

OgilvyHealthcare

Best practices and best results

CPM talks to Terry Cully, Managing Director, OgilvyHealthcare.



What is it that makes OgilvyHealthcare different from other agencies?

There are really three things that make us unique. First, we are part of one of Canada's largest and most established full-service advertising agencies. Because of that, we attract good people — people with talent and experience in creative, production, account planning and service. Within our walls, we have experience that is revered throughout the Canadian advertising community.

The second reason needs some explanation. OgilvyHealthcare really took off when Paul Lucas, then Vice-President of Marketing at Glaxo, decided he wanted a leading consumer agency to help his company move beyond the average in pharmaceutical advertising. Ogilvy has helped Glaxo launch many products over the last 17 years, including Zantac®, Becloforte®, Flovent®, Serevent®, Flonase®, Imitrex®, Valtrex® and Zyban®. Glaxo, then GlaxoWellcome and now GlaxoSmithKline (GSK), is one of the most sophisticated and pioneering marketers in the Canadian pharmaceutical industry. With Ogilvy creative and expertise, GSK was the first pharmaceutical company to introduce and run a

comprehensive direct-response program, produce and run non-branded direct-response TV commercials, and, of course, run brand name direct-to-consumer advertisements. So, in part, our uniqueness is due to the ground-breaking campaigns we have helped bring to the Canadian pharmaceutical marketplace.

Finally, we are focused. We are focused on advertising and communications, not continuing health-care education, public relations or event planning. Just advertising.

We provide local-market expertise within a global network of OgilvyHealthcare companies. In fact, we are part of the WPP network of Healthcare Communication Agencies. This network includes the world's largest single health-care network, known as the Common Health Group.

Our offices provide three creative departments: general agency, direct-response agency and interactive agency. We also have a print production studio; audio and video edit suite; Web site creation, programming and maintenance area; and Mindshare, one of Canada's largest media planning and buying organizations.



Career Focus

Myself, several of my friends from high school and university, and even a cousin, really owe a little something to my father, Wilson Cully. He was involved in the pharmaceutical industry for over 30 years, first as a chemist in Northern Ireland and, later, as a pharmaceutical representative in the mid-1960s. In 1969, my family immigrated to Canada, where he continued to work as a sales representative until his retirement from Schering-Plough in 1992. Needless to say, his influence caused my friends and I to start in the industry as sales reps.

I began my career with the Upjohn Company in 1985 as a general territory representative in Windsor. From there, I was promoted to hospital sales in Hamilton, then to medical specialty representative in Toronto. I moved to head office as a sales trainer, and really enjoyed the two years I spent both training reps and learning about the marketing of pharmaceuticals. From Upjohn I answered an ad in the paper and was hired as the Premarin® product manager for the newly merged Wyeth and Ayerst. A few years after the merger with Lederle, I decided to try advertising. Victor Petrenko at Healthwise decided I might have what it takes to be a good account person, and so he gambled. I like to think it paid off for both of us. I spent four and half years at Healthwise learning from Victor while launching and re-launching brands from many different therapeutic areas, including animal health. It was then that I was recruited by Ogilvy. I really saw no reason to leave Healthwise, but I saw a reason to go to Ogilvy — that was to learn about how a big agency works, and for a chance to lead the health-care division.

How does your agency fit into the overall structure of Ogilvy & Mather?

Ogilvy & Mather is made up of four divisions, or companies. Although separate in the main focus of their business, we, in Toronto, as an Ogilvy company, are unique in that we are truly integrated.

The first division is the agency. Ogilvy handles the advertising and communication needs of some of Canada's premiere blue-chip companies. IBM, Amex, Kraft, Mattel, Unilever and Zellers are just a few of the clients whose Ogilvy-created commercials you will see on TV, hear on the radio or see in print.

OgilvyOne is the direct-response marketing agency. It creates advertising that elicits a response which

can lead to customer loyalty. OgilvyOne advertisements ask for a response, using a phone number or Web site, that provides more information or generates leads for the client. This division is very strong in Canada and continues to grow at a pace only surpassed by OgilvyInteractive.

OgilvyInteractive is the new media marketing agency that specializes in media that use the World Wide Web. This division creates Web sites for IBM, Amex, Kodak, Robin Hood and more. Banner ads are becoming more attractive as a cost-efficient, media-advertising tactic and OgilvyInteractive is well established here.

