



ACNielsen Study TRACKS CONSUMER RX and OTC USE

A comprehensive research service that measures consumer purchases and use of prescription and over-the-counter medicines has been launched by ACNielsen U.S. Homescan RX/OTC Consumer Panel uses ACNielsen's nationally representative Homescan consumer panel to track ailments, the remedies people purchase, and the remedies they actually use.

"While direct-to-consumer advertising is a relatively new practice for the pharmaceutical industry, it

is clear that drug manufacturers are investing heavily in this marketing effort," says Nick Sorvillo, senior VP of ACNielsen Homescan Consumer Panel Services. "Our study clearly shows those efforts are paying off in greater brand awareness among consumers."

Mr. Sorvillo says the initial findings, based on the responses of more than 90,000 individuals, already have identified numerous opportunities for the pharmaceutical industry. "Fully one-fifth of people who acknowledge having a cholesterol problem are not treating the problem at all," he says. "Clearly, this is one area where the industry could focus on increasing remedy use."

The Homescan RX/OTC Consumer Panel research service tracks the same households over time, which Mr. Sorvillo says positions the service not only to identify opportunities for the pharmaceutical industry, but also to evaluate consumer acceptance of new products and marketing campaigns rolled out in response to those opportunities.

ROBUST RECRUITING TACTICS Drive Performance

Pharmaceutical companies that successfully recruit and hire a staff with extensive scientific and business knowledge reap exponential economic rewards, according to a Best Practices study.

The study — Driving Growth through New Product Planning and Strategic Alliances — reveals how the most successful pharmaceutical and biotechnology companies examine candidates' medical knowledge, management skills, networking ability, and communication skills before promoting them to top positions. This process was found to build dominant

teams and effective practices that drive corporate growth.

"Successful new product planning efforts realize that analytical team-staffing efforts are essential to today's blockbuster products," says Paul Meade, VP at Best Practices. "Teams that have well-rounded members who can bring a combination of experience and varied knowledge to the planning process will pull ahead to introduce profitable results."

Examples of benchmarked hiring techniques and team-building exercises include a company that established a 15-person global franchise team for each of its three therapeutic areas.

The company hired the team based on each individual's expertise in each therapeutic area to provide commercial input for new drug development.

Another company hired and created a marketing team consisting of individuals who could bring specific process experience to the table. This allowed the team to back their assumptions with strong data, building internal credibility.

A separate study from Best Practices found that top pharmaceutical and biotechnology companies can stay ahead of the competition by focusing on recruiting, developing, and managing influential physicians to become strong disease and brand advocates.

The study — Speaker Training and Development: Driving Pharmaceutical Brand Growth — found that forward-looking companies structure training sessions and build organizational capabilities to systematically manage speakers as valuable assets.

The leading practices, managerial insights, and benchmark metrics revealed in the study are drawn from exclusive interviews with 12 of the world's most respected pharmaceutical companies. Key practices discovered by the study include:

- Leading companies design and implement formal speaker training programs to ensure consistency in speaker quality and message delivery.

- Benchmark partners report numerous benefits associated with creating a center of expertise to take responsibility for speaker training and management. The creation of a center of expertise reinforces the long-term mindset necessary for process improvement and organizational capability building.



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MEASURING CONSUMER PRESCRIPTION AND OTC PURCHASES

Ailment	% Respondents suffering from*	% Treated with RX and OTC	% Treated with RX only	% Treated with OTC only	No treatment
Allergies	12%	15%	37%	32%	16%
Cough/Cold/Flu	12	11	10	65	14
Heartburn/Ulcer	8	15	28	50	7
High Blood Pressure	8	4	92	0.5	4
Muscular/Joint Pain	7	14	21	49	17
Cholesterol	6	4	73	3	20
Acne	4	7	17	46	30
Arthritis -Osteo	4	22	36	31	11
Infections	4	19	57	12	11
Asthma	3	4	84	3	9

Source: ACNielsen U.S. Homescan RX/OTC Consumer Panel

Notes: * Percentage of respondents who experienced ailment in past six months.

