



NBCUniversal

Pharma Category Insights

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Pharma in Times of Crisis

A Look Back at Relevant Times

2008 Recession

Past Consumer Behavior

During the 2008 recession, the Pharma industry was not overly impacted as healthcare is a necessity for many people. In fact, advertising remained steady and several Rx Pharma companies increased sales. The 2008 recession impacted consumer purchase behavior because unemployment drove a decline in the insured population and people had to make difficult financial decisions. The COVID-19 Pandemic differs for the pharma industry as social distancing may prevent a broader group of people from seeking medical treatment, following up on appointments, and getting medication.

Brand Response

The 2008 recession saw Pharma companies focus cuts on early stage R&D projects and not on marketing. This was due to the high lifetime value of a new patient and the effectiveness of video advertising in driving new patients.

Learnings

Pharma advertising is effective at keeping patients adherent to medicine. A Wharton study found that a 10% increase in advertising would increase the rate of drug adherence by about 1% to 2%. A Crossix study found that if you go dark on TV, refills fall 8%. Medicine is a necessity but media is effective at reminding people to keep their routine during these times of tremendous change.

Pharma in Times of Crisis

What We are Seeing Now

- 1. Even though people may go to the doctor less, telemedicine is growing**
 - Telemedicine provider Amwell has seen 1000% growth in virtual visits due to this pandemic
 - U.S. federal government said it would lift restrictions on telemedicine services for seniors under Medicare - facilitating radical changes in the way medicine is delivered, enabling patients to access hospital-level medical care outside of hospitals
- 2. Many Drug trials and FDA approvals have been delayed which could push back the launches of future drugs**
 - Cantor Fitzgerald analyst Alethia Young sees a "risk to many current clinical trials." There are also expected delays in non-Covid19 FDA approvals
- 3. Traditional election year PR concerns may not be an issue**
 - The expected election year focus on Pharma pricing will probably not materialize because of the reliance on Pharma companies during the coronavirus pandemic
- 4. Pharma sales teams, tasked with engaging HCPs, are grounded**
 - Grounded by the pandemic, pharma sales reps are turning to digital tools to reach docs
- 5. The current expectation is minimal impact in media and marketing**
 - RX Pharma spending dropped slightly from \$325M in February to \$310M in March. The drop mostly comes from one smaller company cutting spend
 - There has not been any Pharma creative changed due to COVID-19 according to iSpot
 - The effect on Pharma marketing so far has been the slashing of the field force and events budgets, we haven't seen much effect in consumer marketing

Frequently Asked Questions

1. How do we educate consumers on our work to end this crisis?

TV is the #1 trusted media source for information about Covid-19.*
Utilize the power of the medium to build brand trust and spotlight your role in helping communities and the country during this crisis.

2. Do I need to alter my message during this crisis?

Current messaging will work but it is recommended to look at three adjustments:

1. An increase in digital spend as consumers experiment with new distribution methods during this time
2. A callout to the importance of adherence, as opposed to just seeking new patients
3. Highlight your efforts to end this crisis

3. How is NBCU partnering with clients in my category to manage through this time?

Creating strategies focused on ways to **maintain, secure, and thrive** on an ongoing basis.

Navigating the COVID-19 Crisis

The World Looks to You

1. Focus on Adherence

- Broad mass awareness reminder messaging on the importance of staying adherent to medication, even if you're asymptomatic
- Utilize HIPPA compliant audience targeting to reach patients on all screens
- Employ reminder messaging in mobile advertising to better digitally integrate into patients lives
- Utilize on-screen graphics, (ex: bumpers and snipes) to remind Americans to refill their prescriptions

2. Highlight Your Response to this Crisis

- Air PSAs to keep consumers informed on COVID-19 and best practices
- Highlight your relief efforts in shorter pods and commercials breaks to stand out with your story
- Just as Pharma companies are filled with unsung heroes, so is the country. Spotlight and highlight the country's unsung heroes of this crisis in partnership with trusted news programming

3. Use Alternate Methods to Reach HCPs

- Pharma sales reps have been grounded by the pandemic and can no longer reach HCPs face to face or in educational events
- Advanced targeting can reach HCPs and caregivers on all screens with important health information about your product

We're Here to Help

In these challenging times

Beyond your Sales contacts, we have people in Insights & Measurement, Strategy and Marketing to help you with solutions and data.



Chris Czarkowski
SVP, Client Partnerships
Chris.czarkowski@nbcuni.com