

Ad-ventures in marketing II

For the second year, *Med Ad News* has chosen four Pharmaceutical Marketing Ventures to Watch from a variety of young, creative venture companies that could change the way pharmaceutical products are marketed and sold.

By Joshua Slatko

This past August, *Med Ad News* began the now-annual search for the future of pharmaceutical marketing. We sought out young companies to profile that are providing the most innovative and interesting products, services, or marketing opportunities to pharmaceutical companies and the healthcare community. After reviewing dozens of nominations, many of which were provided by our own readers, we were able to narrow down the list to just four.

Each of the four companies chosen by *Med Ad News* is very different in business model and products and services offered. All of the companies do share one singular characteristic: that spark of creativity that makes frustrated entrepreneurs say, "Why didn't I think of that?" Here are *Med Ad News*' four Pharmaceutical Marketing Ventures to Watch for 2008.

3FX

3FX is a three-dimensional animation facility that focuses entirely on the pharmaceutical and healthcare industry. The company has been around since 1995, but its most innovative offering, the 3FX Immersive Theater Experience, launched just a year ago. The Immersive Experience is the delivery of 3-D animated content in a 360-degree portable enclosed environment – a collapsible, transportable dome with a wrap-around screen on the inside. When played, the

content visually and audibly surrounds the audience, creating the impression of actually being inside a part of the human body.

The idea behind such an unusual offering had its roots in a more traditional form of immersive theater – the planetarium. But only in the last two years could the company actually find someone to manufacture a portable planetarium, presenting 3FX with the opportunity to create an offering that pharmaceutical companies could take to trade shows or other off-site locations.

"When portable domes became available, 3FX saw an opportunity to marry the portable planetarium concept to our 3D medical content, merge the two together, and then create the brand – thus the 3FX Immersive Theater Experience," says Rich Kushner, VP, sales and marketing, 3FX (3FX.com).

Moving from more traditional flatscreen animation to an immersive environment was a challenge. But after surviving the learning curve and producing their first dome content for AstraZeneca (astrazeneca.com) in November 2007, 3FX's leaders are confident that they have the jump on the rest of the marketplace.

Creating dome content is an involved process, even more so than the traditional flat animations that many pharma companies have produced for trade shows and other presentation opportunities. Mr. Kushner estimates that animating 3FX's portable immersive environment adds another 20% to 30% to the usual one-minute-per-month time line of a typical medical-animation project.

3FX is a full-service 3D animation facility that can do full script-to-screen content creation. The company works closely with clients in the development of a script, during that time developing all the characters and environments that are going to be in the show. Once a script is approved, all of the 3-D elements are ready to be storyboarded and animated. Professional narration, custom music, and sound effects will be designed and developed. The production process typically goes through about three work-in-progress reviews to reach a finished product stage.

3FX covers the same territory as many medical animators, but in a radically different presentation style. 3FX specializes in unbranded and branded 3D visualizations of disease states, mechanism of action, medical devices, broadcast spots, and healthcare-related imagery.

"A great benefit to our clients is that a single project can be cost-effectively incorporated into many display formats, including plasma screens, interactive applications, Websites, large group projection, PowerPoint presentations, and anywhere a digital display can be presented," says Cory Resh, partner and creative director, 3FX.

The idea of the dome presentation is to give the viewer the feeling of being inside of and surrounded by the animation. The work 3FX develops for all of its clients is medically accurate. Highly detailed characters and environments are presented with dynamic camera movement and visual effects.

"Our goal is to create visuals that viewers will want to watch again and again, enhancing the retention of the information presented," Mr. Resh told *Med Ad News*.

