



# Building Rx Brands Within the **Retail Pharmacy**

The in-store environment proves to be effective  
for driving script sales

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**When a major pharmaceutical manufacturer was launching a new drug in a competitive category, the company jumpstarted the marketing campaign in a unique way. Instead of blanketing the broadcast airwaves and national magazines with ads, they chose to initially introduce the product to consumers in the retail pharmacy. This tactic allowed the manufacturer to target the crucial top markets with detailed information designed to help educate consumers about choices in the category and to begin to build brand awareness.**

With more than 50,000 stores nationwide and nearly 15 million shoppers per day, the retail pharmacy is an effective medium to reach targeted consumers. The manufacturer of the new drug capitalized on the opportunity and introduced the product with an at-shelf dispenser during the busy cold and flu season. The company chose the high-traffic cold remedy section to reach the greatest number of consumers. Using this vehicle allowed the company to launch the campaign swiftly and cost-effectively as soon as Food and Drug Administration (FDA) approval was received. The dispensers contained detailed information about the drug and its benefits, and directed consumers to a website for more information and a free product sample.

The launch met the objectives for the manufacturer: it built immediate brand awareness in key markets and induced trial of the drug. The in-store program generated a 12% increase in script sales, as measured through controlled store testing using matched panels. Reaching consumers at the retail pharmacy provided the manufacturer with measurable and quantifiable results. This metrics framework supplied the critical details needed to determine the return on investment, a vital component of direct-to-consumer (DTC) marketing decision criteria.

## **An Untapped Medium**

DTC spending has nearly tripled since 1997, and more than 98% of the annual \$3 billion is spent on broadcast and print advertising. The remaining 2% is devoted to Internet initiatives and outdoor advertising. Currently, spending on point-of-sale marketing initiatives is so limited it is not tracked on annual DTC spending surveys.

But with a growing movement of "self-care" among millions of American consumers, the retail pharmacy is becoming a significant point to reach consumers to deliver in-depth information, and drive dialogue and discussion in the doctor's office. The environment also affords DTC marketers with the necessary space to educate consumers about their health and the benefits of specific prescription remedies.

Not only do retail pharmacies outnumber the leading fast food chain, but also new chain drugstores are popping up on every major street corner across the United States. With the baby boomer population aging, the outlook for continued growth remains positive. Until recently, there has not been an effective way to reach the in-store audience on a national level.

## **Receptive Audience**

Today, more than ever before in history, Americans suffering from a variety of common illnesses are more inclined to first treat themselves before seeking the advice of a physician, according to a Roper Starch study. The increased availability of information and over-the-counter (OTC) remedies has led to a "do-it-yourself" attitude among consumers.

One of the first places many people head for relief is the over-the-counter section of their local pharmacy. With the proliferation of the number of OTC medications available today, consumers have multiple choices and spend more time making their purchase decisions. Many people are empowered by the information available to them and take the time to read packaging to determine what product will fulfill their needs.

The retail pharmacy location offers DTC marketers one of the most targeted marketing opportunities available. New nationwide in-store vehicles are emerging to help pharmaceutical manufacturers reach this audience. The in-store environment provides the unique ability to reach specific consumers based on the particular products they may purchase. If diabetics are the target audience, there is no better place to reach them than in the aisle where diabetic accessories are sold.

The same holds true for dozens of other health conditions. For many conditions, such as allergies, heartburn and skin problems, there are over-the-counter treatments that provide prescription drug marketers the ideal location to supply information to consumers who are currently experiencing symptoms or may be suffering from a chronic illness. In many instances where there is not an OTC alternative, there are other locations within the retail pharmacy to reach target consumers. Information related to toenail fungus can be placed in the section with foot care products; osteoporosis near the shelf where calcium supplements are sold; overactive bladder near adult incontinence products.

With this receptive audience, pharmaceutical companies have the opportunity to provide consumers with the in-depth information they seek about their specific condition and the available treatment alternatives. Because booklets and pamphlets provide ample space for information and can be placed at the shelf near targeted products, they allow pharmaceutical companies the ability to educate consumers about the disease or condition, the symptoms, and the full benefits and side effects of a prescription drug.



In addition, the drugstore has a distinct advantage over other media options – a licensed pharmacist is within reach to answer any questions. The pharmacist can reinforce the message, discuss the applicability of the information provided and refer the patient to his or her physician.

## Extending the Brand

Though consumer action may be declining, television and print advertising can be an incredible tool to build brand awareness when used with enough frequency and reach. It made Viagra a household word – although many of those who are aware of the brand will never need to use it.

