



## PHARMACISTS COULD IMPACT \$145 BILLION in Drug Sales in Five Years



*Certainly, safety will continue to impact the decision to allow pharmacists to prescribe, but cost-savings, population shifts, and numerous other factors are helping to swing the pendulum toward this expansion of the pharmacist's role, says Melissa Elder, Analyst, Kalorama Information.*

One state, Florida, already allows pharmacists to independently prescribe prescription drugs, and new research suggests six other states may soon give pharmacists this power, a move that could expand drug revenue influenced by pharmacists from \$77 billion in 2006 to \$145 billion by 2012.

A new study from Kalorama Information, Prescribing Pharmacists: An Emerging Decision Maker, shows that 77% of drug purchase decisions are currently made without the influence of a pharmacist. By 2012 that percentage is projected to drop to 63%, a clear indication that a shift is beginning to occur in the healthcare industry as the concept of independent prescribing by pharmacists becomes a reality.

The state of Florida already allows pharmacists to prescribe independently from an approved list of medications,

and some U.S. federal agencies also permit pharmacists to prescribe under regulated conditions. As the lines between prescriber and distributor become increasingly blurred in the rest of the United States, many pharmacists believe their

**More than \$145 billion in drug revenue could be influenced by pharmacists by 2012.**

changing role will provide improved patient care and substantial savings to the healthcare industry, as well as freeing up physicians for more pressing health visits, analysts say.

"Forty-three states already allow cooperative health management between physicians and pharmacists, and pharmacists have continually proven their role in the detection of dangerous drug interactions and prescribing errors," says Melissa Elder, a Kalorama analyst and the report's author.

## Timing, Coordination VITAL TO COMMUNICATING CLINICAL-TRIAL RESULTS

Pharmaceutical companies spend considerable resources conducting large clinical studies to support the launch of new products or expand indications for currently marketed products. Those companies that can best leverage the outcomes of a branded clinical study by associating it with a key product and effectively communicating these benefits will gain a significant edge.

According to From Breakthrough to Blockbuster: Best Practices in Communicating Clinical Trial Results, a Best Practices benchmarking study, coordination and timing are the top challenges that pharmaceutical companies face when communicating the results of clinical trials. Companies need to take maximum advantage of trial results that show their products will have a significant impact on treatment of a disease. They also must keep in mind the danger of drawing attention to study results early on, only to see awareness of the trial fade away before the product launch. Companies can overcome this challenge by balancing the immediate impact associated with the announcement of trials with a series of activities designed to promote long-term retention of clinical study results.

The report also notes the importance of matching core messages and resources with the needs of the physician audience. Companies benchmarked in the study rate scientific conferences as the most important tactic for communicating results to physicians, including the initial results announcement at a major conference and subsequent conferences that disseminate findings through the key opinion leader (KOL) cascade. Companies also place considerable emphasis on publication in a respected journal, where their message can reach a large audience.

Another important tactic that speeds the acceptance of a product on formulary is to create customized messages for the managed care community before product launch.

**Scientific conferences are the most important tactic for communicating trial results to physicians.**

Providing information such as health outcomes, quality of life measurements, and comparison costs to existing treatments is especially important when a product is the first in its class, or will have a dramatic impact on existing treatment standards.

## Pharmaceutical Marketers **CONSIDER** **WAYS TO INTEGRATE** **WEB** into Overall Strategy

The number of consumers using the Internet as their primary learning channel has exploded in recent years, with an estimated 131.8 million consumers currently using online resources for various health applications. With most pharmaceutical companies having established a Web presence to serve this growing community, their next challenge is to strategically integrate this online channel into an overall market strategy.

This is one of several market trends identified by Manhattan Research in the release of its latest Cybercitizen Health Version 7.0. The service is based on a telephone study conducted with a random sample of more than 4,300 U.S. adults.

In an environment of decreasing advertising budgets, flat return on investment (ROI), and other budgetary pressures, the pharmaceutical industry will rely on the Web to broadcast its message efficiently to a critical mass of its target audience, while using increasingly complex segmentations to target content to the appropriate audience.

