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425 Park Ave., New York, NY 10022
(212) 756-5220 Fax (212) 756-5250
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POC marketing connects Rx, customers

By ANTOINETTE ALEXANDER

Is your pharmacy patient a needle in the healthcare haystack?

Pharmacy marketing is in the midst of an evolution thanks in part to targeted point-of-care educational marketing that has proven to be a high-powered tool with attractive returns on investments, higher rings at the register and enhanced patient compliance.

"Probably one of the biggest differences [in POC marketing] is the whole targeted process. You want to talk to the patient about what a brand is trying to get across," said Gary Norman, executive vice president and general manager of Rx Edge, a provider of direct-to-consumer marketing solutions delivered in retail pharmacies. Rx Edge's business has grown 20 percent to 40 percent each year for the last five years, he explained.

Given the challenges facing the healthcare system, it is more important than ever for pharmacy retailers to position themselves as healthcare destinations. But effectively "reaching" the consumer audience through the millions of marketing messages in today's mass media can be like searching for a needle in a haystack. According to some industry sources, including Norman and Traver Hutchins, president and chief executive officer of consumer health educational marketing company MediZine, POC educational marketing can help retailers and suppliers break through the clutter and connect with the millions of people who visit a pharmacy each day.

"We start our journey at the doctor's office but the bulk of our power is right at the pharmacy counter," said Hutchins, who founded New York-based MediZine in 1994 and today has five consumer health publications—*REMEDY*, *Diabetes Focus*, *Diabetes Focus Espanol*, *MediZine's Healthy Living* and *MDminute*. *MediZine's Healthy Living*, alone, currently is distributed at the point of care in more than 70 retail chains, at 32,500 pharmacy counters and thousands of doctors' offices, giving it a total quarterly circulation of 3.75 million copies and more than 16 million quarterly readers.

TV might capture bigger numbers; but are they the right numbers? Unlike a commercial opposite the nightly TV news, POC advertising puts the brand marketer with a healthcare message in front of the right audience. Clearly, pharmacy customers come into the



Point-of-care marketing, including the placement of such magazines as *MediZine's Healthy Living* at pharmacies and doctor's offices, has proven to drive better returns on investment, higher rings at the register and improved patient compliance.

store with health care front of mind. That would explain the recent surge in POC advertising.

Gregg Jones, R.Ph., director of clinical programs and marketing for Ahold USA, sees great value in such POC marketing as *MediZine's Healthy Living* and *Diabetes Focus*.

"Anytime we can get information into the hands of the patients who need it is a benefit," said Jones, who noted that the publications are well-received by its pharmacy patients. Ahold USA operates more than 600 stores, most of which have in-store pharmacies.

To enhance its reach to consumers, Jones said the company is looking to link the pharmacy pages of its Web site to the MediZine Web site.

In its pharmacy locations, Ahold USA carries *MediZine's Healthy Living* and *Diabetes Focus*, as well as *Diabetes Focus Espanol* in the 10 percent to 15 percent of its stores that have a high index of Hispanic shoppers.

"If it is a diabetes-related focus, people who pick it up most likely will have diabetes or will be pre-diabetic. It is well-received because there is a lot of good information in it and it really puts all of the materials into one spot," Jones said. "We have manufacturers who will come in and ask to put brochures on our pharmacy counter but it is a lot easier if you have a consolidated magazine like MediZine."

Ahold USA is working with other companies, such as LDM Group, to



implement point-of-dispensing messaging in its pharmacies.

"These POS marketing pieces do a lot to reinforce a healthy lifestyle for our customers and the New York community. There are great pieces on wellness and compliance [in the marketing materials] as well as information on how to stay healthy. It is good for our image both as a convenient health and wellness destination and certainly as a pharmacy as our goal is to help our patients stay healthy," said Kathleen Albert, manager of pharmacy marketing for Duane Reade.

The Manhattan-based pharmacy retailer, which has more than 240 locations, works with such companies as MediZine and Rx Edge to communicate in-store with its patients.