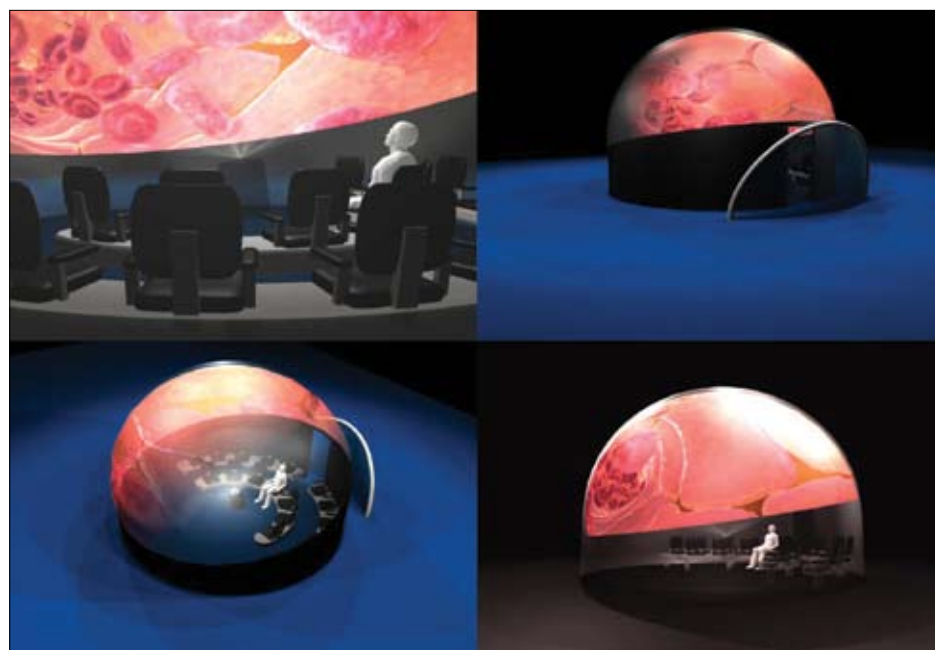
Each of the 15 members of 3FX's staff are highly skilled at their craft, with at least 10 years of medical animation experience. Some of the animators even have medical degrees – one has a master's degree in cellular biology. Others are degreed medical illustrators.

Already, the dome-animation con-

cept has generated considerable interest. One client is touring one of 3FX's domes around Latin America, showing different 3FX-generated content for different brands at a variety of medical shows.

The idea behind every dome animation is to take advantage of the special opportunities that a surround, immersive environment can offer to give the audience an educational experience that differs fundamentally from the traditional flatscreen animation.

"You have so much more space surrounding, and you want to use that space in an effective and designed fashion," Mr. Resh says. "There are little tricks that we like to use to surprise the viewer and draw them in to the full experience. It's not like sitting in a movie theater and looking straight ahead and watching the visuals. You must use the space to your advantage and force viewers to look completely around. That's what an Immersive Experience is all about."



When played, the content of the 3FX Immersive Theater Experience visually and audibly surrounds the audience, creating the impression of actually being inside whichever part of the human body 3FX's animators choose.



3FX offers pharmaceutical companies the chance to take audiences inside the human body by creating detailed anatomical animations.

quick facts

- 3FX's Immersive Theater Experience offers 3-D animated medical content in a 360-degree portable enclosed environment – a collapsible, transportable dome with a planetarium-style screen on the inside.

- Aptilon enables pharmaceutical, biotechnology, and medical-device companies to reach and interact with physicians via the Internet through its AxcelRx Live video detailing platform.

- HealthTalker develops word-of-mouth marketing programs for the healthcare market with a specific focus on the pharmaceutical and biotechnology industries.

- Phreesia delivers targeted interactive direct-to-patient communications for pharmaceutical companies during the patient check-in process moments before a patient sees a prescriber, using the company's digital touchscreen PhreesiaPad.

Aptilon

Aptilon enables biotechnology, pharmaceutical, and medical-device companies to reach and interact with physicians via the Internet through its AxcelRx Live video detailing platform. Launched in 1999, the company started out in e-detailing and later transitioned to doing live video detailing for Merck & Co. (merck.com). In 2007, Aptilon began commercializing its video detailing offering with other companies. Company leaders claim that seven top pharmaceutical companies have already adopted the service in its first year of general availability.

"We have spent years developing this with Merck, who has made a commitment to building alternative channels for marketing and sales efficiency and effectiveness," says Mark Gleason, senior VP, corporate development, Aptilon (aptilon.com). "About two years ago we were ready for 'prime time' and took it out publicly to other major pharmas. Very quickly, we've added six of the most effective pharma sales forces. In every case we're helping drive coverage and access for multiple brands. With virtually everyone, we've renewed contracts and are in the process of working with their teams to look at a more expansive new commercial model for a sales force of the future that is providing new strategic options."

One of the fundamental principles behind Aptilon's video detailing platform is convenience for physicians. Rather than having to make time for sales reps whenever they happen to appear at a practice, the physician can schedule a video detail with a rep at any time that is convenient. If schedules do not match up, the physician can make an appointment to speak with a rep in one of Aptilon's call centers, who are on call during evenings and weekends in addition to regular business hours.

