

ALEVE CASE HISTORY “Real People Campaign”

2007 ARF David Ogilvy Research Awards



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Agenda

Business Situation

Finding and owning a pain state (arthritis) that grows the business
The impact of ADAPT on the business

Research Plan

Understanding consumer reactions to ADAPT
Identifying The Target Post ADAPT
Evaluating how to connect with the Arthritis target again
Seeing the passion for the Aleve brand

Campaign Description

Restoring trust through the brand's advocates

Business Results

Sales Data
Analgesic Tracker Equity Measures

Business Situation

Background

In 2003, after the completion of an analgesic segmentation study, the team identified a new target for the Aleve brand -- arthritis sufferers. The team immediately crafted a research plan to understand and connect with this new target, which included several rounds of qualitative user research, strategic quantitative screening and advertising copy testing. Armed with this new in-depth knowledge of the arthritis consumer, new creative was developed and as a result sales grew 12.9% in 2003* and 7.0% in 2004**. IRI Panel Data revealed that arthritis consumers contributed to 92% of sales growth in 2003 and 41% in 2004.

ADAPT Happens

Aleve's growth was outpacing the category in 2003 and 2004 and the arthritis strategy was heralded as a successful initiative. However, this was about to change.

On the evening of December 20, 2004, a trial called Alzheimer's Disease Anti-Inflammatory Prevention Trial (ADAPT) was suspended. This trial, which was started in 2002, was designed to look at the use of Celebrex and Aleve in reducing the risk of developing Alzheimer's disease. Given the recent withdrawal of Vioxx from the market, coupled with the new findings that Celebrex may also increase cardiovascular risk, the investigators decided to suspend the study since they feared people in the test would stop taking their Celebrex, which would skew the results.

The study's preliminary, unadjudicated, unadjusted data showed an insignificant increase in cardiovascular risk in the naproxen (Aleve) arm. And while the data was not significant, and in fact, in direct conflict with many other trials that showed an opposite (cardio-protective) effect, members of the board discussed these preliminary data with the media. The public press widely and immediately reported negative news about Aleve, unleashing a media frenzy that would cause one of the largest crises in the category. Headlines like "Aleve – the latest drug to cause Heart attacks" were found in almost every news stand. Although many have since criticized the media, the trial investigators and the National Institutes of Health (NIH) for overstating the nature of the evidence, the public response and following impact to our business was devastating. By the end of January 2005, sales of *ALEVE* plummeted by over 50% suffering the largest decline in brand history. And, with the Roche acquisition complete, the *ALEVE* team took on the formidable task of rebuilding what was left of the brand.

The Research Plan

Directly following the release of the ADAPT study, immediate-term research plans were developed to determine the response strategy. Given the business decline, who was the appropriate consumer target? Was it Aleve users? Should the focus move away from arthritis and back to a general message to recoup those lost users? What was the appropriate positioning? Safety or efficacy?

Given the unstable marketplace, the research plan needed to be flexible to allow the team to react quickly.

The immediate-term research plan was designed to:

- Implement an ongoing quantitative tracker to track key measures in the wake of the ADAPT study to understand consumer awareness of the news, impact the news was having on brand perceptions, purchase interest and consumer confidence

*April-December (Post activation of arthritis messaging)

** 50 Wks Ending 12/19 (Pre-ADAPT News)

- Qualitatively obtain a deeper understanding of the repercussions (if any) that the news was having with Aleve's 'regular' users who account for so much of the business
- Quantitative communication checks to evaluate on-going TV, print and radio messaging
- Identify which groups were contributing to sales losses with the ability to track over time to understand if marketing efforts were reaching consumers and changing their behavior
- Understand the Aleve purchase behavior of Heavy, Moderate or Light users through an analgesic buyer study

Consumer Assessment of ADAPT News

Three days after the ADAPT story hit the news, the first wave of what would be six Aleve tracking studies was in the field gathering consumer reactions. What the tracker reported confirmed the brand's worst fears; 51% of analgesic treaters and 52% of arthritis treaters said they 'probably/definitely would not buy Aleve' immediately following the release of the report and 28% of Aleve Users who were aware of the risks stopped taking it completely. An additional 32% of those who heard the news said they would take Aleve, but less often than they did before. Almost overnight 60% of Aleve's users were planning on using the brand less often in the future, if at all.

Qualitative research with Aleve Users in January 2005 helped the team better understand consumers' reactions to and understanding of the ADAPT news. It was readily apparent that with some consumers that they did not have to necessarily understand the details of the warning for it to impact their purchase behavior. For some, simply hearing that taking Aleve carried with it some potentially serious risks was enough to decrease their usage immediately.

"At the time, I was confused. I didn't get enough information out of [the news] really, to make an informed decision on it." - Doug, decreased Aleve usage

However, some Aleve Users held fast to the brand regardless of the warnings and expressed concern about what they would do without the brand.