Survey fielded in February and March 2002.

VERISPAN AUDITS RANK PHARMA COMPANIES

According to Service and Promotion

Four recent Verispan studies have ranked pharmaceutical companies' overall service to managed-care medical directors, overall service to managed-care pharmacy executives, conveying messages from managed-care organizations to physicians, and promotion to the long-term care industry.

Pfizer was ranked the top pharmaceutical company for overall service to managed-care medical directors, according to the Spring 2002 Scott-Levin Managed Care Medical Director Promotional Audit from Verispan. Pfizer finished No. 1 for value-added services and overall service. The company also was ranked first in the disease management area, a distinction it has held since spring 2000. Pfizer made the second-highest number of contacts to medical directors in spring 2002. Medical directors praised Pfizer for its support of value-added programs and good working relationships. One panelist said the company provided "reliable information and [was] willing to support organizational needs through grants."

GlaxoSmithKline tied for second place in overall service in spring 2002. The company finished first in the clinical objectivity, disease management, and knowledgeable account personnel categories.

Aventis also was ranked second for overall service by medical directors in spring 2002. The company placed third for clinical objectivity.

Merck & Co. finished fourth for overall service and remained in the top five in all assessment areas. Cozaar and Vioxx were the company's most promoted products.

Wyeth rose to fifth in overall

service from seventh in fall 2001. Wyeth had the third-highest number of contacts to medical directors in spring 2002. Panelists noted the company's women's health programs and support for physician and member education.

In a separate survey of managed-care pharmacy executives, Merck was ranked No. 1 in overall service to managed care in the spring 2002 audit from Verispan. This was the second audit cycle in a row in which Merck finished first overall.

Pharmacy executives say Merck account personnel are "absolutely the best; smart; on top of issues."

One pharmacy executive notes that the company "sees managed care as a partner to maximize value of remaining patents." By region of the country, Merck's strongest overall performance was in the Midwest and Northeast. The company also finished in the top five for contracts, value-added services, and knowledgeable account personnel.

Novartis ranked second for overall service, one point from tying Merck for first. For the third consecutive audit, Novartis finished first for contracts. The company also captured the top spot for knowledgeable account personnel.

Aventis improved its ranking to finish third for overall service in spring 2002. Panelists commented favorably on Aventis' knowledgeable account personnel, flexibility in contracting and pricing, and focus on managed care.

GlaxoSmithKline and Wyeth placed fourth and fifth, respectively, for overall service. Pharmacia improved in three of the four assessment areas, earning a spot in the top 10 for contracts, value-added services, and overall service.

In the value-added services, knowledgeable account personnel, and overall service categories, Lilly finished sixth, ninth, and 13th, respectively. In the knowledgeable account personnel area, the company ranked ninth, up from 39th in fall 2001.

Abbott and Forest ranked in the top 10 for overall service. This was Abbott's fourth consecutive finish in the top 10; Forest has placed in the audit's top 10 for overall service since spring 1999.

A third survey, this one of managed-care pharmacy executives, gave Aventis top honors for conveying messages from managed-care organizations to physicians, according to Scott-Levin's spring 2002 edition of The Scott-Levin Strategic Advantage: A Competitive View of Managed Care Sales Forces from Verispan.

Communicating managed care's message to doctors is known as "pull-through." Pharmacy executives often use pharmaceutical account personnel to convey a managed-care organization's message to physicians. These messages may include, but are not limited to, formulary changes/updates, educational information, programs, appropriate utilization, market share, and guidelines.

In one of the eight image-assessment areas tracked by the study, respondents were asked to identify the companies that do the best and worst job of conveying the managed-care organization's message to physicians. Rankings were based on net scores.

Aventis was singled out for offering clear explanations and spreading the message to network doctors; good pull-through for Allegra; and for having a good-size salesforce and [being] committed to delivering the appropriate message.

