



## Understanding and Improving the ROI of Your DTC TV Advertising

August 1, 2007

# Agenda

- Introductions
- BehaviorScan Rx Overview
- How in Works In Practice
- DTC Advertising Insights

# Key DTC Advertising Issues

- Does DTC advertising work? How?
  - ROI
  - Impact on new patients, compliance, persistence, etc
- What if we spent more/less?
- What's the best copy strategy?
  - Branded or Unbranded
  - Mayo Clinic vs. Madison Avenue
- How can we get more bang for our buck?
  - Cable versus Broadcast Networks
  - 30's, 60's or 1:15's
  - TV, Print, On-Line or Radio



# BehaviorScan Rx Background

- BehaviorScan has been used by the Consumer Packaged Goods industry for over 25 years
  - BehaviorScan Rx is now being used by many of the leading pharmaceutical companies including Pfizer, Lilly, and Merck
- Delivers different TV ads different households in the same market
- Links TV viewing to consumers' prescription drug activity
- The gold standard for determining the impact DTC advertising

# IRI's BehaviorScan® R<sub>x</sub> Test Markets

*Large enough to read, small enough to control & afford...*

Cedar Rapids, IA

Eau Claire, WI

Pittsfield, MA

4 markets=  
200,000+ adults

Grand Junction, CO

**Representative Markets:** Income level, HH size, purchase patterns;

# TV Ad Cut-Ins – How They Work

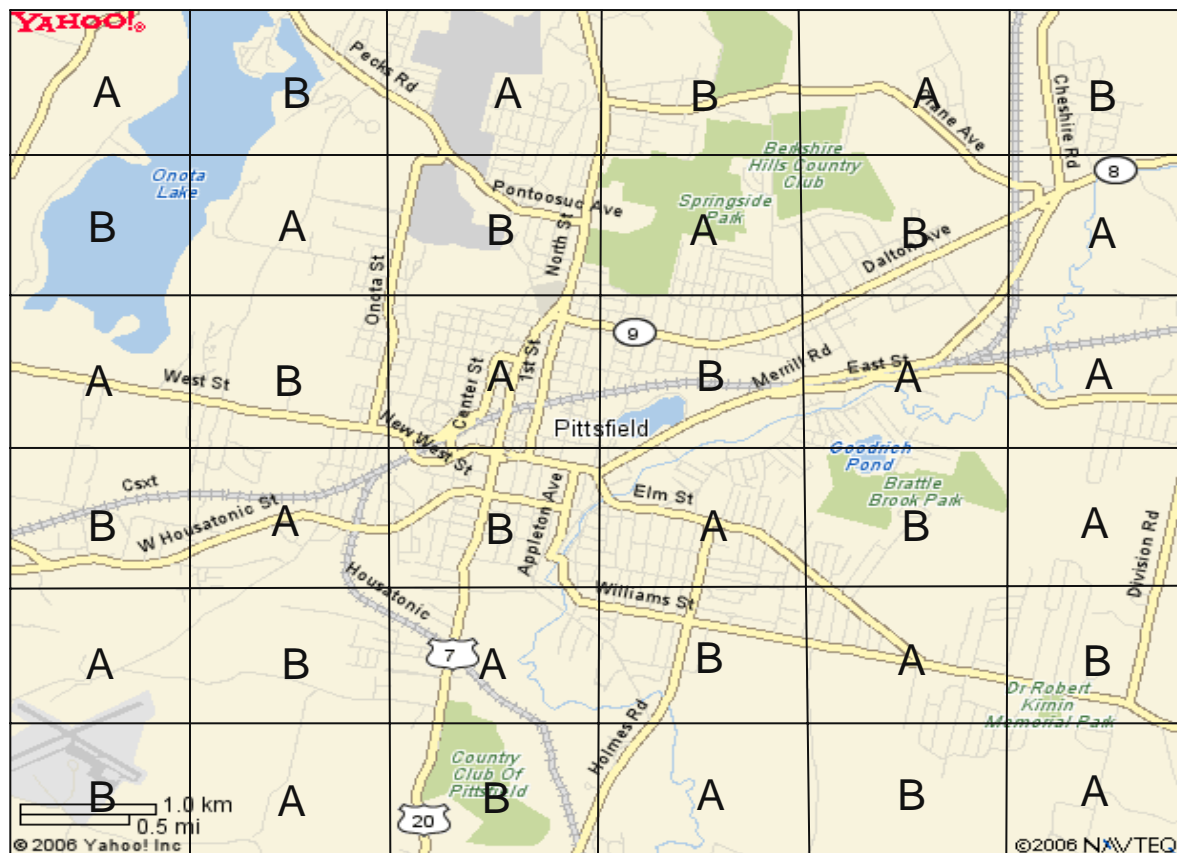
*To households  
in the BehaviorScan markets*

