

AstraZeneca's
Pulmicort Respules
consumer brand
team (L-R):
Janet Caldwell,
Annmarie
Douglas and
Vic Noble,
with brand
mascot Pulmi.



DIRECT MARKETING REPORT

THE TOOLS OF ENGAGEMENT

While the evolution of Web-based technology offers a platform for increasingly savvy and personalized consumer initiatives, conventional direct marketing techniques continue to play an important role. The quest for compliance demands programs that establish and maintain patient trust through open and relevant dialogue across a mix of channels — without bombarding them. **Stephen McGuire** reports.

As the consumer marketing pendulum continues to swing further from the mass-media approach, highly targeted CRM and direct-to-patient initiatives have increasingly taken a front seat in brand teams' efforts to communicate with consumers. While direct-to-consumer advertising has been hugely successful in generating awareness of diseases and treatments, it is only a first step. The goals of direct marketers are to engage consumers and build relationships based on trust, so that they take their medication in the correct way, and for the duration of the course.

Direct marketing is not a new notion, of course. But as the quests for compliance, persistence and retention have become more complex, so have the tools with which to achieve them. Brand teams are constantly developing and re-developing the traditional direct channels that have provided success in the past, such as flat mail, coupons, business-reply mail and telephone call centers. An increasing number offer incentives including free trials and rebates, along with an endless sea of brand-related items (CDs, memberships, refrigerator magnets, etc.).

But the biggest development of the past few years is undoubtedly the electronic channel. The Internet has changed everything, and pharmaceutical companies are constantly working on new ways to start, and nurture, brand relationships with patients electronically.

In the summer of 2004, the brand team for AstraZeneca's Pulmicort Respules — indicated for the maintenance treatment of asthma in

children 12 months to 8 years — launched a Web site, www.everydaykidz.com, with the goal of establishing a closer rapport with caregivers and their young patients. The program grew out of an earlier campaign called Kids Unlimited, which used more traditional direct marketing methods.

Everydaykidz.com is more than a Web site, insists the Pulmicort Respules team. For them, it's a relationship builder. The site walks parents and caregivers and children through the disease. It contains educational information and, through interactive means, introduces the Pulmicort Respules brand as a treatment option.

"You have to make sure your offering is not just a commercial about your brand," says Annmarie Douglas, consumer brand director for Pulmicort Respules. "You have to demonstrate that you understand the consumer, and understand what they are going through."

Vic Noble, Pulmicort Respules senior consumer promotions manager, says, "Currently there's a void in the information within our disease state. With that we have a hungry searcher."

To satisfy the consumer's appetite for information, the brand team has structured the EverydayKidz.com Web site in such a way that there is a flowing exchange of valuable information — the caregiver provides information about themselves and in return receives information on Pulmicort Respules and asthma treatment.

"Once mom or the caregiver joins, we realize there have to be other,

"We have to understand them to earn the right to inform them."



EverydayKidz.com is central to the Pulmicort effort; leaflets direct caregivers to the site, which has content for parents and kids.

more tangible, incentives along the way," Noble says, to keep caregivers involved and interactive. One way the team does so is by updating the site on a month-to-month basis.

To keep young patients engaged, the Pulmicort team gave its brand a cheerleader — an animated mascot named Pulmi.

"Pulmi is a green 'thing-a-ma-jig.' He has also become a trusted partner for mom and a friend for kids," Douglas says. "Pulmi has asthma. We use him to explain to children what asthma looks like, and that you can still have asthma and be an everyday kid. We have kind of brought him more to life. On the Web site he's 3-D, with a lot of brand relevance and personality," Douglas says.

Cuddly characters aside, Douglas says, "Trust is how we explain to Web site viewers that if you give up some information, we'll be able to help you. We've got to make sure that everything is relevant to them and that we have to understand them to earn the right to inform them."

And building trust has become a challenge in an environment where consumers are becoming increasingly skeptical and savvy.