Aptilon's platform goes well beyond the traditional detail in other ways. The company wants physicians to look at its service as a complete information resource, for everything from a quick question to an in-depth clinical review.

Doing live detailing online also opens up the opportunity to offer additional services and have them at the physician's fingertips.

"Physicians can get 'concierge-level' services," Mr Gleason says. "If you need patient-ed materials, samples, access to some of the key opinion leader reviews

of clinical data, off-label discussions with medical-science liaisons, we've basically made it one-stop shopping. High-value physicians can get anything that the pharma company can make available, all hubbed around that live rep, including high-quality educational presentations at their convenience, not just when a rep drops in to the practice uninvited."

Aptilon executives believe that anything and everything that can be made available online can be wrapped around the sales rep who uses AxcelRx, who can then open up Webpages while talking to physicians and teach them how to register for sample ordering, guide them to information about the formulary in their state, or access any number of other online educational opportunities.

The idea for Aptilon was born out of a series of circumstances that have made getting in to see doctors increasingly difficult in the last several years. Physicians are overwhelmed by the number of patients they see in their practice each day, as declining reimbursement requires them to see more patients to meet the financial needs of the practice. At the same time, younger physicians have been trained to believe that reps are not an effective source of education, but these physicians are technology-savvy and are quickly replacing the retiring baby-boomer physician population.

"We're seeing an evolution in the physician population, both in the circumstances of reimbursement and the patient obligations as well as the profile of the typical physician," Mr. Gleason says. "The time-pressured physician with patients waiting in examining rooms and waiting rooms is unlikely to have time for drug reps – the rep is becoming the odd person out in the practice setting."

To find a way around these challenges, Aptilon placed the scheduling power in the hands of the physician. Perhaps not surprisingly, the company has found that many physicians prefer to talk with reps outside of office hours. Most interactions are happening during nights and weekends.

Physician interest in live video detail from sales reps is growing, according to Manhattan Research's ePharma Physician v8.0 physician market study. About 45,000 U.S. physicians meet via online video with their sales reps, and more than 300,000 more have shown interest in interacting with sales or other company representatives online.

Physicians already engaged in video detailing with sales reps are, for the most part, highly satisfied with their experience, according to the study. This sentiment may explain why these physicians are consistent users – physicians already participating in live video detailing sessions do so with an average of seven reps per month.

"Incorporating live video details in the physician-sales rep relationship can be a win-win for both groups," says Meredith Abreu Ressi, VP of research, Manhattan Research (manhattanresearch.com). "Depending on the company, it can be a cost-effective strategy for sales fore-

es looking to reach physicians spread out over a wide territory, and physicians enjoy the flexibility and interactive features the sessions offer. Pharma companies should pay close attention to rep call centers that give healthcare professionals access to company representatives via telephone or Web chat at any time, as many physicians express interest in this type of service."

Not only are more doctors going online for details, but the doctors that do are staying on for longer interactions. According to Aptilon executives, the company's live video details average more than eight minutes in length among primary-care physicians, and about 15 minutes for specialty physicians.

For sales forces that are already using tablet PC presentations or closed-loop-marketing platforms, switching content over to Aptilon's platform is a relatively easy step.

"We use sales aids as well as the closed-loop-marketing content used with tablet PCs," Mr. Gleason says. "We just lift those and put those into our environment. Generally speaking, the content being delivered in our online sales channel would be similar if not exactly the same as the content that reps in the field would have on their tablets. And we have clients that are still using paper sales aids, and we're literally just taking the print files from the ad agency and then creating more dynamic e-learning presentations."

Getting the sales force switched over is a little more involved. Pharmaceutical companies test everything thoroughly before they commit big resources to a new technology. In the first year, Aptilon will usually use a smaller outsourced call center, with multiple brands and a good-sized target list. The sales force gets the experience, sees the volume and type of physicians that participates, and gets used to long-form educational interactions. Interactions typically average from eight to 15 minutes. Most of the interactions occurs at night and on Saturday when the physicians are at home. They have the time to focus on the clinical data without the distractions of the practice environment.

"Marketing and sales teams can get the lay of the land on how they have to rethink their engagement model after that first year," Mr. Gleason says.