OgilvyHealthcare is the health-care communications part of the company. We span the other Ogilvy companies by using their

creative and expertise as needed. For instance, journal ads are created by the agency, direct-response programs come from OgilvyOne and Web sites and banner ads come from OgilvyInteractive. At OgilvyHealthcare we are brand stewards. We ensure branding is maintained, pharmaceutical regulations are met and projects are managed on time and within estimated costs.

Working very closely with Mindshare, our media planning and buying division, we are well positioned to provide communication and advertising solutions. We do this regardless of the challenge, whether the target group is a professional audience or a particular patient audience.

OgilvyHealthcare is in a strong position within Ogilvy & Mather. Our status is elevated, as we have

been identified as an area of growth by Tro Piliguan, the North American head of Ogilvy & Mather. We thus are accorded the attention we require in order to get the job done.

How has your agency's approach to pharmaceutical advertising changed over the years?

In terms of creative, it remains as it always has. In fact, our creative still honours one of the many tenets set out by our founder and one of advertising's great leaders and thinkers, David Ogilvy.

He stated: "When I write an advertisement, I don't want you to find it 'creative.' I want you to buy the product." I suppose it is the difference between hearing someone who is a good speaker and doing something a speaker suggests you do. Our ads have an idea, and this holds as true today as when David Ogilvy started the company.

Market research is playing a more important role in everything we do. This is an important and significant change. It increases our chance of success in the marketplace and ensures that ideas that may seem outrageous, actually work as proven by research. But, to quote David Ogilvy: "Research must be properly applied, often clients and agencies use research as a drunkard uses a lamp post — not for illumination but for support."

Messaging, and the way in which we word advertisements and other promotional material, has definitely changed. This is



Number one prescribed inhaled corticosteroid.

partly due to PAAB and partly due to the way product monographs are written. Clients, however, have become more aggressive and this is often in conflict with what is allowable from regulatory, medical and PAAB's perspectives.

Our approach has changed in that we clearly determine acceptable claims, based on the product monograph (PM), up front. During launches, we stress the importance of how the PM is written and, if possible, provide input on the wording required to make the PM promotion positive.

As an agency with extensive direct-to-consumer advertising experience, we now find we must go beyond simply helping to establish brands and sell them. We must now help with the increased need to develop markets, shape these markets in favour of our clients' brands, and do this all within the federal Food and Drug Act.

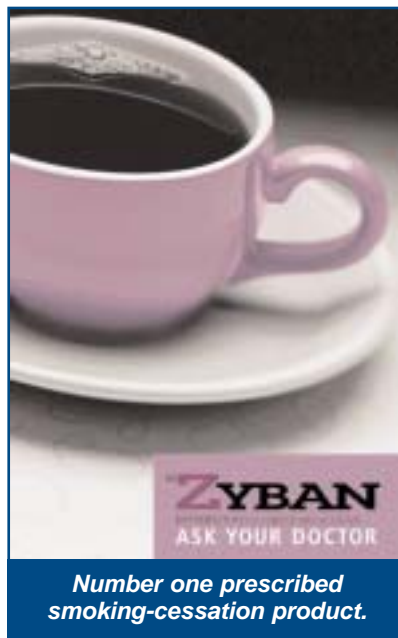


Number one prescribed intranasal corticosteroid.

How does being part of Ogilvy & Mather benefit your agency and its clients?

Simply put: best practices. Ogilvy has done just about everything there is to do in terms of general advertising, direct-response advertising, interactive advertising, media planning and buying. And we've done it all, with clients who advertise wisely, and who are often sales-force driven. Pharmaceutical marketers generally have been slow to adopt new advertising strategies and media. The inherent conservatism and heavy regulation of pharmaceuticals, I believe, has slowed the uptake of new methods of communicating with customers.

Our pharmaceutical clients can benefit most from us being a part of Ogilvy & Mather through our best practices in direct-response marketing. To quote David Ogilvy: "Direct mail, my first love and secret weapon."



Best practices, based on the real examples of IBM, Amex, SAP and GSK programs, which involve planning and implementing direct programs, are a huge wealth of experience, both for myself and for those clients with whom the best practices have been shared. In essence, direct-response marketing is the most sophisticated and precise marketing tool available to pharmaceutical companies. Direct response is effective, cost efficient and accountable.

Briefly, four key elements drive direct response programs:

- A target list;
- Offers;
- Creative/messaging; and
- Timing/synergies.