Less junk, more relevance

"One of the ironic situations with CRM is that people do not want a lot of junk e-mail and they don't want you to be involved in their personal lives. But in order to give them less information that is more relevant to them, we need to ask them a few questions and we need to learn about them," Douglas says.

"It's pretty hard to figure out how to help people and make them understand we won't bother them with way too much information. We only want to be able to answer their questions."

Janet Caldwell, Pulmicort Respules' senior consumer promotions manager reinforces the point. "The biggest thing that keeps us up at night

is making sure that we are relevant and making sure that we are embarking on a relationship that is ultimately going to help with management of the disease," she says.

Being able to answer those questions has kept Pulmicort Respules at a steady number two in the Inhaled Bronchial Steroid category with a 35 percent market share and U.S. sales of close to \$525 million, according to data from IMS Health.

A matter of trust

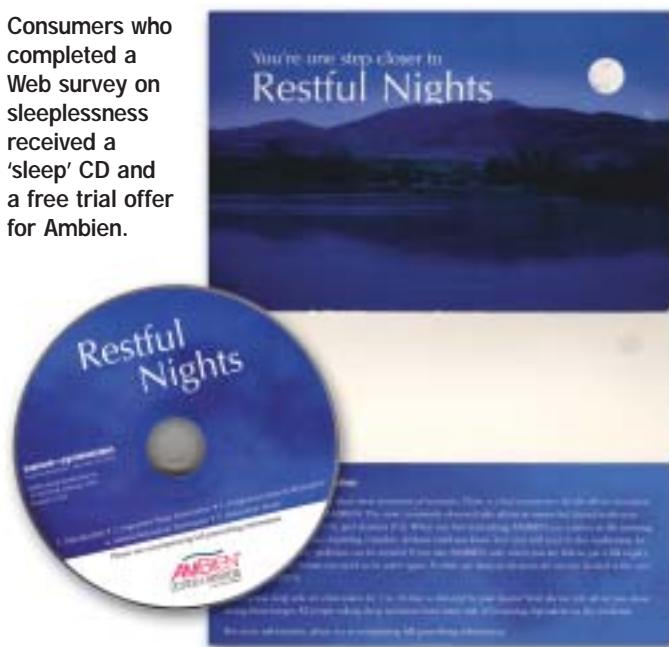
Most direct marketers will agree that the best way to begin a relationship with consumers is through gaining their trust.

The way trust is built in patient communities can be compared to the way trust is built in any relationship, explains Lynn Benzing, president of the healthcare marketing services firm, Patient Marketing Group.

"It is based on treating patients with respect, following through on commitments, taking the patients' best interests into consideration, providing superior customer service and patient support, and thorough, straightforward, honest communication," Benzing says. "For example, if a particular therapy has a common set of side effects that are likely to occur in a relatively large number of patients — a brand that addresses these factors directly and teaches patients how to either reduce the overall impact of side effects or cope with them more effectively will likely establish more trust than a brand that stops at simply providing the side effect incidence data in the package insert."

This up-front approach is increasingly being applied to direct and relationship marketing efforts, notes Beverly Boudin, senior vice president of healthcare advertising agency, Grey Healthcare Group. "If we are going to ask a patient to opt in, we're going to give very clear language, and it's not going to be in mice type. You have to let patients know that they are really signing up to receive information, and that you have a very sound, strong privacy policy so they know their name is only going to be used under specific circumstances."

Consumers who completed a Web survey on sleeplessness received a 'sleep' CD and a free trial offer for Ambien.



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Grey is using this tell-all approach in preparation for the launch of Boehringer Ingelheim's yet-to-be approved HIV drug Tipranvir, and has received some encouraging feedback. "We are coming out of a lot of market research with both patients and physicians and we are talking to the physicians about the patient pieces we created," says Steve Corwin, senior vice president of acute and specialty care brands. "They are saying 'this is very responsible, we like what you are telling to the patient.' It makes it easier for us to talk to the patients about this drug and what it brings. We want to bring that whole circle of credibility around again."

