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EVOLVE YOUR BRAND INTO A RELATIONSHIP WITH CONSUMERS AND PHYSICIANS

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Successfully branding a product may take many years and require tens of millions of dollars. Since a product lifecycle averages about seven years, there is a lot of pressure on marketers to perform. When successful, marketing leads to more informed patients who are better able to manage their health. Nevertheless, return on investment (ROI) is the classic way to determine whether or not marketers are performing and producing effective marketing campaigns.

“More than half of all pharmaceutical companies consider ROI to be essential in building a brand,” said Keli Bennett, Consumer Marketing Director at Abbott Laboratories, Abbott Park, Illinois. As a consequence of FDA regulations a large portion of DTC advertising investment is required to inform patients of product risks, thus increasing media costs. “Considering the fact that marketing costs are very high in our industry, obtaining a satisfactory ROI may be a huge hurdle,” Bennett added.

Awareness-based marketing has been the traditional model utilized by pharmaceutical companies. However, Bennett suggested that the benefits associated with direct response (DR) or relationship marketing may help companies realize a more immediate ROI for specific types of products.

Traditional marketing and direct response (DR) marketing forge and appropriately motivate target audiences in different ways. Traditional marketing is one-way communication designed to build top-of-mind awareness with mass appeal that ultimately affects attitude. DR marketing is designed to achieve two-way dialogue with the prospect. The one-on-one nature of direct-response marketing is ultimately designed to affect behavior.

Brand Building Vs. Relationship Building

Brand	Relationship
High Disease prevalence: GERD, OA, Allergies	Targeted markets with complex messages: RA Oncology
CTA is Dr. dialogue	CTA is response
Information flow is from advertiser to prospect	Goal is 2-way dialogue
Top of mind awareness	Immediately actionable and rewards interaction
Drives immediate action	Drives education and interaction
Has mass appeal	Is more personal
Affects attitudes	Affects behavior
Product is hero	Prospect is hero

"Relationship marketing is permission-based," said Bennett. "Communications are anticipated and relevant instead of random. Every communication asks for dialogue with respect. When permission is obtained, it creates a positive brand experience at every touch point," she added.

DR marketing also feels more rewarding and more educational—keys to building brand awareness and equity. "DR advertising is not just about facts and figures. It's about connecting emotionally with our prospects. DR advertising feels less like a sales pitch and more like 'edutainment,'" suggested Bennett.

TIP

A challenge for DR marketers within drug companies is how to allay the concerns of legal counsels, especially in direct mail campaigns in this era of heightened privacy awareness and HIPAA.

Bennet offered the following tip: Implement a 2-Step Process.

In the first step, you select an appropriate mailing list and mail out unbranded disease awareness information that includes a mechanism for opting in to receive more personalized branded messages in the second step. The opt-in mechanism can be a BRC and can ask for more personal information. Responses in the second step can then be customized based upon the personal information supplied. For example, to market in a cardiovascular therapeutic area, you might purchase a mailing list from AARP. Members of this organization are more likely to have a higher risk for cardiovascular problems than the population as a whole. In the first step, you would send all these people non-branded information about cardiovascular risk factors. The important thing is to ask for more personal data with a request for permission to send them product information relating to their specific risk(s).

Relationship marketing can make dollars more effective. "Because DR marketing is interactive, motivating, and measurable, you get market insight at every touch point. You get behavioral data. You learn about attitudes. You gain creative insight. You learn about creative differences. As a result, you can convert prospects at a higher rate than traditional branding," said Bennett.

Segmentation identifies market behavior for strategy development and is an essential component of DR marketing. "Segmentation is the most undervalued tool," said Bennett. "No matter how small your target audience, there is still a need for segmentation and profiling to create more appropriate niche communications. When you learn about your audience at every touch point, which DR advertising allows you to do, you can go back to your audience with more relevant information to obtain the desired response," she added.

DR marketing is best for product introductions, especially in a new category. "It is potentially more effective because of its one-on-one nature," said Bennett. DR strategies can also give marketers great flexibility in how they reach their target audiences. "DR advertising used to be direct mail. Now it's the whole media mix. TV commercials with 800 numbers, print, radio, and the Internet are all avenues for DR marketing," she added.

To maximize DR strategies, Bennett stressed the importance of working with a vendor that not only has experience in DR marketing but also has DR marketing as its focus. "Only an experienced DR marketing vendor will allow you to maximize your ROI," she said, adding that "it is also critical to select an experienced data management group to maximize the utility of the data that is collected."

DIRECT RESPONSE MEDIA

- **DRTV:** Generally, 60 sec units that include an 800 number and offer. Typically placed on cable networks at sharply discounted rates.
- **Print:** Rates discounted up to 40%. Often includes coupon or BRC, but always includes 800 number or URL. Must include an offer – such as free information
- **Radio:** Usually "reminder" medium that's most effective with a vanity number
- **Direct Mail:** Can be highly effective for lead generation, but almost always critical to prospect education, conversion, and relationship management
- **Online:** Important for instant information fulfillment from all media. Includes website, email, search engine optimization, banners

Media Strategy Comparison

Brand Awareness Model

Budget Breakdown

:30 Network TV:	\$9M
PG4C Magazine:	\$4M
Out Of Home:	\$3M
Network Radio:	\$3M
Online:	\$1M
Total:	\$20MM

Direct Response Hybrid Model

Budget Breakdown

:60 Cable DRTV:	\$9M
PG4C w/BRC:	\$6.5M
Direct Mail:	\$3M
Online:	\$1.5M
Total:	\$20MM



Media Strategy Comparison

Brand Awareness Model

Results

Reach:	75%
Effective Frequency:	3+
Unaided Awareness:	14%
Aided Awareness:	40%
Measurable Response:	40,498
Cost Per Response:	\$321
Rx Growth:	21%

Direct Response Hybrid Model

Results

Reach:	48%
Effective Frequency:	3+
Unaided Awareness:	8%
Aided Awareness:	
Measurable Response:	174,528
Cost Per Response:	\$106
Rx Growth:	32%



“DR marketing requires a long-term commitment. ROI in the first year may very well be zero net. The long-term payoff, however, will be a marketing strategy that will ultimately be accountable, measurable, cost-effective, predictable, and which can deliver an immediate results,” concluded Bennett.

“But by no means should traditional marketing strategies be cast aside. It may make the most sense to integrate DR marketing into traditional DTC strategies. When a hybrid strategy is used, you can drive brand uptake very effectively and more cost efficiently,” she added.

Case Study

Bennett illustrated the effectiveness of a hybrid approach with a case study (see charts on left). The case study is a composite from several real life campaigns.

The assumptions are:

- Demographic: Male/Female, age 35-64
- Disease state prevalence: 7%
- Disease state awareness: 92%
- New product in an existing category
- Budget: \$20MM

The result is that the traditional brand awareness model results in 21% prescription growth, whereas the hybrid model achieves an Rx growth of 32% with the same budget.

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