Broadcast  
Ad from  
Client Inventory



# Well-Matched Test and Control Cells

- BehaviorScan Rx markets have 30+ fiber optic "nodes", grouped into 2 demographically balanced cells (checkerboard design)



Pittsfield Market

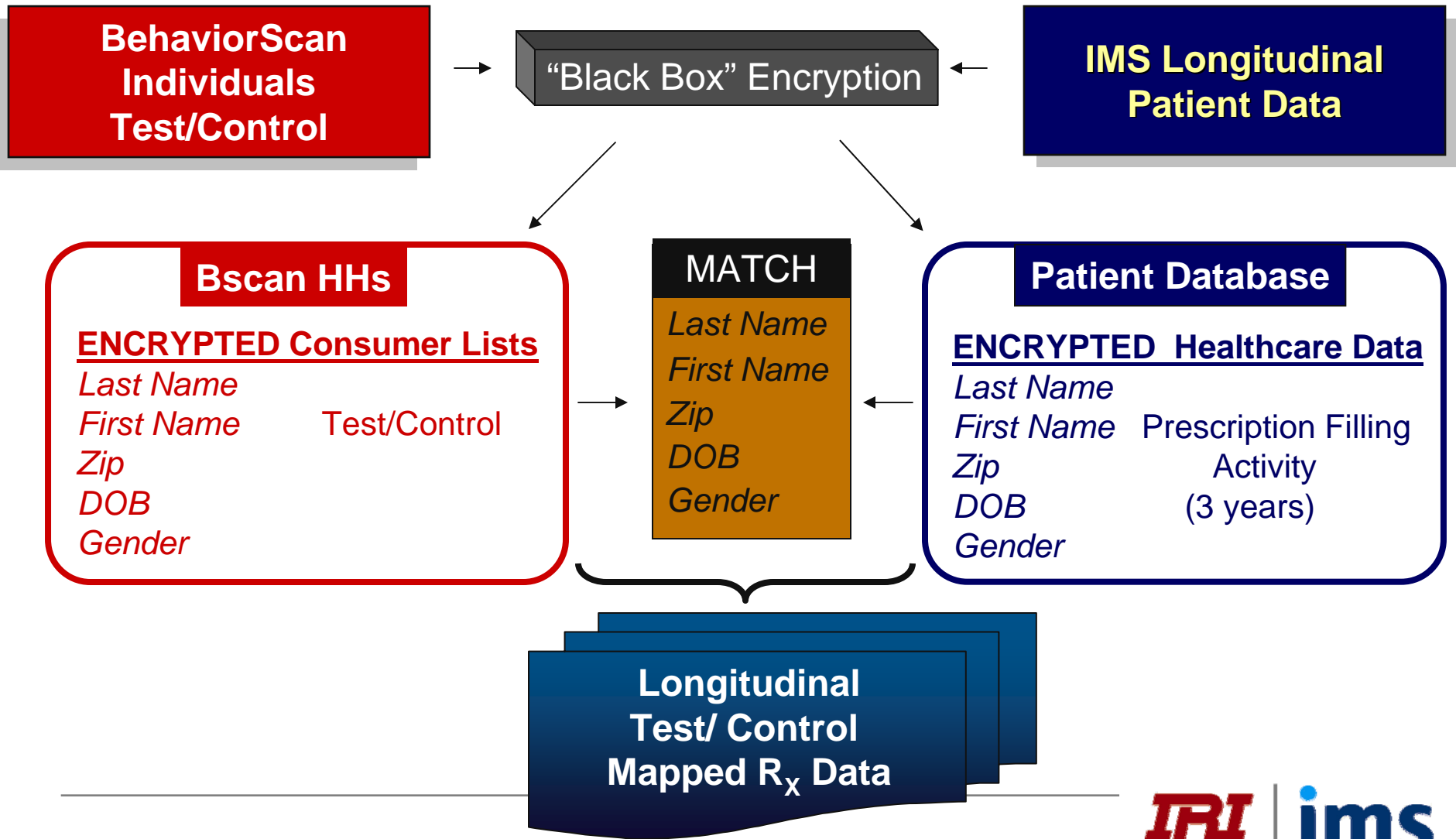
# Within-Market Design Ensures an “Apples to Apples” Comparison

