

e-Empowered consumers

Is the new Internet-empowered consumer a friend or foe of pharmaceutical marketers? Author **Stan Bernard** examines this important issue, and its ramifications for marketers and consumers.

Welcome to the age of the “e-empowered consumer.” Today, online consumers can search Medline or thousands of other e-health sites for easily accessible information about any disease or condition, view their own personal medical records at Web sites offered by some providers, get “virtual” second opinions from physicians from Johns Hopkins, the Cleveland Clinic and others, bid for the best price on procedures such as breast augmentation surgery at MedicineOnline.com, and request a pharmacogenomics screening test at sites like HealthAndDNA.com to determine their potential clinical responsiveness to drugs like Prozac.

For pharmaceutical marketers, these e-empowered consumers represent a tremendous opportunity to reach and influence their product end-users directly. Over the past several years, pharmaceutical marketers have recognized the importance of these consumers. The pharmaceutical industry spends over \$3 billion annually in the United States on direct-to-consumer advertising. According to Manhattan Research, nearly 135 million U.S. adults recall some pharmaceutical advertising, whether through television, print, online or other market-

ing channels. However, only about 11 million take action as a result of DTC advertisements and request a prescription of their choice. These consumers are 1.4 times more likely to be online daily, 2.4 times more likely to recall Internet-based prescription ads, and 5.3 times more likely to go to advertised product websites. Importantly, they are 1.4 times more likely to switch product brands.

So, who are these consumers? According to Manhattan Research, they are usually female, typically 30-50 years old, better educated and more affluent than average U.S. adults. Three factors make these women even more powerful, particularly from a pharmaceutical industry perspective. First, these women actually represent nearly twice as large a group – most of the time they go online, they are seeking health care and pharmaceutical information for their children, spouse, or other relatives. Second, these women are enormously influential – they make more than 80 percent of all health care and pharmaceutical purchasing decisions for themselves and their families, according to several research studies. Third, these consumers are seeking information primarily on chronic diseases and the treatment of these diseases – especially

pharmaceuticals. In fact, an Ipsos-NYD study revealed that 61 percent of adults who visited a health care site and requested a specific drug after learning about it on the web were women.

Consumers are participating in a variety of activities online that can help — and in some cases, harm — the pharmaceutical industry's bottom line. Consumers are increasingly engaging in pharmaceutical-related activities represented by each of the evolving four e-health spaces: content, commerce, connectivity and care. In the content space, consumers are using online disease and pharmaceutical information and participating in online communities. In the commerce space, consumers are purchasing drugs and other products. In the connectivity space, consumers are using online communications and other technologies. The emerging care space offers web-based care monitoring and management services, and presently has the least impact on the pharmaceutical industry.

Currently, online pharma consumers are spending the majority of their time in the content space, using the web to search for information on specific conditions, general health topics, or pharmaceuticals. For general health information, consumers most often use search engines, such as Yahoo or Google, or general health sites, such as WebMD. For pharmaceutical information, they most commonly visit general health sites, online drugstores, specific drug sites, or pharmaceutical corporate sites.

Recognizing this opportunity, pharmaceutical marketers are leveraging the web to reach these online consumers in three

ways to increase product sales: to create product demand; to convert that demand into prescription requests; and to enhance product compliance. Initially, marketers were using a variety of banner ads and sponsored third-party sites to help create demand for their products. This general approach met with limited success. Recently, however, online marketers have achieved greater online awareness for their products by developing more targeted, novel approaches for reaching and impacting consumers, such as search engine optimization, streaming video, and offline/online advertising integration.

The Internet is very effective at converting demand for pharmaceutical products into specific action. According to Manhattan Research, 60 percent of consumers after seeing an offline drug advertisement went to Internet search engines or portals for more information, over 50 percent asked their doctor for information about the drug, and almost 25 percent went to specific drug sites. After visiting a

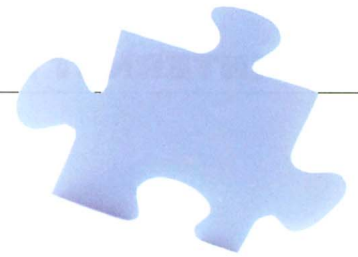
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disease-specific — not product-specific — website, nearly 25 percent of consumers asked their doctor about a particular prescription.