Abbott placed second in this assessment category. Pharmacy executives complimented Abbott for conveying messages surrounding appropriate antibiotic use. Merck finished third for conveying managed-care messages to doctors.

A separate Verispan audit has found that pharmaceutical companies have been steadily increasing promotion to the long-term care industry. Between spring 2000 and spring 2002, contacts made to long-term care grew 47%, according to the Scott-Levin Nursing Home Pharmacy Provider/Consultant Promotional Audit from Verispan.

The 2002 Scott-Levin Strategic Advantage report indicates that 13 pharmaceutical companies now have salesforces dedicated to the long-term care industry, while another five have partially dedicated sales teams.

In spring 2002, long-term care providers and consultant pharmacists participating in the Nursing Home Pharmacy Provider/Consultant Promotional Audit rated Johnson & Johnson best for overall service and No. 1 in three of the four assessment categories: contracts, knowledgeable reps, and overall service, while placing the company second for value-added services.

Pfizer came in first place in the value-added services category, while ranking second in contracts, knowledgeable reps, and overall service.

Novartis improved its rankings in each assessment area and was among the top five in all four categories. The company rose from fifth to third in overall service between fall 2001 and spring 2002.

Pharmacia remained fourth for overall service and, for the second time since the Pharmacia/Searle merger, finished among the top 10 in each area.

AstraZeneca improved its ranking in three of the four assessment categories in spring 2002: contracts, knowledgeable reps, and overall service. The company made its biggest improvement in overall service, jumping from ninth to fifth.

MEDICAL DIRECTORS IDENTIFY TOP 5 PHARMA COMPANIES ON:

OVERALL SERVICE

1. Pfizer
2. Aventis
2. GlaxoSmithKline
4. Merck
5. Wyeth

OVERALL SERVICE TO MANAGED CARE

1. Merck
2. Novartis
2. Aventis
4. GlaxoSmithKline
5. Wyeth

CONVEYING MANAGED-CARE MESSAGES

1. Aventis
2. Abbott
2. Merck
4. Novartis
5. Wyeth

OVERALL SERVICE TO LONG- TERM CARE PHARMACISTS

1. Johnson & Johnson
2. Pfizer
2. Novartis
4. Pharmacia
5. AstraZeneca

Source: Spring 2002 Scott-Levin's Nursing Home Pharmacy Provider/Consultant Promotional Audit; Managed Care Medical Director Promotional Audit; Strategic Advantage: A Competitive View of Managed Care Sales Forces; and Managed Care Pharmacy Executive Promotional Audit

Healthcare Sector Provides **NEW REVENUE OPPORTUNITIES** for Telecommunications Industry

As the telecommunications industry struggles to overcome the adverse effects of the economic downturn, the healthcare sector will offer important new revenue opportunities, according to analysis from Frost & Sullivan. A study of the U.S. Healthcare Vertical Telecommunications Markets has revealed that the healthcare segment generated revenue totaling \$18.2 billion in 2001. Steady growth could take total revenue to \$24.1 billion in 2005.

Developing the infrastructure for telemedicine applications, which can extend access for individuals in rural areas to primary care, specialists, and health education is expected to provide a means for

carriers to enter the healthcare sector or expand market share.

"The federal government and research universities are showing increasing interest in telemedicine," says Stephanie Atkinson, an industry analyst at Frost & Sullivan. "Telemedicine and telehealth initiatives will demand more advanced telecommunication services as they grow and become more accepted, 'normal' forms of healthcare."

Building telemedicine networks will require more sophisticated software, hardware, and wireline and wireless telecommunication services. High-end data transmission will be needed to transfer images, video, and voice between doctors, nurses, and other hospitals or clinics.

In addition, the expansion of wireless applications for healthcare providers could bolster revenue growth.