Test and Control HHs are exposed to the same conditions



|                       |   |
|-----------------------|---|
| Provider Environment: | Health insurance, managed care providers, hospitals, clinics, doctors, pharmacists, etc.                      |
| Geographic:           | Weather, allergies, pollution   |
| Marketing:            | Prices, your non-TV marketing, sales force activity, sampling, competitive activity, publicity/press coverage |

# Map Cable Household Individuals to IMS Patient Data



# The IMS LRx database is a subset of IMS' gold-standard Rx database

- Large sample size: 50% of all retail prescriptions
  - Sourced from Retailers and PBMs
  - Long-term contracts with data suppliers provides stability
  - Over 150 million unique de-identified patients
  - Fully encrypted to address patient travel
- True representation of all methods of payment
  - Cash, Medicaid and Third-party
- Updated weekly and maintains rolling 36 months of history
- Over 1 million prescribers captured
- Seamlessly ties to existing IMS prescription services

# DTC Impact on Physicians

- Use publicly available lists of physician names in the BehaviorScan markets
- Use third party (to protect confidentiality) to:
  - Match against names of cable subscribers in the BScan markets
  - Assign physicians to the appropriate test and control cells
- Determine impact of DTC advertising on physician script writing

# BehaviorScan Rx Sample Deliverables

# Test Objectives

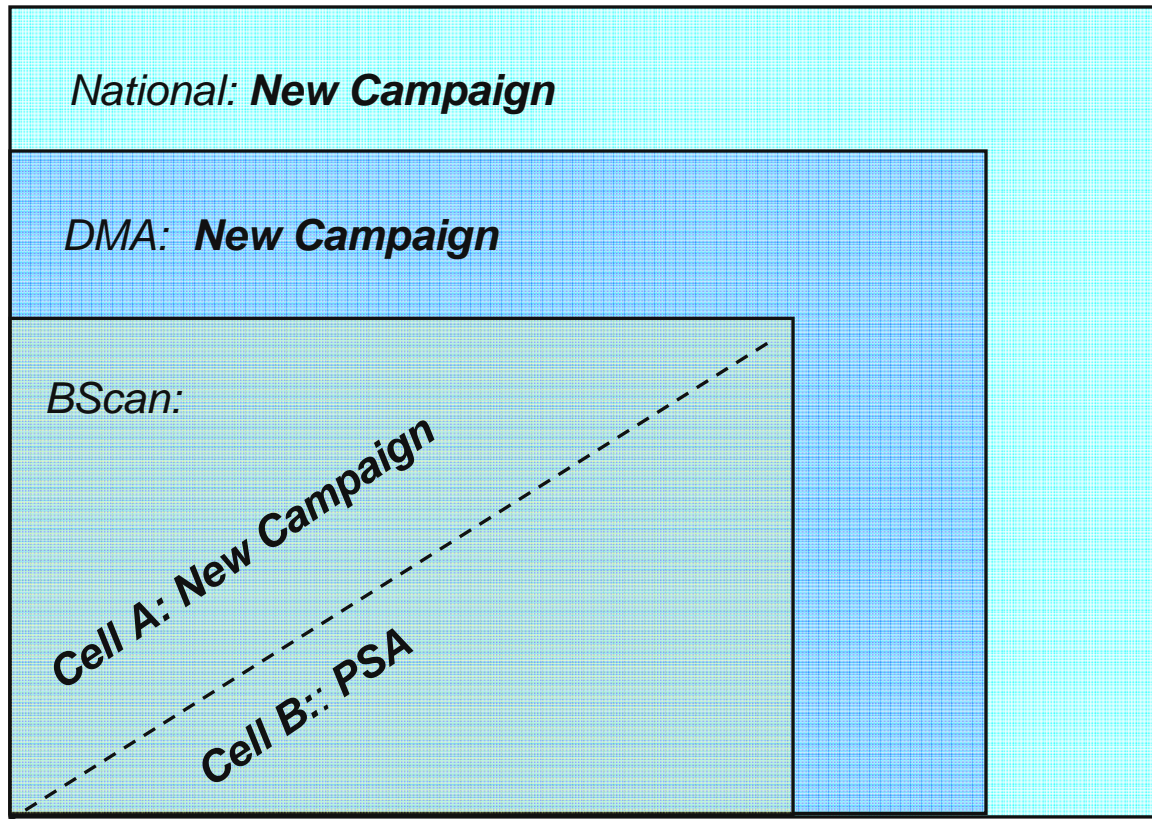
- To determine the impact of DTC advertising on BRAND X NRx's and TRx's. (Brand had been off-air for several years.)
- To determine the differential impact of DTC advertising on new patients, continuing patients, reinitiated patients and switched patients
- To estimate the ROI of DTC advertising