When asked about the benefits of such POC marketing publications as *MediZine's Healthy Living* and shelf talkers, such as those offered by Rx

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EDITORIAL
Editor in Chief
Rob Eder
(212) 756-5160, reder@lf.com
Executive Editor
Bernadette Casey
(212) 756-5242, bcasey@lf.com
Senior Editor/Pharmacy
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(212) 756-5015, tdombach@lf.com
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dalickaj@lf.com
Group Art Director, Retail Group
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MARKETING & CONFERENCES
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(212) 756-5195, lreese@lf.com

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INTERNATIONAL OFFICES
EUROPE: Amanda Mosle Friedman,
Lebhar-Friedman International Group,
100 Regent St., 5th floor
London, W1B 5SJ, United Kingdom
ph: 011-44-0-20-7432-0450
cell: 011-44-0-7887-541-556
fax: 011-44-0-20-7432-0516
JAPAN: Diamond-Friedman Ltd.,
Chain Store Age
YHK Building, 7th Floor, 2-3-20 Toranomon
Minato-ku, Tokyo 105-0001, Japan
ph: 011-81-3-3504-6750
fax: 011-81-3-3504-6752
SPAIN: Ediciones Y Estudios,
Enrique Lareta, 9-1 A 28036 Madrid, Spain
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Rx Edge informational materials are designed to give consumers product information at the point of sale when they are making purchasing decisions.

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Edge, Albert said each serves its own purpose and both are important when it comes to effectively reaching consumers.

"The magazine is something you drop in your bag and read at your leisure and the Rx Edge pieces have great immediacy," Albert said. "I don't think that one is more effective or beneficial, as there are different applications for each. Because a

shelf talker is more prominent when you are at the point of purchase I think it is convenient for the consumer to read. At the same time, the MediZine magazine is something you can take away so you have sufficient time to absorb all of the wellness information."

Each year, manufacturers spend about \$5 billion on direct-to-consumer marketing, about half of which is spent on broadcast followed by general-interest magazines at about 30 percent. While POC, or "alternative media," currently accounts for less than 10 percent of that \$5 billion pie, it is the fastest-growing segment next to online marketing, Hutchins explained.

While POC marketing is undoubtedly growing, there are some challenges that remain, especially in the areas of funding and merchandising such consumer education. One is: who pays? When it comes to funding there are four potential buckets of money to go after: non-profits, customers, retailers and sponsors.

Non-profits, while valuable as a resource, typically do not have the



"For a marketer, a retailer-specific program is good if it helps them get better quality merchandising in-store."

**David Adelman,
partner, OCD Media**

funds to effectively educate the volume of in-store need. Meanwhile, retailers are not in the business of having their customers pay for education. In terms of a retailer funding, marketing departments want to educate customers but they don't necessarily have the funds to invest in it. Furthermore, some retail marketers cringe when sponsors are highly prevalent in POC vehicles because they believe it conflicts with their image as education providers.

"Conversely, merchandising departments want to sell things. If they can be shown that education not only supports the marketing need but also increases sales, then they tend to become advocates. Since most chains have razor-thin budgets for educa-

tion, however, [having the retailer invest] has not shown much traction in the industry to date," Hutchins said. "That leaves sponsors as the remaining method to bring education to the customer."

Important, when done correctly, POC-based communications vehicles, such as MediZine and others, can tie in meaningful advertising opportunities that do not taint the value of the education itself, according to sources.

Perhaps even more important to pharmacy retailers and healthcare product marketers, when done correctly, POC marketing also can drive incremental sales and improve patient compliance and persistence,

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The PRISM effect: Measuring in-store marketing impact

In the past, brand marketing was premised upon a single premise that by the time the consumer entered the store and walked up to the aisle, she already knew exactly what brand she wanted to buy. Today, that couldn't be further from the truth. Increasingly, buying decisions are being made at the shelf. This sea change has elevated the importance of in-store marketing and has given retailers greater control in driving manufacturer promotional dollars. The retailer holds more cards than ever before.

"We would, through jingles and special messaging, influence [the consumer] so that before we got to the store those [buying] decisions were made. But that's hard to do now," Peter Hoyt, executive director and founder of the In-Store Marketing Institute, told attendees of *Drug Store News'* 9th Annual Industry Issues Summit held in New York in December.