Evolution of CRM

Relationship marketing represents an unfamiliar area of expertise for many brand managers, as well as for most of the professional or consumer advertising agencies that have historically served the industry. As a result, a lot of experimentation is taking place.

"There might be some areas where we may brainstorm with a client and ask, 'is a CRM program appropriate with this particular category or stage where the client's brand is in?'" says Grey's Boudin. "There are many levels and many places we can build trust with the consumer. I think it's a multi-level, multi-disciplinary approach."

According to AstraZeneca's Noble, relationship marketing is becoming a bigger component of any marketing mix. "It is becoming important because it is more relevant and it allows you to extend and really have that relationship with your target," she says.

Although CRM has always been important, pharma marketers expect to see an increasing emphasis on fostering relationships in this changing environment. "There's probably not a category around that would not benefit from some type of CRM," Boudin says. "I think that as we move forward, regardless of what the goals are, what we are going to see in the new environment, is a greater emphasis on relationship management... to build the trust between the doctor and the patient. After

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all, these are serious drugs and I think the current environment has shown that. We want to ensure, with the right information and materials, that there is a mutual understanding."

Compliance is an issue that continues to perplex and vex direct marketers involved in CRM. Keeping a patient compliant is not only important for a brand, it prolongs patients' lives in many cases.

"In the HIV market that's something that is absolutely critical," says Grey's Corwin. "But resistance can become generated basically because patients simply aren't adherent to taking medications on schedule."

Marketers are currently going to great lengths to create items such as pill boxes, diaries and reminder schedules as well as constantly educat-



The campaign for Barr's contraceptive Seasonale was highly integrated across a number of channels. Patient materials were bundled with 91-day kits in pink purses and sampled to physicians.

ing patients why it is important to remain compliant.

"There is a reason that the doctor says take this pill once a day for 'x' amount of times, and this is particularly important with patients with chronic disease states where really patients are essentially on the drug for life," says Grey's Boudin. "There's a real positive aspect from real healing and doing the right thing and that also leads to a better sales situation."

AstraZeneca's Caldwell says that the point with the Pulmicort Respules initiative is to make sure that they are providing enough information. "An empowered and informed caregiver is ultimately going to be compliant. They are going to understand why it's important to talk to their doctor. They are going to follow the doctor's prescribed regimen and respond to what is going to be best for their child."

The integrated approach

Although the electronic channel is growing and direct marketers are devoting more effort and spending on Web related programs, keeping the lines of communication open with the customer does not have to solely rely on high-tech means. CRM still relies on conventional flat mail, telephone numbers and call centers, physician and patient leaflets, and word of mouth.

"It is combination of high-tech and high-touch," says AstraZeneca's Noble. "There are a lot of things that can happen online, but there are a lot of things that can happen offline to solidify relationships."

According to Julian Parreño, senior vice president of pharmaceuticals/healthcare at the direct and targeted marketing firm Harte-Hanks, the Internet is simply just another direct marketing channel. As the nation's second largest mailer to the U.S. Postal Service, Parreno says

Incentives in direct marketing programs

Patient Marketing Group's (PMG) ConsumeRxperience scorecard tracks patients' attitudes and actions with regard to relationship marketing programs, based on attributes proven in leading consumer marketing studies to correlate with brand success, according to PMG president Lynn Benzing.

The project took 100 of the leading consumer-advertised pharmaceutical brands during 2004 and reviewed them to examine the use of incentive offers. The study covered all types of financial incentives including coupons, free trials, rebates and special offers, examining offers made on the Internet and in print.

Print incentives were collected through 2004 and Internet incentives were reviewed during 2005.

Of the 100 brands reviewed, 44 offered some form of incentive, 38 of the brands promoted at least one of their offers on their Web site and an additional six had incentives that consumers would not be aware of unless they opted in for offline print follow-up.

The most common online incentive was rebates, accounting for 37 percent of the 38 brands offering Web-based incentives. Free trials and pharmacy coupons both registered 26 percent (see Fig. 1). Of the 44 brands offering print incentives, 39 percent offered rebates (see Fig. 2).