"Wireless handheld devices and personal digital assistants are used by many physicians and nurses to research healthcare information, view patient records, prescribe medications, and more," Ms. Atkinson says. "By offering a means to increase data accuracy and ultimately improve patient care, handheld services are expected to grow rapidly, especially as they are proven to be secure and reliable."

CYBERCHONDRIACS SUPPORT PHARMACEUTICAL COMPANIES

Communicating Directly With Consumers Online

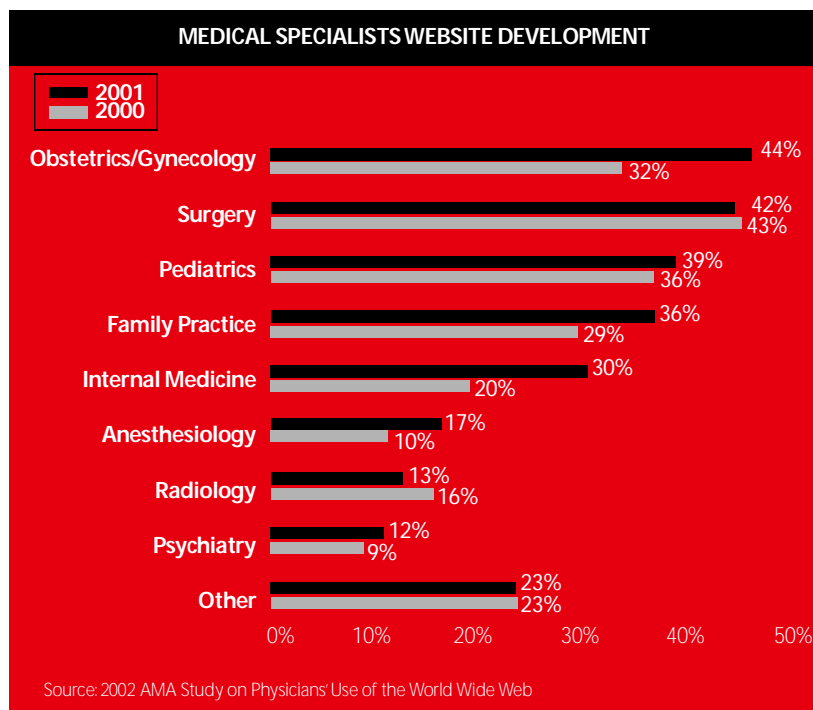
Cyberchondriacs — people who use the Internet for health or healthcare — support the idea of pharmaceutical companies communicating directly with consumers online. A recent Harris Interactive online survey of cyberchondriacs in France, Germany, Japan, and the U.S. found that the strongest support for direct online contact with pharmaceutical companies is in the U.S. (87% in favor), and the weakest is in Japan (59% in favor).

Although the U.S. was found to be the most open to using the Internet for various health-related

AMASURVEY CONCLUDES THE INTERNET IS IMPACTING THE PRACTICE OF MEDICINE

PHYSICIANS SAY THE INTERNET PLAYS AN IMPORTANT ROLE IN PRACTICING MEDICINE. Almost half of physicians surveyed by the American Medical Association say the Internet has had a major impact on the way they practice medicine. The rising influence of the Internet on clinical medicine has propelled an increase in the frequency and duration of Web use among the 78% of physicians who now make use of cyberspace.

These findings come from the 2002 AMA Study on Physicians' Use of the World Wide Web, which interviewed a total of 977 physicians in the U.S. from August to December 2001. The survey is the fourth analysis of nationwide patterns of online physicians conducted by the AMA.