Executives with Ortho-McNeil Neurologics Inc. say Aptilon's alternative sales channel AxcelRx is a key component of the model that will enable the company's representatives to provide convenient concierge-type services and education to physicians. Ortho-McNeil was one of the first clients for AxcelRx after the product was launched to the general market in 2007.

"The pharmaceutical industry is evolving from mass marketing to relationship marketing," says Greg Mattle, manager of e-marketing, Ortho-McNeil Neurologics (ortho-mcneilneurologics.com). "AxcelRx Live enables us to make our brand information and services available to physicians in a way that's meaningful and impactful. Our commitment in this area is significant."

HealthTalker

HealthTalker develops word-of-mouth marketing programs for the healthcare market with a specific focus on the pharmaceutical and biotechnology industries.

Each HealthTalker program mobilizes a base of highly engaged patients and/or caregivers who are recruited to participate in a multifaceted offline and online experience that is personally relevant to them. Once engaged, participants are provided the tools and education they need in order to share information with others via their in-person conversations and online activities.

The idea behind HealthTalker is to use the power of a personal recommendation and take advantage of what consumers already do on a regular basis – talk to their friends and family about the conditions they have and the health products they use. Word-of-mouth conversations, the company's leaders say, are crucial sources of consumer information about healthcare and provide an element of authenticity and credibility that traditional advertising cannot match. These conversations can lead to better physician-patient dialogue and increased awareness of conditions and treatment options.

"We've transformed ourselves into an advertising agency for the pharmaceutical industry, but we are focused exclusively on the power of word of mouth," says Andrew Levitt, founder, HealthTalker (healthtalker.com). "We organize groups of consumers who are fans of a particular prescription product or who have experience with a particular condition, either as a patient or a caregiver, and help drug companies enable and shape the conversations that they have with other people, complementing the existing direct to consumer efforts of that pharmaceutical company."

Mr. Levitt founded HealthTalker in February 2007. Since then, the company has evolved into a full-service agency, providing complete program support – from strategic development to customized creative to program implementation and analysis – with a full-time staff.

Having worked in the pharmaceutical and biotechnology industry for 13 years, Mr. Levitt was aware of the challenges companies face in influencing consumer behavior with their current mix of DTC programming. Pharmaceutical companies spend billions of dollars every year on direct-to-consumer advertising, trying to raise awareness and get attention for a certain product or condition. This mass-market strategy is being tuned out by the public, however, as Tivo or DVR allows consumers to fast-forward through advertisements.

On top of that, many pharmaceutical companies have enormous databases of opted-in contact information from people interested in brands. However, the companies tend to do very little with the information.

"When I was a brand manager for Claritin back in 1997, we had a database of over 7 million names of consumers who had opted in for something called the Blue Skies newsletter," Mr. Levitt says. "I was also running a 200-page Website at Claritin.com; we had loads of consumer information. And we would wonder, 'What the heck can we send 7 million people about allergies that they don't already know?' Since launching HealthTalker, I have had conversation after conversation with drug companies about the fact that they have large databases that they don't really use to their optimal levels, and are looking for innovative ways to do so."

The HealthTalker strategy combines



Aptilon's AxcelRx Live video detailing platform offers physicians a way to speak with sales reps at the most convenient time for them.

these two issues with the oldest marketing plan of all – person to person, word-of-mouth communications.

The company begins with market research. Beginning with focus groups, HealthTalker eventually found that the company could actually do one-on-one, in-depth phone interviews for far less money far faster and more efficiently while still getting the same insights about how people tell their stories.

HealthTalker starts off by drafting a discussion guide for the research, collaborating with the client on topics. The discussion guide is not focused on asking about drug preferences, rather the discussion is more focused on personal stories of living with a particular disease.

HealthTalker's next step is sending a communication on behalf of the drug company offering consumers an opportunity to join a HealthTalker program. Interested consumers click through to a registration micro-site that gives them more information about what HealthTalker is and what they can expect from the program.

"The people then understand what they're getting into and what is expected, because at this point they don't know who HealthTalker is – they just know the drug company or the product," Mr. Levitt says. "This is a way for us to get to know the future HealthTalker members, to turn strangers into friends and friends into customers. We then capture demographic information in a simple registration page. And that person then becomes a HealthTalker member."

Once new members have joined, they are moved through an online educational tutorial, to be sure that each consumer understands important information about the disease state about which they may be speaking.