In a battle for share with Viagra and Cialis, Levitra's offers up to eight free pills when consumers pay for eight.

Eight of 10 brands offering free trials on their Web site allowed consumers to print out the trial offer certificate on their computer to take to their doctor. Three of the 10 Web sites — Cialis, Famvir and Nuvaring — did not collect personal data from the participant before providing free trial certificates online.

The six brands whose follow-up materials featured offers not promoted online were Lipitor, Flumist, Pediatrix, Zolof, Plavix and Relpax. For example, the Lipitor materials offered a \$10 rebate available to consumers who registered as taking the drug, but this was not promoted on the site.



Rebates were the most popular type of incentive at 39 percent, while more sophisticated 'loyalty' programs are on the increase.

Nuvaring allowed Web site visitors to print out a one-month free trial voucher from their printer without providing their name and address information.

Seventeen of the 44 brands reviewed offered rebates which typically ask the consumer to send a rebate coupon along with a proof of purchase (usually a cash register receipt) to the company. The company then issues a check to the consumer.

The average rebate offered for brands was

\$12.50. While \$10.00 rebates were the most common, \$25.00 rebates were offered by Tri-Luma, Penlac and Flumist.

Over half of the brands offering rebates online allowed consumers to print rebate certificates from their computers.

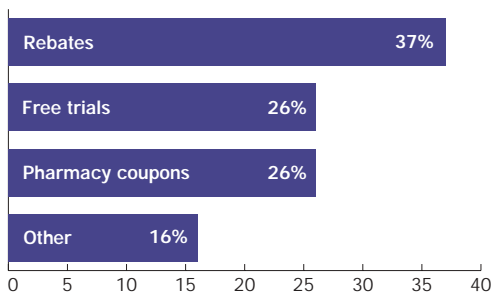
Unlike rebates where the consumer needs to send their receipt to the company for a refund, pharmacy coupons and checks provide money back at the point of purchase. Eleven of the 44 brands offering incentives online offer coupons and pharmacy checks. The typical amount was \$10 dollars, though many brands such as Flonase and Zyrtec offer \$5.00 off.

Almost all brands offering coupons online required the consumer to enter their name and address with the coupons to follow in the mail. The exception was Parcopa, a drug for Parkinson's disease, which provides \$20 pharmacy coupons online without asking for personalized information.

The intense battle in the erectile dysfunction category was born out by all three brands offered some form of incentive: The Cialis Promise gives patients a free pill, after which they can receive three more or get a competitor's sample instead; Viagra's Value Card makes every seventh refill free; and Levitra's Match Program offers a buy-one-get-one-free offer for up to eight pills.

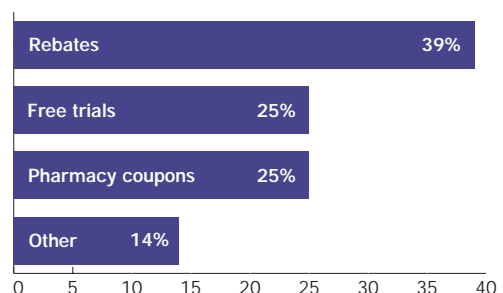
The biggest offer the survey found was for Allegra and Allegra-D which, if purchased together, could save the consumer \$140.

Fig. 1 Internet-offered Incentives



Source: Patient Marketing Group/ConsumeRxperience Scorecard

Fig. 2 Print-offered Incentives



Source: Patient Marketing Group/ConsumeRxperience Scorecard

the demand to receive traditionally tangible direct messages is still strong. “There is still a demand in the mail on the consumer and professional sides and some consumers still prefer being able to make phone calls,” he says.

Parreño concedes that giving consumers certain choices (mail, Internet, telephone) can be beneficial for relationship marketers as long as it keeps the dialogue open. “The same applies for doctors,” he adds. “There has to be two-way communications.”

Besides, not all Web sites are created equal, says Denise Dixon, director of sales and marketing at WRB Communications, which sets up and staffs healthcare call centers. “Web sites can sometimes stir up more questions among consumers than they had when they started,” Dixon says. “Web sites are much more passive than a contact center where consumers can have a physician or registered nurse to talk to.”

