

# Savings Offers

## How much do financial incentives improve retention?

*The effectiveness and financial impact of savings offers and coupons can vary widely, and their success can be realized as meaningful improvements in adherence. Through continued measurement and market intelligence, marketers can optimize such programs to drive incremental Rx and foster strong relationships.*

**T**he pharmaceutical industry spends increased amounts on consumer financial incentives in the form of co-pay offset cards and free trial offers. The broad and growing presence of prescription savings offers is reminiscent of the historical use of promotions and coupons by consumer packaged goods (CPG) marketers. In 2011, CPG marketers offered \$470 billion of coupon value to U.S. consumers, resulting in \$4.6 billion in savings by consumers, according to a NCH study.

Similar to its CPG counterparts, pharmaceutical marketers now aggressively market co-pay savings offers and coupon programs to increase retention, maintain market share within conditions with high competition and encourage trial. Marketers make such offers available to consumers through a number of channels, including point-of-care (POC) and media-driven DTC campaigns, or as a part of a broader relationship marketing (RM) program that provides additional education to consumers. The choice of tactic can affect targeting, activation/redemption rates and brand engagement.

In a previous article in this RxMarketMetrics series, Crossix has shown the importance of the patient profile enrolling in these marketing programs – different channels drive different patient profiles: continuing patients, new patients, lapsed patients, naïve to therapy or on competitive therapy (see [www.rxmarketmetrics.com](http://www.rxmarketmetrics.com) for more information). Now, what about the actual Rx impact?

Brand managers often evaluate savings offers by relying on redemption data, however redemption data alone does not tell the whole story and may mislead. Would people who redeemed the offer and filled an Rx have done so anyway, even if they never received an offer? Are people not redeeming the offer more, or less, adherent? By aggregating hundreds of savings offers analyses across dozens of brands, all based on actual Rx analysis, meaningful market norms can be established. RxMarketMetrics can help brand managers understand the expected performance of their savings offers. In addition, Co-Pay Card Market Intelligence can help iden-

### About Crossix RxMarketMetrics™



Prescription drug information drawn from Crossix RxMarketMetrics™, market benchmarks for performance of patient adherence and consumer marketing activities based on thousands of actual Rx analyses including more than hundreds and hundreds of consumer marketing tactics across a broad range of therapeutic categories.

Campaigns included in RxMarketMetrics aggregated for the chronic, lifestyle and specialty/biologic markets and derived from actual, anonymized and aggregated, results of consumer marketing campaigns for dozens of leading pharmaceutical brands ranging from direct response (DR) to general awareness and branding campaigns (GA), and multi-channel, from Web to Print to TV.

Normative Rx-based measures include conversion rates and curves, retention rates and curves, and Rx patient profiles specific to the market, channel and tactic. Benchmarks are further broken down by campaign specifics, such as purpose, level of branding, creative, offer type, response channel and fulfillment stream.

tify active offers in the market and determine savings offers redemptions relative to competition and their impact on patients.

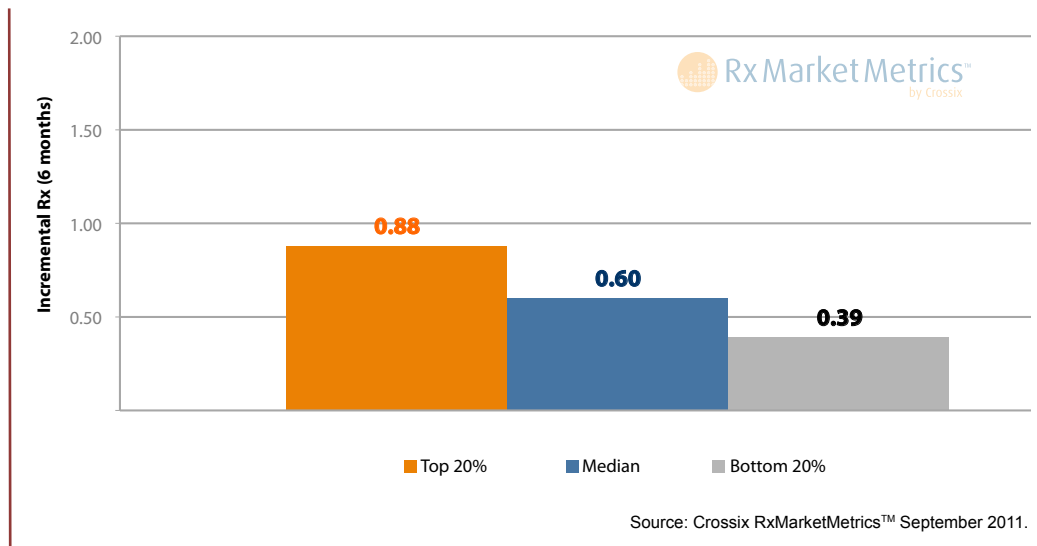
### Understanding retention benefit

Crossix measures adherence by combining both Rx compliance and persistence into a single measure of retention, the incremental Rx filled over time. Crossix then compares this rate of incremental fills to that of a control group of similar patients on brand therapy who have not been exposed to marketing (or redeemed a savings offer). Aggregating these measures across brands and categories, RxMarketMetrics informs program performance by reporting *Total Incremental Rx Over Time (net of control)*, typically at six months following first marketing touch.

### POC vs. consumer media tactics

Distributing offers through point-of-care is an effective way to reach existing and new patients and encourage physicians to prescribe Rx. (See Chart 1.) Within six months, patients who receive/activate an offer at a point-of-care fill 0.6 prescriptions more than patients who did not receive the offer. The performance ranges from nearly one additional Rx for top 20% performing programs to 0.4 incremental Rx for the bottom 20% of programs.