# BRAND X Test Design

- Test Geographies
  - Three BehaviorScan Rx Markets: Pittsfield, Eau Claire and Cedar Rapids
- Test Length
  - 6 months, from January 1 to June 30
- Media Levels:
  - Test Cells – National Weight (\$65mm Annual Plan, with \$30mm delivered during the test period)
  - Control Cells -- Dark

# BRAND X Test Design

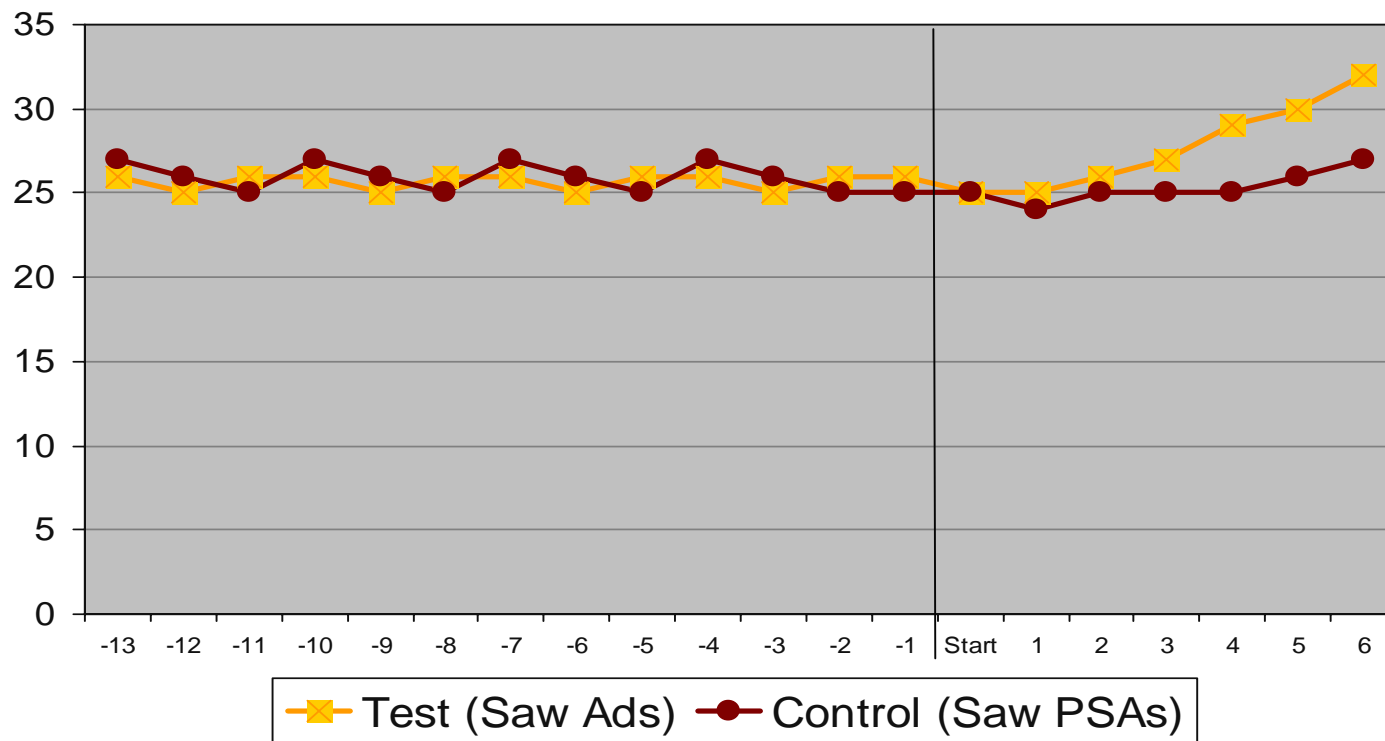
Half of the Consumers in Each Market Saw the Ads; Half Saw a Public Service Announcement