But many pharmaceutical marketers are faced with the challenge of building brand awareness – with limited budgets – among a target audience of current sufferers while trying to communicate complex medical information. And because their products are not available over the counter, they do not have the benefit of packaging and shelving to convey the vital information to the target audience. Retail pharmacy at-shelf programs can provide these marketers with the vehicle to cost-effectively deliver branded messages to specific audiences. These programs can be used to not only educate consumers, but also to deliver incentives such as trial or rebate offers, or provide information about sponsorships or upcoming events.

As demonstrated in the earlier example, retail pharmacy programs can be extremely effective in helping to launch a new prescription remedy, particularly when integrated into a comprehensive marketing campaign. At-shelf vehicles can address not only trial objectives, but can also be deployed to influence compliance, build brand loyalty and effect switching. At-shelf vehicles can also be a valuable and inexpensive way to attract attention to a drug just before it loses its patent. In addition, when a drug has been in the marketplace for a long period of time and has new competition from OTC remedies, at-shelf programs can help to educate consumers about their condition and the prescription remedies that are available.

As part of an overall DTC marketing strategy, the retail pharmacy has a strong role in building prescription brands. By reaching consumers at their first step toward finding treatment, DTC marketers have the opportunity to help educate consumers and begin to build brand awareness for prescription alternatives. •

## Quantifiable Results

Although the dollars spent to reach consumers in the retail pharmacy have been minimal, pharmaceutical companies that have ventured into these less navigated waters have been successful. Several at-shelf marketing programs have been tested and measured in some major retailers nationwide.

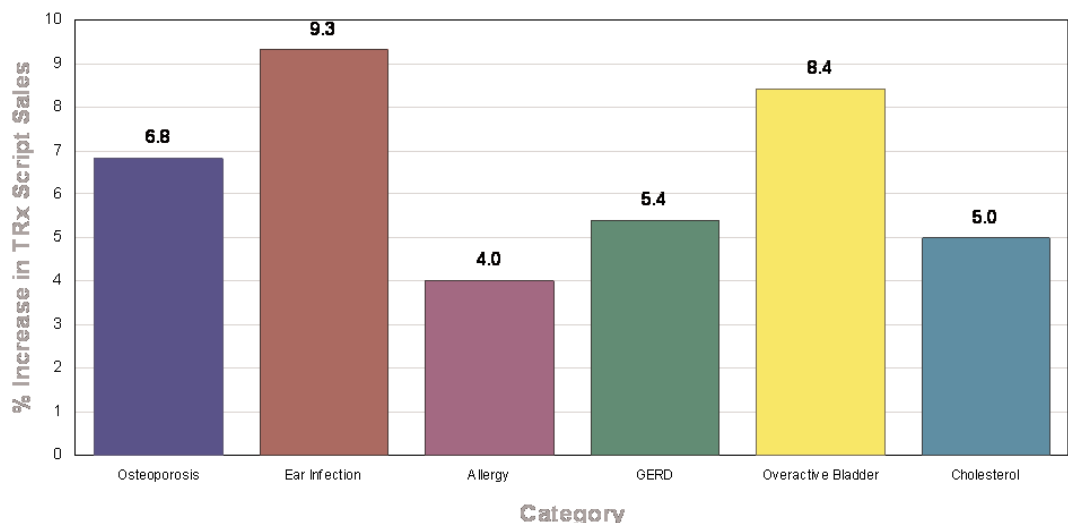
Retail pharmacy programs offer marketers the opportunity to closely monitor the success of the campaign. The marketing efforts are monitored and measured using matched panel studies to capture accurate data. Researchers consider all factors affecting a specific market, including television and print advertising, and carefully select control and test sites where the only differentiation will be the promotional unit in the stores. They then monitor prescription activity at those stores for a measured period of time during and after the marketing cycle. On average, at-shelf and at-counter programs increased script sales by 7.5% and returned an average of \$5 for every \$1 invested.

Because of the degree of accurate measurement available for in-store programs, pharmaceutical marketers can better understand the impact. This information becomes even more relevant as DTC marketers look for the most effective and efficient ways to impact consumer behavior.

A recent survey by Ipsos PharmTrends, a syndicated tracking study of consumer behavior, found that a declining proportion of consumers took action following exposure to a prescription drug ad. Only 19% of consumers said that a DTC ad prompted them to call or visit their physician to discuss a prescription drug they had seen advertised. This decline follows a high of 25% found in a survey conducted in February 2002.

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## Prescription Sales Increases – In-Store Promotion\*



\* Test vs. Control Panels

Research conducted by NOP World for RX EDGE® retail pharmacy program, April 2003-June 2004, CVS & other retailers.