads more targeted on specific channels. With that, I would like to thank David, who has been our guest from TNS Healthcare out in Manhattan.

My name is Bruce Japsen. I have been your host, I am with the Chicago Tribune. If you would like more information about today's show, please visit our website at reachmd.com, which features our entire library through on-demand podcast or you can also call us toll-free with your comments and suggestions at (888-639-6157), and I would like to thank you for listening.