Added Hoyt, "We [the shopper] decide what messages we're going to receive. We have TiVO, we have satellite radio, we have spam

blocking, we have caller ID, we are deciding which messages will get to us. We're in control far more than ever before. And retailers have a very clear identity of their brand and are beginning, in ever greater numbers and with much more purpose, to market the identity of their brand to the marketplace."

However, some industry sources believe there is a need for tighter relationships between manufacturers and retailers—both of whom are striving to serve the same consumer, build customer loyalty and bolster sales and profitability. Too much of the emphasis, they say, has been placed on getting on shelf and not enough on understanding what it takes to move off shelf, at, what Procter & Gamble chairman and chief executive officer A.G. Lafley calls, that "first moment of truth," in which consumers decide which brand to reach for.

"Energy, resources and time that could be devoted to creating a



Peter Hoyt

delightful first-moment-of-truth shopping experience often are spent in unproductive discussions over shelf-space, pricing, discounts and terms," Hoyt said.

Enter PRISM.

The PRISM initiative (read: Pioneering Research for an In-Store Metric) is designed to

establish a global metric for evaluating the in-store environment as a marketing medium. It allows in-store traffic to be measured by product category, such as in the cereal aisle of a food retailer or in the hair care aisle of a drug store.

According to the In-Store Marketing Institute, PRISM could prove to be a watershed event for the marketing industry, because it would allow the store to be compared alongside television, radio and other forms of mass media for its ability to deliver consumer reach. In effect, it could do for the store what the measurement of gross ratings points did for television, he explained.

While in-store marketing has

long been an element of the consumer marketing mix, its potential value as a brand-building vehicle has never been objectively assessed, largely because there hasn't been a way to accurately measure the total reach of a campaign conducted at retail, Hoyt noted. By establishing a common metric that can be understood by both brand marketers and retailers, this model can eliminate that obstacle.

The project, unveiled in September 2006, remains a work in progress as the PRISM Consortium, a group made up of consumer product manufacturers and retailers, continues to wade through the data.

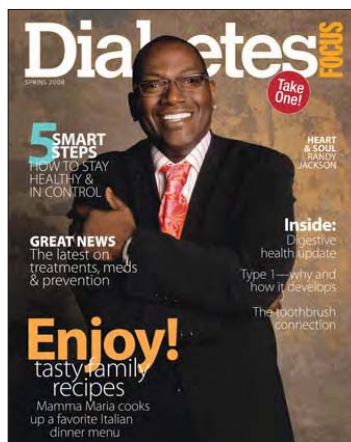
"We think that knowledge about the number of impressions and the reach ... and the closure rates, will help us evaluate in-store marketing both in terms of the lift, the immediate gratification and the long-term equity building," Hoyt said. "Reaching and engaging shoppers in-store, we believe, will become a mutual goal in the business plans of marketers and retailers. That's really what we're trying to accomplish."

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with measurable ROI. According to data from Hoffman Estates, Ill.-based Rx EDGE, the average lift in prescription volume, based on research of more than 100 POC marketing programs, is 9.8 percent. Furthermore, the average return on investment is about \$7 for every \$1 invested.

Rx EDGE, which launched in 2000 to provide pharmaceutical marketers with an in-store alternative for their DTC marketing efforts, has grown to reach more than 18,000 drug stores, supermarket pharmacies, mass and supercenter pharmacies, and it has implemented more than 200 programs for clients. It promotes pharmaceutical and consumer healthcare brands with at-shelf dispensers, counter displays and other in-store media including point-of-sale messaging.



Diabetes Focus, a MediZine magazine, is distributed at the point of care to more directly target people with diabetes.

More education not only drives patient discussion but also compliance. On average, 20 percent of prescriptions are never filled and 40 percent of refills are never filled, Norman noted. A better-educated consumer means a more-compliant consumer and that, of course, translates into higher sales for retailers and manufacturers.

"Patient education is what drives it. It prepares the patient for meaningful conversations with the pharmacist or doctor. It makes a lot of sense to target people when they are thinking about their health," Norman said.

Added Hutchins, "There is a much higher ROI for marketers. What it means for retailers is identifiable scripts. We have [patient] names and

see the match results. ... We convert them into new prescriptions and incremental front-end sales."