Media Conditions

# DTC Advertising's Impact Is Apparent in the Raw Data

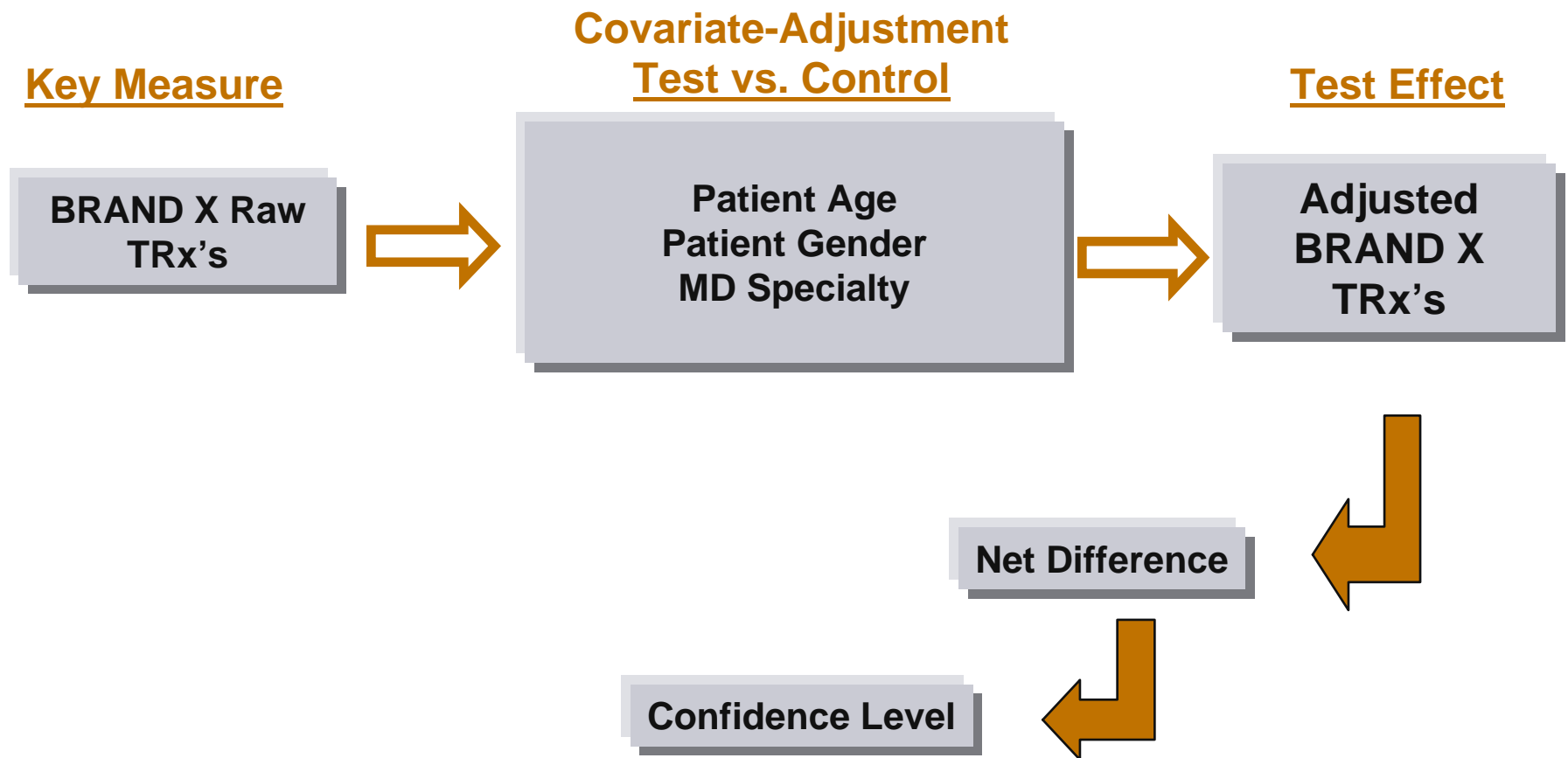
*BRAND X TRx Share*



Test Timeline by Month

# Analysis of Covariance

Adjusts the data for any uncontrolled differences, creating a “level playing field”