Ultimately, Parreño says, relationship marketers stand to make the biggest gains in fostering an integrated approach. “There needs

Behavioral change and the science of compliance

An unlikely partnership between a behavioral scientist and a business executive with a background in technology is spearheading a scientific approach to patient marketing initiatives.

HealthMedia, headed by Dr. Vic Strecher and Ted Dacko, uses a combination of behavior-change science and tailored technology to effect change in consumers.

The idea is that by assessing each individual and creating a personally tailored program, consumers will be more likely to follow a program — and in the pharmaceutical arena that means patient compliance.

“Most consumer drug literature focuses on the importance of taking your medication as directed by your doctor,” says Dacko. “What’s interesting is that most patients know what they’re supposed to do, but doing it is entirely another matter. Knowledge does not equal behavior change, and therein lies the problem. By tapping proven scientific methodology, we can give people the right information at the right time to make change possible and lasting.”

In a trial for GlaxoSmithKline’s online smoking cessation support program to accompany its NiQuitin CQ treatment in Europe, quit rates increased 28 percent with tailored plans. Smokers also got closer to the treatment goal of 10 boxes of medication over a 10-week period (9.16 boxes versus 8.49 for those receiving untailored support).

When a consumer signs up for a program, he or she completes a detailed questionnaire, or assessment, online. A personally tailored program is then devised using this information in conjunction with a vast database of behavioral profiles. In the case of a weight-loss program, the consumer is given a 10-page personal weight management plan, divided into three sections — Mind, Body and Food. The plan fits the behavioral profile of the participant, and all the data contained within it are specific to them. He or she also has access to a range of tools, tips, newsletters and information libraries.

HealthMedia reports that in a survey of 2,229 weight-loss program participants, 59 percent lost weight with around 15 percent losing greater than 7 percent of their total body weight.



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to be a broad channel of selections if you are going to have a truly interactive medium.”

Grey’s Corwin explains, “Brands are spending a lot of money to bring a lot of people into the pipeline but what’s happening is a lot of the pipeline are walking out of the doctors office with a script that they are not fulfilling, or they are dropping off prematurely before they have really completed their therapy.”

What good direct marketing and good relationship management does is fill in the blanks. “Pharma picked up CRM from the old traditional direct marketers and that’s why they used it, to plug the hole in the bucket,” Corwin adds. “There’s a real positive aspect from that. That does lead to a better sales situation.”

Some direct marketers feel one of the biggest downfalls of CRM programs today is that they are abandoned prematurely.

The reasons may be numerous — brand team turnover, inadequate tracking of program results or jumping on the mass-market bandwagon — but the results can often be bad for the brand.

PMG’s Benzing explains, “In some cases, programs are discontinued before they have a chance to yield results, or on the other hand, the relationship marketing program may have been proven to be driving great results but the overall participation rate is low because of insufficient promotion of the program. In general, relationship marketing must become more mainstream in pharmaceutical marketing and receive a respectable portion of the overall marketing spend for it to achieve its true potential for impacting the bottom line.”

The road ahead

In striving to create the ideal CRM program, direct marketers must look at how they can ensure that patients get all the information they need, and how they can maintain the right balance of online and offline. The new challenge is in determining how to drive continual growth in sales in an increasingly complicated environment.

“Many of the sales levers that worked in the past are either under attack, or are waning in their effectiveness,” explains Benzing. “In short, the old model of brute-force direct selling to script writers, coupled with high-budget consumer awareness advertising, doesn’t work like it used to.”

For programs to be successful down the road, they must take into consideration the special expertise required to motivate health behavior change, Benzing says. “They must establish and reinforce positive habits to accompany prescription drug therapy.”

According to Gina Ashe, senior vice president, healthcare director at Omnicom company Rapp Collins, “The biggest thing right now is getting rid of all the fluff. That’s the burden on all of us. We have to find the best way to meet the patient in the place they learn best.” ■