2012 U.S. Pharmaceutical Promotion Spending

Promotion Spending Summary
Promotion Spending Trends by Marketing Channel
Top 10 Drug Brands Promoted During 2012
Boehringer Ingelheim Introduces Tradjenta for Diabetes
Impact of Electronic Visual Aids

Updated: January 2013
2012 U.S. Pharmaceutical Spending Summary

In 2012, more than $27 billion was spent in the pharmaceutical industry in the U.S. on the promotion of pharmaceutical products, about a 6% fall from the prior year. Shares of the top therapeutic classes by spending varied little compared with 2011, with cardiovascular products falling by 2% and alimentary tract and metabolism rising by 2%. The top three therapeutic areas- nervous system, cardiovascular, and alimentary tract and metabolism- together accounted for almost half of all spending in the market. Pfizer continued to lead all corporations in US spending, though its share fell by 2%.

*Spending estimated
Promotional Spending Trends by Marketing Channel

In 2012 we saw a greater overall drop in promotional spending than we observed the previous year, with 90% of decline attributable to detailing, sampling, and DTC. Spending in nearly every channel saw decline year over year in 2012, the only exception being mailings, which continued an upward trend.
Top 10 Drug Brands Promoted During 2012

In 2012 the anti-depressant Cymbalta, promoted by Lilly, retained its position as the most promoted brand in the US. Cymbalta is also notable for the large segment of spending which it commits to direct-to-consumer marketing: 39% versus the market average of 13%. The top three positions were all unchanged from 2011 to 2012, with NSAID Celebrex in the second position and COPD treatment Advair rounding out the top three. Anti-depressant Viibryd was the biggest mover in the top 10, jumping 17 spots to the 10th position.
Case Study: Boehringer Ingelheim Introduces Tradjenta for Diabetes

Boehringer Ingelheim introduced Tradjenta to the very competitive OAD market in May 2011, marking the biggest launch in the US anti-diabetic market over the past two years and also illustrating the initial growth window of a product’s launch. In the chart below we see Tradjenta’s overall detailing volume as compared to the rest of the market over the launch period; detailing gradually increases in the months following launch before eventually peaking in Q3 2012. Meanwhile, detailing in the remaining market increases from Q4 2011 to Q2 2012, perhaps in response to Tradjenta’s launch and driven in particular by a push in Janumet activity. Over the launch period, Tradjenta’s increase intent rate, or the rate at which physicians report they will increase Rx following the sales visit, stays well above that of the overall market as non-prescribers gradually adopt the new product. The increase intent rate eventually peaks in Q2 2012, three quarters following product launch, and begins to fall back toward the overall market level - an indicator that Tradjenta’s initial growth period may be drawing to a close.
Top 10 Products Promoted with Electronic Visual Aids

In 2012 CSD began to track a new metric of increasing importance to pharmaceutical promotions: the use of electronic visual aids during the sales detail. Below we see the 10 products which had the greatest number of details in 2012 with either a laptop or another portable electronic device used for visual aids. On the x-axis we see the proportion of all product details which utilize electronic visual aids, and on the y-axis we see the rate at which physicians intend to increase Rx following aided details. At first glance it would appear that while products like Tricor and Onglyza both leverage e-visual aids frequently and persuasively, others, like Viibryd and Tradjenta show strong future intent rates but fail to leverage e-visual aids often enough. A closer look however reveals that while these brands have solid intent rates when e-visual aids are used, they’re actually lower than when they are not. Across the 10 products by e-visual aid use, only Onglyza and Tricor show improved intent rates with the use of aids, demonstrating that physicians in the U.S. may prefer a more personal approach and may be slower to open up to new presentation methods than in other markets.

**Electronic Visual Aid Impact:**
Top 10 Products by e-Aided Details 2012

**Overall vs. Aided Intent Rates**

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<th>CRESTOR</th>
<th>SYSTOLIC</th>
<th>SYMΒICΟRT</th>
<th>SPIRIVA</th>
<th>TRADJENTA</th>
<th>ONGLYZA</th>
<th>VIIBRYD</th>
<th>TRICOR</th>
<th>PRADAΧΑ</th>
<th>CYMBALTA</th>
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<tbody>
<tr>
<td>Overall Intent Rate</td>
<td>41%</td>
<td>51%</td>
<td>58%</td>
<td>46%</td>
<td>65%</td>
<td>56%</td>
<td>66%</td>
<td>46%</td>
<td>53%</td>
<td>50%</td>
</tr>
<tr>
<td>Intent with e-Aided Details</td>
<td>40%</td>
<td>51%</td>
<td>55%</td>
<td>44%</td>
<td>61%</td>
<td>57%</td>
<td>63%</td>
<td>61%</td>
<td>48%</td>
<td>35%</td>
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Conclusions

In summary, promotional spending in the pharmaceutical industry continued to decline in 2012, shedding dollars directed at DTC marketing in particular, and also seeing the trend of declining detailing and sampling expenditures continue. The distribution of spending between therapeutic areas changed little from 2011, which was also the case among the top spending corporations with Pfizer retaining its lead despite a 2 point fall in market share. Cymbalta, Celebrex, and Advair retained the top three positions in overall spending, and Viibryd moved up 17 spots to enter the top 10. Just outside of the top 10 spending products was Tradjenta, the anti-diabetic product by BI launched mid-way through 2011 which saw its launch campaign intensify and possibly peak towards the end of 2012. Tradjenta was also part of a trend in the US market whereby details which utilized electronic visual aids were less effective in impacting physician’s future Rx intent than without. This metric, newly added in 2012, shows a surprising backlash in adopting a technologically aided presentation approach that will likely nevertheless become increasingly common in the future, though Abbott’s Tricor proved an interesting exception to this trend, and one to watch in the future.
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- HMO and PPO Companies
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- Home Healthcare Companies
  - 25,000 Executives and Key Decision Makers
- Nursing Home Companies
  - 192,000 Executives, Key Decision Makers and HCPs
- Pharmacies
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- Hospitals
  - 237,000 Executives, Administrators, Department Heads, and HCPs
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Contact Us:
SK&A, A Cegedim Company

Address: 2601 Main Street, Suite 650 - Irvine, CA 92614
Toll Free: (800) SKA-LIST or (800) 752-5478
Direct: (949) 476-2051
Fax: (949) 476-2168
Sales: skasales@skainfo.com

www.skainfo.com