Though the pharmaceutical sector still lags behind other industries in its overall level of marketing and advertising innovation, marketers are beginning to test the waters with next-generation Web applications, such as broadband video messaging,

advertising within embedded video, social networking, user-generated content, and online communities.

"Given the significant gap between consumer use of alternative media resources today and the

economic commitment of sponsors to those channels, it is likely that alternative media will continue to outpace the growth of other channels and become a larger share of the media and marketing strategic mix in 2008," says Mark Bard, president of Manhattan Research.

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*With DTC marketing in a state of flux and a mass industry resource consolidation taking place, it has become paramount for pharmaceutical marketers to use more efficient methods and channels to broadcast their message to a consumer audience, says Mark Bard, President of Manhattan Research.*



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## Healthcare Cost Growth Rate for 2008

### EXPECTED TO BE AMONG LOWEST IN FIVE YEARS

Healthcare costs for employers, employees, and retirees are projected to reach \$9,312 per employee in 2008, an increase of 7% over the previous year and among the lowest in five years.

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According to Towers Perrin's 2008 Health Care Cost Survey, which compiles detailed information on the health benefit programs provided by more than 300 of the nation's largest employers, the growth trend is holding steady for the broad respondent group. High-performing companies that are actively and effectively managing program performance will experience an estimated \$1,500 reduction in annual per-employee costs in 2008, a significant advantage in today's intensely competitive markets.

Still, rising costs continue to produce record-high numbers for employer-sponsored health plans and employee contributions, which is a burden most acutely felt by lower-wage workers and those who retire before becoming eligible for Medicare.

"Our insights on these high-performing companies provide a clear view of the best practices for maintaining adequate coverage while staying within cost targets," says Dave Guilmette, managing director of the Towers Perrin Health and Welfare practice. "But there's far less clarity around — and focus on — affordability issues, particularly for retirees under age 65 and low-wage workers. If we don't take more steps to bridge the growing gap for these workers, the workforce and societal implications could be significant."

Employers are expecting to subsidize 78% of next year's premium costs, and employees will have to cover the remaining 22%, plus usage-based copays, deductibles, and coinsurance. While the employer-employee premium cost share remains the same as last year's split, the accelerated increase in the actual employee contribution combined with decreasing benefit values means that the employee share actually buys less coverage than in past years.

Employee contributions, on average, will jump by \$156 per employee per year to \$2,040, an 8% increase that is roughly more than twice that of annual employee merit increases. The combined effect over the last five years has caused out-of-pocket costs for employees to essentially double, a clear indication of how pronounced the affordability issue remains, particularly for low-wage workers.

The data also indicate that organizations are taking a different view — and exhibiting different commitment levels — to programs for retirees, a trend that will have significant long-term workforce and

social implications. In fact, only 47% of the companies surveyed currently subsidize retiree medical coverage for current or future retirees, and of those that are continuing a subsidy, the share they are asking retirees to provide is rapidly increasing, particularly for retirees under age 65.

For 2008, retirees under age 65 will pay an additional \$492, which represents an 8% increase and means they are now contributing 50% of their overall health benefit cost. Retirees over 65 will contribute \$120 more in 2008, a 5% increase that represents a total contribution rate of 44%.

## Global Market Growth for BIOMARKERS LIKELY TO SURGE Through 2012

The worldwide market value for biomarkers is expected to be \$5.6 billion in 2007 and is projected to increase to more than \$12.8 billion by 2012, a compound average annual growth (CAGR) rate of 18%, according to a new technical market research report released by BCC Research.

The report, Biomarkers: The Expanding Global Market, breaks the market down into three applications: biomarker discovery, clinical trials, and molecular diagnostics. Of these, biomarker discovery technologies tailored to drug discovery, preclinical studies of drug development, and diagnostics research applications accounted for almost half of the total market in 2007.