Once the consumer has gone through

the online tutorial, they receive access to a member homepage and are sent a HealthTalker starter kit. The starter kit includes a welcome letter and a conversation guide that gives the consumer tips and ideas about conversations generated from the findings of HealthTalker's market research.

The conversation guide gives consumers ideas about when, where, and how to have conversations about their topic and what the purpose of the program is. HealthTalker also includes a certain amount of consumer education materials that they can distribute to the people they know – their friends, their family, co-workers, all those people in their social network that they will want to communicate with when they are having these conversations – with a call to action for that consumer target to learn more, based on that personal recommendation.

The next step is collecting data. "Where this becomes a Web 2.0 consumer application is our member homepage, where we provide an opportunity for HealthTalker members to post reports," Mr. Levitt says. "It only takes a few minutes for someone to complete a report, but it captures key information that helps us understand the impact of our programs."

HealthTalker creates a client extranet that shows the outcomes of these campaigns, the data that comes in over the course of a campaign, where the HealthTalker members are located throughout the country via a Google map, and where their conversations are spreading.

HealthTalker offers members incentives to participate, but the company is careful to limit the giveaways. Consumers will generally have a choice of rewards that are health-related and nominal in value, typically less than \$20.

HealthTalkers in each brand or disease-state program also can participate in their own private, moderated online community. Each community is moderated by a HealthTalker staffer who posts questions about the lifestyle issues that consumers may be facing. This sort of guidance, the company's leaders believe, helps alleviate potential concerns about adverse events. Being a part of a community, in fact, is one of the strongest pulls to participation for HealthTalker's consumer members, according to Mr. Levitt.

Mr. Levitt believes that another valuable element in HealthTalker's model is the presence of a doctor as a learned intermediary. "What a HealthTalker program should be doing is enabling more informed discussions between the consumer, the patient, and their doctor based on information they now have from a trusted source, their friend, or someone they know who might be a HealthTalker member," Mr. Levitt says.

With the growth of HealthTalker's client list, some of the larger ad agencies are starting to pay attention to the company's model.

"By bringing a local voice and advocates to the healthcare dialogue, HealthTalker serves a vital role in making the discussion relevant and motivating to today's socially connected consumer," says Matt Giegerich, president and CEO, CommonHealth (commonhealth.com). "CommonHealth's relationship with Andy goes back quite some time – all the way to our days building the Claritin franchise when Andy was on the client side of the business. We have an enormous respect for his passion for innovation and results."

Phreesia

Phreesia delivers targeted interactive direct-to-patient communications for pharmaceutical companies during the patient check-in process moments before a patient sees a prescriber. The company does this through an innovative combination of a very new technology – the digital touchscreen – with a very old need – the stack of forms that patients must fill out at the doctors' office. The marriage of the two, the PhreesiaPad, offers patients a high-tech way to bypass the paperwork, an easy way for doctors to keep track of changing patient information, and a surprising new

way for marketers to reach patients at an optimal moment when health is sure to be high in the mind.

Just a year after launch, the company's customer base includes six of the top 10 pharmaceutical companies and a physician network that has increased 600%, is growing by 300 to 400 new doctors each month, and uses Phreesia to check in 250,000 patients in 48 states.

At its root, the Phreesia concept is simple. "When you go to the doctor's office, we replace the sign-in sheet and the clipboard that everyone is so familiar with," says Chaim Indig, one of the two co-founders of Phreesia (phreesia.com). "We do it in an automated fashion, and at the end of the check-in process, we deliver targeted healthcare communication to patients to improve care and create a dialog between the patient and doctor."

As with most seemingly simple ideas, actually launching Phreesia was much more complex than at first glance. "We spent years working through and experimenting with the right way to get the right message in front of the right patients," Mr. Indig says. "We spent thousands of hours in doctor's offices listening to doctors and finding out what they would want in their office."

One of the facts that Phreesia's researchers discovered in the process of developing the company's product was that patients spend, on average, 19 minutes in the waiting room, three minutes more than they do with the doctor. Taking advantage of this wasted time for the benefit of patient, doctor, and marketer was one of the company's primary goals.

"If you go see your doctor, one of the first questions out of his mouth is, 'How can I help you; what are you here to see me for?'" Mr. Indig says. "Well, if he knew that you were there for a check-up, the first thing out of his mouth might be, 'OK, the nurse is going to take your blood pressure.' The interaction will change right off the bat."