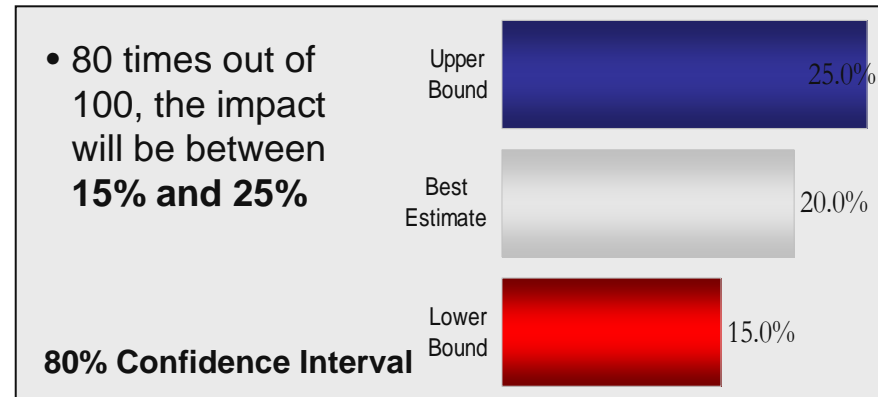
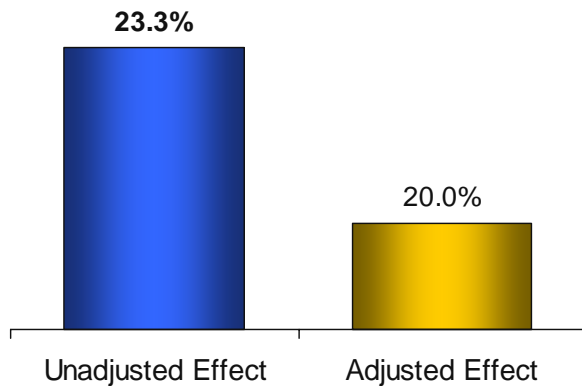
# Analysis of Covariance Results