The clinical-trial applications segment is expected to grow the fastest over the next five years, with a CAGR of 23.5% through the forecast period. Public-private partnerships and the U.S. Food and Drug Administration's Critical Path Initiative are fostering the adoption of molecular markers and the use of imaging biomarkers as potential surrogate endpoints in clinical trials. The use of biomarkers in oncology therapeutics is likely to be one of the foremost priorities, followed by cardiovascular and CNS applications in the next three to seven years.

Metabolomics, bioinformatics, and a combination of transcriptomics and genomics solutions are

The worldwide biomarker market is expected to be \$12.8 billion by 2012.

expected to be the most influential driving technology forces. These technologies are followed by mass spectrometry, which is likely to play a decisive role in accelerating protein biomarker research, apart from its utility in metabolomics.

## Study Shows MOST HEALTHCARE CONSUMERS to be HIGHLY CONNECTED

Conventional wisdom has long suggested that marketers should target their message to those highly connected individuals with a large, diverse social network. But a new study suggests that in the healthcare sector, there may only be two segments of the consumer audience to consider: the less-connected, who account for less than 5% of the population, and everyone else.

The white-paper report, Influencers and Health Advertising, is based on a study jointly conducted by MedTrackAlert and the Interactive Media Studies Program at Miami University in Oxford, Ohio. The report identifies eight health-related message types and highlights the ones that are most effective in motivating consumers to both use and share health-related advertising messages with their social networks.

One major, surprising finding about the specific message types is that messages addressing the symptoms of a disease significantly outperform some of the other most common message types, such as offers of discounts or descriptions of treatment, for both personal consideration and word-of-mouth appeal. Messages that were of relevance to the consumer or someone he or she knows also rank highly in terms of motivation to use a product or share the message.

The study also quantifies the viral reach potential of each of these message types and sheds light on the social networks that spread this health informa-



*The Holy Grail of effective advertising has always been to stimulate both consumer use and productive word-of-mouth sharing, says Ted Smith, Ph.D., President of MedTrackAlert. For the first time, this research unveils the precise DTC health messaging that best achieves both these objectives for those diagnosed with and treating chronic disease.*

REVENUE FORECAST FOR GLOBAL BIOMARKERS MARKET BY SEGMENTS, THROUGH 2012					
Market Segment	2005	2006	2007	2012	CAGR % 2007-2012
Biomarker Discovery	\$2,044	\$2,339	\$2,677	\$5,843	16.9%
Clinical Trials	\$450	\$525	\$612	\$1,761	23.5%
Molecular Diagnostics	\$1,698	\$1,950	\$2,300	\$5,156	17.5%
<b>Total</b>	<b>\$4,192</b>	<b>\$4,814</b>	<b>\$5,589</b>	<b>\$12,760</b>	<b>18.0%</b>

Note: \$ are in millions  
Source: BCC Research, Norwalk, Conn. For more information, visit [bccresearch.com](http://bccresearch.com).

tion. Almost 90% of respondents indicate that they share motives and reactions to health messages with social networks that average about 50 people

in size. These findings offer evidence that the typical consumer maintains a substantial personal network and responds to messages in exactly the same way

as the coveted highly connected consumer who is often given special consideration in viral marketing programs.

MESSAGES MOST LIKELY TO INSPIRE MEDICATION USE	
MESSAGE TYPE	GRADE
Relevance to self/others	A
Symptoms of disorder	B
Better control	C
Positive outcomes	C
Good results	D
Discount coupon	E
Ease of use	E
How drug works	F

  

MESSAGES MOST LIKELY TO BE SHARED WITH OTHERS	
MESSAGE TYPE	GRADE
Relevance to self/others	A
Symptoms of disorder	B
Better control	C
Positive outcomes	D
Good results	D
Ease of use	F
How drug works	F
Discount coupon	F

Source: MedTrackAlert, Louisville, Ky.  
For more information, visit [medtrackalert.com](http://medtrackalert.com).

## Follow up

**BCC RESEARCH**, Norwalk, Conn., produces market-research reports, newsletters, and conferences. For more information, visit [bccresearch.com](http://bccresearch.com).

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