TRENDS IN PHYSICIAN INTERNET USAGE

- Physician use of the Web is becoming more frequent. **Two-thirds of online physicians access the Web daily, an increase of 24% since 1997.**
- **Physicians who use the Web have extended the hours they spend online.** The average number of hours a physician uses the Web per week jumped from 4.3 hours in 1997 to **7.1 hours in 2001**.
- **Additional growth can be expected in the number of hours spent on the Web,** with physicians indicating they expect to use the Internet an **average of 9.6 hours per week** during the next six months.
- Although there is still a trend for younger physicians to use the Web more than older physicians, the percentage of older physicians using the Web increased rapidly from the previous year. **In 2001, 65% of physicians 60 years old or older used the Web, compared with 43% in 2000.**
- **About 3 of 10 physicians using the Internet currently have a Website,** a proportion that has remained constant since 1999.
- **The primary reasons physicians have a site on the Web is to promote and advertise their practice** or provide patient education and information. In 2001, the percentage of physicians using the Web to advertise and promote their practice **increased by 11%** from the previous year.

Source: 2002 AMA Study on Physicians' Use of the World Wide Web

purposes, it also is the least open to using Websites not developed in their own country.

This online study was conducted in January 2002 with 309 cyberchondriacs in the U.S., 327 in France, 407 in Germany, and 275 in Japan.

Being a Couch Potato is **BAD** FOR THE EYES

Surfing the Web and watching television not only can add extra pounds and mental stress but have a negative impact on vision, too.

Sales of eye-care products designed to soothe the eyes that are red, dry, or otherwise irritated, have been rising, a fact that may be related to the fact that antidepressants and flickering computer and television screens can cause dry eyes, according to a study by Novartis Ophthalmics.

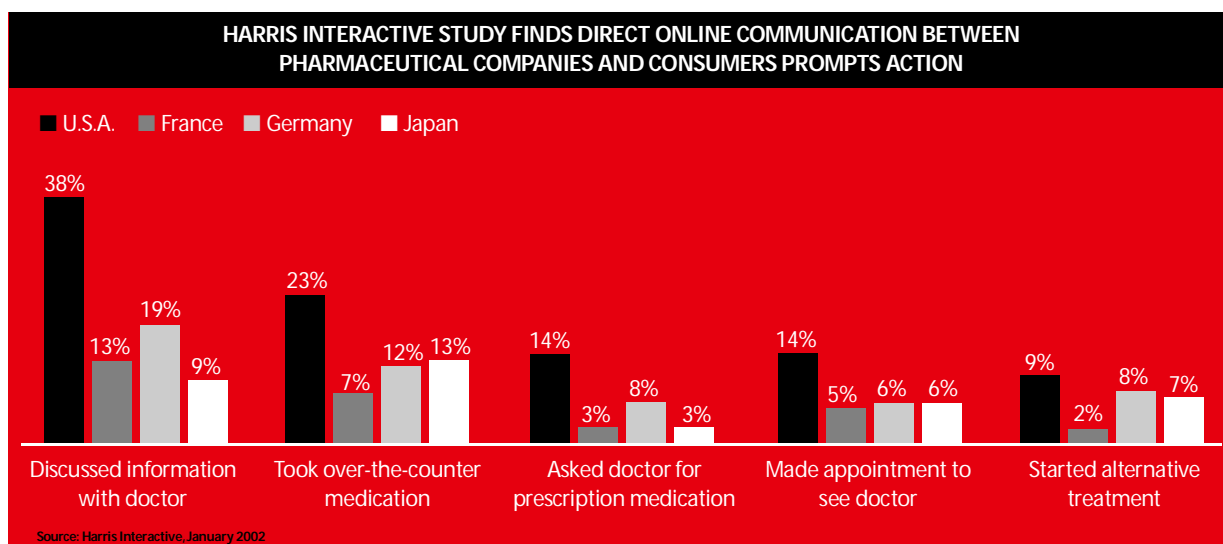
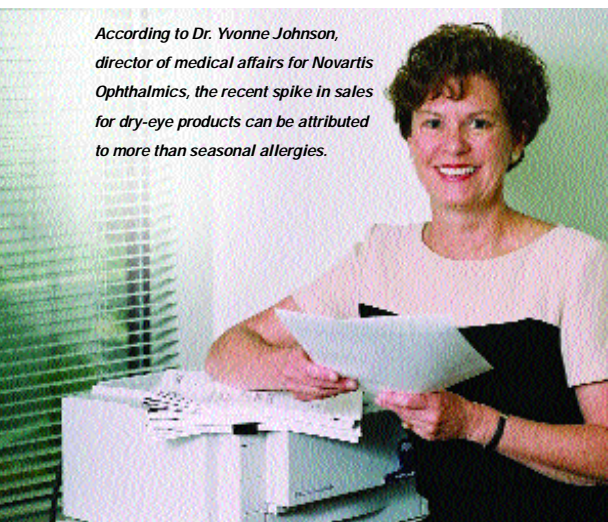
Data supplied by Nielsen Media Research indicate that television news shows were top ranked following the terrorist attacks of September 11. In addition, Jupiter Media Metrix reported that more than 50 million people visited Web news sites last September, up 11% from August 2000.