Consequently, marketers are enhancing the features and interactivity on their product and disease websites to convert consumers from information-seekers to product requesters. Many pharmaceutical-sponsored sites now offer online health assessments or questionnaires, symptom diaries, email newsletters and reminders about new content or features, access to health care professionals, free trial coupons, and online patient discussion boards or chat rooms. For example, Teva Pharmaceuticals, makers of the multiple sclerosis drug Copaxone, sponsors MSWatch.com, one of the largest online discussion communities for multiple sclerosis patients and their caregivers.

Once patients begin taking their products, marketers are using the Internet to help patients adhere to their treatment. Many product sites now offer online compliance programs. For instance, Clarinex.com offers personalized pollen counts, customized allergy articles, and online pharmacy links for refills to registered Clarinex users. Lipitor.com provides patients with an online chart for tracking lipid level changes and an email reminder program to take Lipitor. Market research suggests that as much as 15 percent of prescription requesters have enrolled in such compliance programs.

In fact, the Internet is a very effective medium for enhancing product compliance. Manhattan Research data has revealed that 8 percent of those consumers who visit sites with disease information



say they have taken their prescribed drugs more regularly as a result of reading that information. Moreover, certain online patient populations, notably those with allergies, heartburn/GERD, and arthritis, have dramatically higher rates of enhanced compliance after visiting sites with disease-specific information.

However, there are potential risks to offering interactive online programs. For instance, what happens when pharmaceutical companies misuse their online relationships with consumers, as Eli Lilly did recently by inadvertently revealing the e-mail addresses of patients with depression, bulimia, and obsessive-compulsive disorders? In that case, an Internet service provided by Lilly sent out an e-mail message revealing the email addresses of 669 people who had registered to receive Prozac compliance reminders. Following months of adverse publicity, Lilly agreed in January 2002 to settle Federal charges that it had violated patient privacy.

Consumers also present potential risks for pharmaceutical companies in other e-health spaces. In the commerce space, some, particularly seniors who do not have pharmacy benefits, are increasingly using the Internet to purchase drugs more cheaply. Some consumers are using reverse auction sites based in the US, such as PillBid.com, which offer registered users the opportunity to select the least expensive bids for drugs they want to purchase from participating online pharmacies. Others are seeking cheaper drugs from legitimate, non-US pharmacies, such as HometownMeds.com, an established bricks-and-mortar pharmacy based in Canada. Confounding this situation for

the pharmaceutical industry is that several major insurance companies, including United Healthcare and Humana, have announced that they will reimburse members for drugs purchased outside the US, including those purchased at online pharmacies.

Consumers represent both opportunities and threats in the connectivity space as well. Thousands of these consumers are visiting and registering to participate in pharmaceutical clinical research studies at a number of websites. This is potential boon for pharmaceutical companies, since nearly 80 percent of clinical trials fail to meet patient enrollment deadlines, resulting in an average loss of \$1.3 million per day in sales for each new drug. The approaches vary tremendously. For example, CenterWatch.com and ClinicalTrials.gov listenable consumers to search for numerous clinical trials in their area of therapeutic interest.

Consumer action on Gleevec

Leveraging the Internet to raise awareness about clinical trials can work both ways. Now that study participants can more readily connect and communicate with other trial participants online, some pharmaceutical companies have seen push-back. For example, Novartis came under enormous patient pressure regarding the development of compound STI-571 to treat chronic myelogenous leukemia. Novartis had estimated that the annual U.S. market potential of the drug was limited to only about 5,000 patients. However, leukemia patients, along with their networks of friends and family, barraged the company and the media with e-mails to expedite the

development of the drug, which is now marketed as Gleevec in the United States. Paulo Costa, president and chief executive of Novartis U.S., explained: "In the case of STI-571, the results were so remarkable that if the patients were not jumping up and down I would be surprised. They should be. What that [patient pressure] will do is to force companies to be very responsive."

Fortunately in this case, Novartis was able to respond quickly and transformed the situation into a PR windfall — not to mention saving thousands of lives and generating significant sales.

However, what happens when consumers use Internet prowess to push companies to do things that are not necessarily in their best interest, such as developing drugs that are not commercially viable or scientifically impressive? What about when these same consumers increasingly use the Internet against pharmaceutical companies, such as e-mailing lawmakers on issues like high drug prices? This has already been done in many cases.

These consumers are not virtual — they are real and increasingly empowered. For pharmaceutical companies, these consumers represent a unique challenge.

They also represent an opportunity to build a direct, dynamic and influential relationship that can benefit the health and well-being of consumers and companies. However, these consumers also represent a potential threat of a potent force that can be turned against companies, particularly those that either abuse their virtual relationship or those that simply fail to respect the power behind that relationship.