In addition to speeding up the check-in process itself, Phreesia helps doctors track their patients' information better, since it offers a dynamic way to update patient addresses, phone numbers, and other important data before each visit.

"One of the problems that doctors have is that in the average year, 50 million Americans move," Mr. Indig says. "But if they don't have the right in-



HealthTalker recruits patients who have had positive experiences with pharmaceutical products to champion those brands in conversations with others.

The PhreesiaPad offers patients a more convenient way to check in at the doctor's office and helps doctors keep patient information up to date.

formation about you, then they don't know where to send your lab results, and they don't know where to call you if there's a problem. They don't know if you changed jobs. Phreesia gathers this information from the patient. They don't also know if you went to another doctor and added another prescription, or stopped taking something. These are clinically relevant items that can impact a patient's care"

The PhreesiaPad's developers have tried to include a number of features to add to the device's usefulness. Spanish-speaking patients can enter their information in Spanish, and the device prints the information out in English. Also, when the patient is listing their medications, they do not have to know how to spell the names; the device can offer a list of possibilities based on a few letters.

The Phreesia device's ability to help doctors keep better track of their patients' personal information may be one of its most valuable features from the physician's perspective. "We have a lot of patients around who are transient – not negative in any way, it's just the way the world is," says Dr. Robert Boyd, a general practitioner in Woodbridge, N.J., and an early adopter of the PhreesiaPad. "We have constant changing of work addresses, work phone numbers, personal phone numbers, cell-phone numbers, so we have need for more database to try and find our patients and keep in contact with them. And this has been a nice source of information."

Not only does the PhreesiaPad help collect information more dynamically, but the device also allows for easier access to that information by medical staff. "The fact that it's Web-based allows anybody in the office to have access," Dr. Boyd says. "I have computers through the whole office, we're on the Internet in all the rooms, so it's easy for us to access the information."

Dr. Boyd has found that his patients have had no trouble adjusting to the device. On a larger scale, Phreesia has found that both doctors and patients are agreeing with Dr. Boyd's perspective. Research of offices using PhreesiaPad by the company's analytics division found that 90% of patients believe that Phreesia is good or excellent, and more than 80% of doctors have a positive impression of the company's offering.

For pharmaceutical marketers, Phreesia's combination of a digital screen with robust data collection in an environment where patients are already thinking about their health offers a powerful targeting opportunity.

"We're of the opinion that the days of just broadcast media – media that you don't care if people look at or use – are over," Mr. Indig says. "Phreesia is used by thousands of patients a day. We deliver a targeted healthcare communication to those patients. What's important is that it's not the same message to everyone, but rather one that is relevant to them. If I'm already on a therapy, it's going to be a very different message than if I'm not on a therapy. If I'm a candidate for a therapy or if I'm on an alternative, again the message will be different. If I'm under the age of 18, it's a pediatric message to the parent. We don't say, 'How do we put the same message in front of a lot of people?' It's, 'How do we segment the population and get the right message in front of the right patient?' That's why

our customers have been really excited about it."

Developing advertising content for the PhreesiaPad is in the hands of the company's pharmaceutical clients and their ad agencies, but Phreesia executives have found that advertisers face a learning curve to adapt to the new format. "Usability matters, legibility matters," Mr. Indig says. "The average reading level of a person on the Internet is different than the average reading level of a person who walks into the doctor's office. A lot of the innovative agencies have brought us to their clients, because the guys that understand direct-to-patient healthcare understand that what we're doing is groundbreaking."

Early returns suggest that Phreesia's targeted messages are getting through. According to an independent third-party study commissioned by the company, its advertisers are seeing a 40% increase in patient and physician awareness of their brand programs among users, and 68% of physicians are reporting that Phreesia has a positive impact on advertisers' therapeutic areas. Also, 61% of physicians have reported increased patient requests for products advertised through Phreesia, and 50% have indicated increased prescriptions for such products.

Despite the company's impressive growth, Phreesia's staff is remaining focused on a very simple goal. "Our job

is to make check-in better and help patients communicate better with their doctor" Mr. Indig says. "That's all we ever think about. We're somewhat obsessive about it. We have about 100 people as a company, so we're a lot bigger than many people think. The only way that our industry is going to evolve positively is with innovation. That's what we fundamentally believe. All these great leaps come from innovation. We think that we are one of those great leaps of innovation. And our customers, frankly, do too."

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