"This is the time of year when we expect some seasonal spikes in sales of some of our products because of eye irritation associated with allergies," says Dr. Yvonne Johnson, director of medical affairs for Novartis Ophthalmics. "But this spike is larger than normal indicating that there are other causes."

Certain antidepressants and the decreased blinking associated with constant computer and television viewing also can cause dry eye.

Dr. Johnson notes that sales of her company's dry-eye treatment product GenTeal, have increased over the same period from last year. Dry eye is characterized by irritation, redness, burning, itching, scratchiness, tearing, sensitivity to light, and/or mucus secretion.

According to Dr. Yvonne Johnson, director of medical affairs for Novartis Ophthalmics, the recent spike in sales for dry-eye products can be attributed to more than seasonal allergies.



In addition, prescriptions for antidepressants increased 16% nationally in the last two weeks of September 2001 over the same period the year before, according to statistics from a nationwide health information service.

Statistics from a National Science Foundation study on children 9 years old through 17 years old, revealed that kids spend an average of six and one-half hours a day watching TV, playing computer games, and surfing the Internet. According to Parents Television Council, children spend more time watching television than in any other activity except sleep.

"I agree with the mental health professionals that suggest that we shouldn't watch TV news all the time and instead take it in smaller bites," says Dr. Johnson. "Remember what your mother used to say: 'Turn off that TV and go outside. That's still good advice today. It's not only good for your eyes but for your weight and your mental health, no matter how old you are.'"

The National Mental Health Association of Georgia advises that watching too much television news or surfing the Web for reports of terrorist attacks, biochemical warfare, job layoffs, and war are not healthy for a person's mental or physical well-being.

Follow up

ACNIELSEN U.S., Schaumburg, Ill., is a marketing information company. For more information, visit acnielsen.com.

AMERICAN MEDICAL ASSOCIATION, Chicago, is an organization consisting of physicians dedicated to the health of America. For more information, visit ama-assn.org.

BEST PRACTICES LLC, Chapel Hill, N.C., conducts studies into the best business practices, operating tactics, and winning strategies of world-class organizations. For more information, visit best-in-class.com.

FROST & SULLIVAN, San Antonio, Texas, provides strategic market consulting and training. For more information, visit frost.com.

HARRIS INTERACTIVE, Rochester, N.Y., is a worldwide market research and consulting firm. For more information, visit harris-interactive.com.

NOVARTIS OPHTHALMICS is a global leader in the research, development, and manufacturing of leading ophthalmic pharmaceuticals that assist in the treatment of glaucoma, age-related macular degeneration, eye inflammation, ocular allergies, and other diseases and disorders of the eye; U.S. headquarters are in Atlanta, with worldwide headquarters in Bulach, Switzerland. For more information, visit novartisophthalmics.com.

VERISPAN, Newtown, Pa., is a healthcare informatics joint venture of Quintiles Transnational Corp. and McKesson Corp. that provides patient-level, longitudinal data, with de-identified data from about 1.4 billion U.S. pharmacy transactions and about 275 million electronic medical transactions annually. For more information, visit verispan.com.