Hutchins believes that, for MediZine, the benefits of its service actually begin to take shape before the patient even walks into the pharmacy.

"When and where matters. We have 200,000 doctor's offices we are involved with and guess where 75 percent of those patients are going after?" Hutchins posited. "The pharmacy. 'We have shown an up-tick in [pharmacy] sales as a result of doctor marketing.'"

When it comes to in-store placement of such marketing, it is a research-based process that greatly depends on the product. For example, if a retailer and manufacturer are trying to reach a diabetes patient, then the pharmacy counter is ideal. But if the messaging relates to heartburn, then a shelf talker near the OTC antacid aisle may make more sense.

When it comes to the messaging, both Norman and Hutchins stressed the importance of working with retailers and suppliers. At Rx EDGE, for example, virtually all of the material must first go through a review process with brand companies and retailers.

Hutchins added that his company turns FDA-approved language into easy-to-understand messaging and has a board of advisors to review all content.

David Adelman, a partner for the New York-based media planning company OCD Media, works with several pharmaceutical companies including Takeda Pharmaceuticals, the maker of Amitiza for chronic idiopathic constipation.

Adelman, whose firm is active in all types of media including print POC marketing like MediZine, not only noted the difference between individual retailer-specific programs and national POC media programs (programs designed for a specific retailer versus executing the same program across a variety of retail banners) but also stressed the important role POC marketing can play.

"For a marketer, a retailer-specific program is good if it helps them get better quality merchandising in-store. I would think that a retailer-specific program is something that the retailer is going to want to take advantage of. A retailer might get behind a program that is more specific to them," Adelman said.



Doctor's waiting rooms are a prime location for point-of-care magazines, and experts say their placement can improve patient compliance. "Patient education ... prepares the patient for meaningful conversations with the pharmacist or doctor," said Gary Norman, executive vice president and general manager of Rx EDGE. "It makes a lot of sense to target people when they are thinking about their health."

When asked about the importance of POC marketing, Adelman said, "Trying to get messaging in front of someone as close to that [point of] decision as possible has been the whole reason for point-of-purchase marketing for impulse purchase, for last-minute reminders, for what some marketers call the moment of truth, when someone is at the store and looking at two different products. Which one are they going to put in their basket?" Adelman said, referring to OTC products or hard goods. "That is where the POC marketing helps."

With regard to POC marketing at the pharmacy counter, Adelman said opportunities could involve co-morbidity and offering patients picking up a prescription information on a complementary drug or medical device.

Meanwhile, Rich Wartel, a consultant at Two Labs Marketing LLC, sees value in such marketing vehicles as display stands at the counter and such POC reminders as educational materials stapled to a prescription receipt or attached to the prescription bag. For example, if a patient fills a prescription for a diabetes drug it may provide additional information to refill that product, provide a coupon or highlight a complementary product.

"These [programs] truly enhance compliance and persistence for the patient. And obviously for the pharmacy it drives incremental scripts," Wartel said. "For the manufacturers, these programs are very good returns on investments."

Wartel noted that these types of

programs typically generate 4-to-1, 5-to-1 and even 6-to-1 returns on investments.

Lewis Center, Ohio-based Two Labs Marketing deals with all aspects of product launches (having launched more than 45 drugs in the past four and a half years, Wartel noted), product lifecycle management, the development of the trade sales organization and evaluation of consumer, pharmacist and prescriber marketing services.

There are many ways that manufacturers and retailers are trying to reach the patient, but Wartel believes involving the pharmacist or pharmacy technician is most effective.

"They are the ones who are providing the patient with the information on the drug itself. In fact, I think they have more of a prominent role in that than the physician. The doctors write them [the prescriptions] and the pharmacists are the ones who are explaining what the product does, potential side effects and all of that stuff," Wartel said. "It is that pharmacist's role that I think is paramount to being able to sell these programs in and get the patient compliant on the actual product itself."

When it comes to challenges facing the industry, Wartel was quick to point to awareness.

"We spent a lot of time helping product managers and product directors understand the breadth of programs that are out there," Wartel said. "The biggest challenge is that a lot of these guys don't know that these programs are available."