To make these elements real, let's look at an example. A man named Merv Sheppard, who worked with me at Wyeth-Ayerst, retained his love of database creation and management after he retired. His brother-in-law owned a restaurant and had a list of over

3,000 people who had dined at the restaurant. Each had filled out a comment card with their name, address and date of birth. Merv gathered these names and began a direct-response program aimed at these restaurant patrons, with the objective of getting them back to the restaurant and establishing a relationship of loyalty. On each patron's birthday, Merv would mail them a coupon for five dollars off their next meal, along with birthday greetings from the restaurant.

Let's evaluate Merv's program, based on best practices of direct-response marketing. Merv's target list was of past restaurant patrons. His creative/messaging was: "Happy Birthday. We'd like to see you again." His offer was five dollars off their next meal, and the timing was on their birthday. Seldom a day goes by without a birthday celebration in the restaurant. Needless to say, the "Merv" direct-response program has been

adopted by several other area restaurants.

How does Ogilvy stimulate creative thinking amongst its employees?

Ogilvy is special in this regard. Many pharmaceutical companies that recruit representatives right out of university, train and then guide them in the field. Ogilvy does the same. We recruit out of university or college and we have internship programs that provide us with new talent. Every Wednesday morning we have "Oggie U:" our in-house training for creative, account and production personnel. Here, Ogilvy employees learn about everything that is advertising. Although there are no tests, there are assignments and presentations. This ongoing learning increases employee loyalty and smarts. It makes them the most heavily recruited in the advertising industry. Ogilvy is like a teaching hospital, where learning takes place but also is applied immediately.

This situation is much like the one that existed when I was at Upjohn. Upjohn was one of the few companies that trained reps right out of university. After an employee was fully trained and had spent a year in the field, the headhunters would call.

To date, what are some of OgilvyHealthcare's biggest successes in health-care advertising?

The launch of Flovent and conversion from Becloforte was an unparalleled stroke of marketing genius. I have never seen anything like it before and I expect never to see something like it again.

GSK's Larry Falls, Therapeutic Area Director for Respiratory, spear-headed this impressive strategy and partnered with OgilvyHealthcare to make it all happen. Our job was to bring our creative and communication expertise to the table, ensuring the message GSK had chosen to convert the Becloforte business to Flovent was clear and simple, was going to grow the inhaled corticosteroid market and was going to protect market share from competitors. Direct-response marketing played a large role in the conversion to Flovent and the withdrawal of Becloforte. This certainly would have been more difficult without Ogilvy's experience. Today Flovent is far and away the market leader and is still growing.

A very public success has been Zyban — a new class of smoking-cessation product introduced into a market that had seen many other smoking cessation products come and go. Zyban was one-of-a-kind and had a unique selling proposition for physicians and patients. From the professional launch to the award winning, direct-to-consumer campaign, and then to a Canadian first — branded direct-to-consumer advertising — Zyban is one of GSK's most successful launch to date. I believe it also is among the top four or five most successful launches in Canadian pharmaceutical history.

One of the most important, yet unknown, aspects of the Zyban direct-to-consumer campaign was the media planning and buying. If I had to say what was more important — the message/creative and how it was

crafted, or the media planning and buying — I would have to say the media planning and buying was about half of the effort. Advertising should work to reach the right target at the right time with the right message, within guidelines. In the case of Zyban, it worked.

A very quiet past success has been our direct marketing efforts with Flonase, Canada's leading intranasal steroid for seasonal and allergic rhinitis. When this program was in full swing, we had a 68% response among targeted prescribers, sales growth, and an RSVP marketing award for direct marketing.

Our major objectives now are to grow our business with other pharmaceutical clients, share our expertise and gain new experience. Our latest successes include winning new brand assignments from other pharmaceutical companies, including Byk/Solvay's Pantoloc®, the fastest growing proton pump inhibitor in the country, and working with Amgen, the world's leading biotech company.

What can we expect to see from your agency in the future?

More of what we have already been doing. Innovative professional advertising, ground breaking, direct-to-consumer advertising and direct programs that provide a solid return on investment. Our job now is to continue what began years ago: to win new clients with new products to launch or existing



products to re-launch, and to build the best healthcare agency in Canada and within Ogilvy worldwide. We have the talent, we have the experience and we have best practices. All we need is the opportunity.

I would like to close with my favourite David Ogilvy quote. I think this sums it all up:

“Let's not be dull bores. We can't save souls in an empty church.”

Cheers. CPM

Terry Cully
Managing Director
OgilvyHealthcare
33 Yonge Street
Toronto, ON
M5E 1X6

Phone: (416) 945-2127

Fax: (416) 363-7736

e-mail: terry.cully@ogilvy.com