## Adjusted Results Test Versus Control

### Test Effect

Adjusted %  
Net  
Difference\*  
**+20**

Significance  
Level  
**96%**

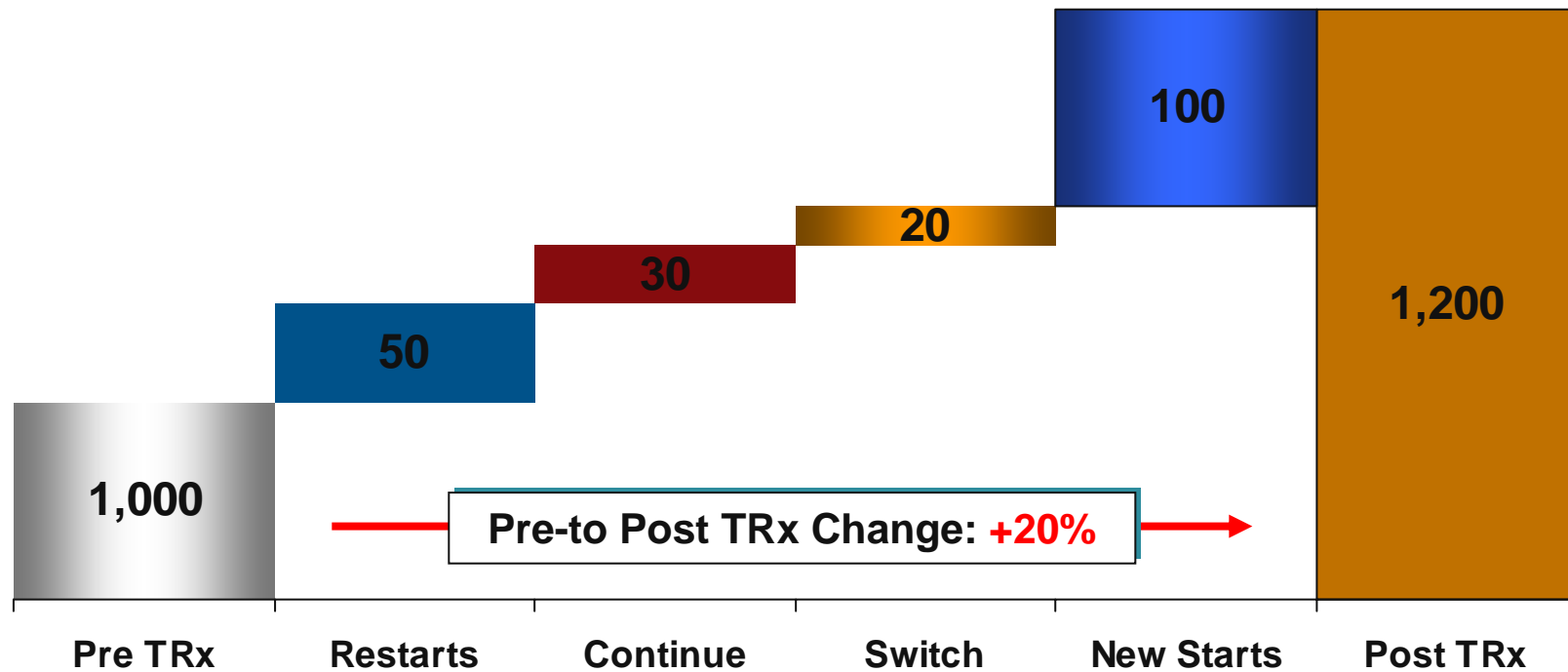


### Key Adjustment Impacts

#### for differences between Test & Control

|               |                  |
|---------------|------------------|
| Patient Age:  | 35% (Older)      |
| MD Specialty: | 30% (Specialist) |
| Patient Sex:: | 25% (Male)       |

# The Largest Impact of Advertising was on New Starts





## Estimated DTC Advertising ROI

Test Brand Name = BRAND X

Change in Advertising During Test (\$MM) = \$30.0

Impact of Advertising on Sales = 20%

Test Brand Sales During Test Period (\$MM) = \$535.0

Margin = 70%

Incremental Profit = \$75

ROI (\$Profit per \$DTC) = \$2.50

# Conclusions and Recommendations

- DTC Advertising is clearly effective for BRAND X
  - Increases short term sales by 20%
  - Bring in new patients for the brand
  - Returns \$2.50 in profit for every \$1.00 invested
- Recommendations
  - Consider increasing the level of DTC advertising
  - The best use of incremental advertising dollars would be to increase reach – and bring in even more new patients
  - Be very careful about changing the current copy. It's working.

## Tests Completed/Underway

- What is the ROI of our DTC advertising? (Several)
- How can we optimize our DTC spending?
- How important is DTC advertising for a new drug (starting in month 13)?
- What's the impact of DTC advertising on physician behavior?

# General Insights from Tests Conducted

- DTC Advertising can have a very positive ROI
- The impact tends to decline over time
- There is a strong carry-over effect. It takes several months for the full effect of an advertising change to be felt
- DTC Advertising tends to drive new starts, as opposed to increases in retention or compliance
- DTC Advertising can affect physician behavior

# Will BehaviorScan Rx Work for Your Brand?

## A formal feasibility analysis is done for every test

- Are the BehaviorScan geographies representative?
  - Brand Development Indices (TRx's per capita in BScan versus Total TRx's per capita. Total US =100)
  - Shares, and trends
  - Copays
- Will the results be sensitive enough to provide actionable results?
  - In general, brands with an incidence of 0.7% or higher will have adequate sample sizes
  - Need to make sure action standard is readable

# Action Standards for an Advertising Weight Test

## Advertising Test Success Criteria Worksheet

Test Brand Name = YOUR BRAND

Change in Advertising During Test (\$MM) = \$35.0

Length of Test (Weeks) = 26

Test Length as % of Full Year = 50%

Test Brand Annual Sales (\$MM) = \$1,000.0

Margin = 70%

Test Period Contribution (\$MM) = \$350.0

% ROI Requirement for Success = 100%

% Lift per ROI Requirement = 10.0%

# Test Timing

- ▶ The typical test runs for 6 months
- ▶ Deliverables:
  - ▶ 3 month interim presentation
  - ▶ Final presentation
- ▶ Timing: 6-8 weeks after the close of the period

# BehaviorScan Rx: When You Have to Be Right

- The only split cable testing solution available
- Consumers watch TV, talk to their doctors and get their prescriptions filled, just like they normally do
- BehaviorScan Rx lets you change what consumers (and doctors) see, and then track the impact
- The most accurate measurement of the impact of DTC advertising on prescription activity

# Summary of Benefits

- Determine the impact of DTC Advertising on your business
  - On prescriptions
  - On patients
  - On physicians
- Determine the impact of DTC advertising changes:
  - Weight
  - Copy
  - Media Plan

## Increased Sales and Profits

Questions?