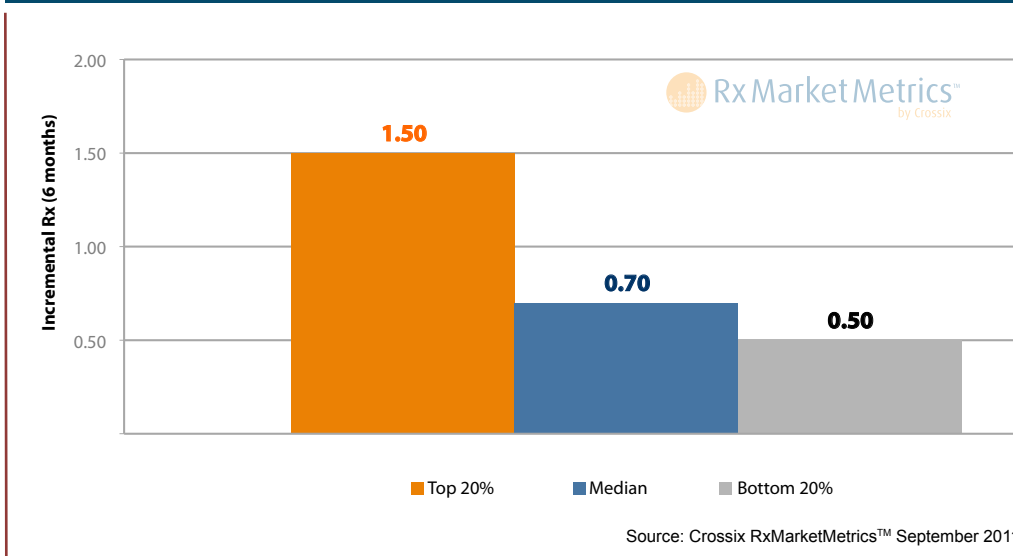
**Chart 1: Incremental Rx at 6 Months – POC Savings Offer**



Increasingly, marketers distribute co-pay cards outside of the point-of-care and drive patients to request cards through DTC advertising, brand sites, print, email and direct mail. Looking at benchmarks across all media, we see differences in performance versus point-of-care. (See Chart 2.) Within 6 months, patients who request an offer through consumer media fill 0.7 prescriptions more than patients who did not request the offer. The performance ranges significantly from 1.5 additional Rx for the top 20% performing programs to half an Rx for the bottom 20% performing programs. Co-pay cards driven by media show a much wider range in performance between the best programs and the worst.

The difference between the performance range of Point-of-Care and Media demonstrates how effective savings offers can be outside of the doctor’s office. Combined with patient profile information for these channels, as discussed previously in the RxMarketMetrics article “Savings Offers: Effectively Reaching the Right Audience” in the March 2011 issue of *DTC Perspectives*, these differences emphasize further how these channels can be used effectively to achieve brand objectives.

**Chart 2: Incremental Rx at 6 Months – Media Savings Offer**



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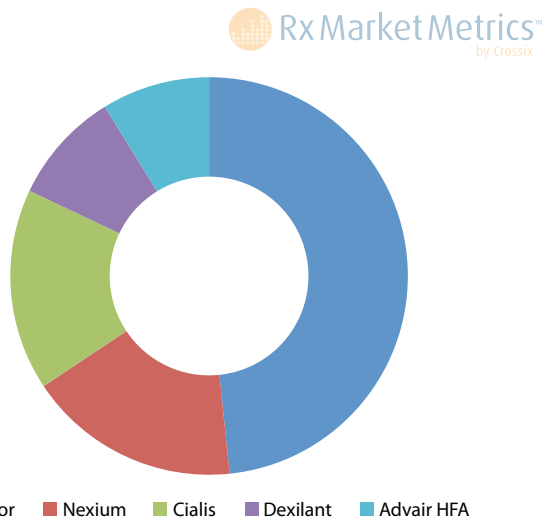
## Competitive landscape

Planning a savings offer or interpreting the impact of an offer in market can benefit from an understanding of the competitive landscape, including the size of competitive savings offer programs as well as the actual benefits (co-pay that would have been paid prior to offer and co-pay actually paid by

patient after using an offer). Crossix can now provide Co-Pay Card Market Intelligence for any Rx product. Chart 3 shows the Top 5 most active brands in October 2011 by relative volume of savings offer transactions.

The Lipitor offers drive nearly the same volume of transactions as the four other largest brands (by offer activity) combined. Following Cholesterol treatment, Nexium and Dexilant both drive a number of redemptions among GERD patients.

**Chart 3: Share of Savings Offer Transactions (Top 5 brands)**



Source: Crossix RxMarketMetrics™ October 2011.

## How to act on this information

Brands can use Savings Cards to drive meaningful improvements in adherence. Through a combination of tactics and continued measurement, brands can foster strong relationships with their patient base and drive incremental Rx. Likewise, marketers should closely monitor the activities of their competitors to ensure that competitive savings offers do not erode market share. Through market intelligence, brands can ascertain not only how many patients use competitive offers but how much is being spent to reimburse these patients.

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*This is a part of an ongoing series on Rx market metrics of various consumer marketing activities. For more information, see the Crossix RxMarketMetrics™ website ([www.rxmarketmetrics.com](http://www.rxmarketmetrics.com)), from Crossix Solutions Inc., an Rx-based consumer analytics company ([www.crossix.com](http://www.crossix.com)).*