"You know, what was I going to take since this was working so well?"
- Marcia, not changing Aleve usage

Early research (tracker and user qual) indicated that the core Aleve user should be the primary target group to focus on for the recovery period. However, the team knew that consumer behavior was ever-changing during this period and the ADAPT news was so pervasive that it touched many different analgesic users. The next step was the target decision.

Target Decision

Many team discussions ensued after receipt of early tracker and qualitative data to determine who should be the target. Should the target be Total Analgesic Treaters, Core Aleve Loyal Users, Arthritis Treaters? What should be the focus of the message? Should we focus on safety, reassurance, general efficacy, emotional benefits? Would the brand be better insulated from future volatility by speaking to a broader audience? Which audience would get the brand back on a growth path in the shortest amount of time but also provide long-term volume potential? The team was divided and needed additional research.

Before any final targeting decisions were made, an IRI Household panel study was conducted to understand purchase behavior and identify which target groups were contributing to the Aleve sales loss. Although an early tracker showed that many different target users were going to change their usage behavior of Aleve, the panel research confirmed how valuable the arthritis

consumer was to Aleve. The research attributed **60% of the lost Aleve dollars** following the ADAPT report to arthritis sufferers. The target the brand had invested in understanding and cultivating for two years had left and the team was determined to develop a strategy to get them back.

Staying With The Arthritis Consumer

The team rolled up their sleeves and immersed themselves in arthritis research to find a way to connect with these consumers again. A quantitative Arthritis Deep Dive study gave us a window into the life of someone with arthritis. It is not just a passing pain. It's a condition that they must learn to live with. 76% suffer several days a week, 89% suffer during the day, 65% at night and on average, people are suffering in 3.6 locations on the body. 66% acknowledged that arthritis is part of their life. The facts about arthritis shined a light on the day-to-day impact arthritis was having on sufferers' lives. From performing simple everyday tasks to playing a round of golf, to sitting on the floor with their grandchildren, arthritis tried to limit what they could do. Everywhere the team turned, however, we found that arthritis sufferers were not willing to give into their pain. They exhibited a steely resolve to live the life they wanted regardless of the limitations that arthritis tried to impose on them.

Passion Of Aleve Arthritis Treaters

Having this deeper understand of how pain impacted their life, the team was now interested in knowing what arthritis sufferers were looking for from their "ideal" pain reliever. A study conducted by Gang & Gang evoked emotional and intellectual responses to arthritis treaters' experience with pain relievers, which allowed us to see what arthritis treaters wanted. We discovered that Aleve Users were very satisfied with the brand and believed it delivered fairly close to what they were expecting from an ideal product. Aleve's most frequent users are more passionate about their brand (77% rated brand experience as positive compared to 59% for a leading competitor).

Verbatims from Gang & Gang study helped the team better understand how Aleve provided more than the physical benefit of pain relief, but also a variety of emotional benefits:

"Relief – as the pain diminishes a weight is lifted."

"Happy – when I use Aleve I can function normally and this makes me happy."

"Capable – I wouldn't be capable to do my job to the best of my abilities."

The team knew that the passion of the Aleve consumer was sincere, and this genuineness could touch many arthritis consumers who were searching for a pain reliever that would not just relieve the pain, but would let them live their life to the fullest. These consumers were true advocates of the Aleve brand and we knew that they had to play a role in our messaging moving forward.

Campaign Objectives

- Re-establish the business to provide growth over strong 2004 levels of (\$4.5MM weekly)
- Demonstrate Aleve's safety and efficacy in a way that would restore confidence in the brand again
- Connect with arthritis consumers through messaging that uniquely spoke to their pain state
- Communicate the large and loyal user base that Aleve has to both lapsed and non-users

“Real People” Campaign Description

The ensuing campaign was far from where the brand had been from a creative perspective. Because we were striving to seed a credible message with consumers about a critically important topic, their personal health and safety, our mission was to be as authentic a brand as possible in order to re-gain their trust. The timeframe selected for this campaign was May 2006 which is officially ‘Arthritis Month.’ Leveraging a time of increased arthritis awareness allowed the brand to better connect with its audience and also added a unique calendar-based dimension to the creative idea.

The creative idea was simple and honest – every day during Arthritis Month Aleve would air a new spot that told the story of an actual arthritis sufferer who uses Aleve to make a difference in his or her ability to enjoy life.

Instead of the standard practice of using actors, the decision was made to put the people who know Aleve best, Aleve’s real arthritis users, in front of the camera and have them talk about their experiences with the brand. To truly capture their passion, scripts with copy points and key messages were thrown aside as we sought out what Aleve truly meant to the people who use it in their own words. Instead of staged sets and highly contrived locations, the advocates, as we referred to them, were filmed in places that were familiar and meaningful to them. In order to bring the realness of the creative idea full-circle a director was brought in who was a master at creating a documentary feel. His approach captured all of the emotion and passion that the team knew existed within Aleve’s users. In all, over 40-documentary style testimonial spots were produced with 31 being aired in the month of May alone.

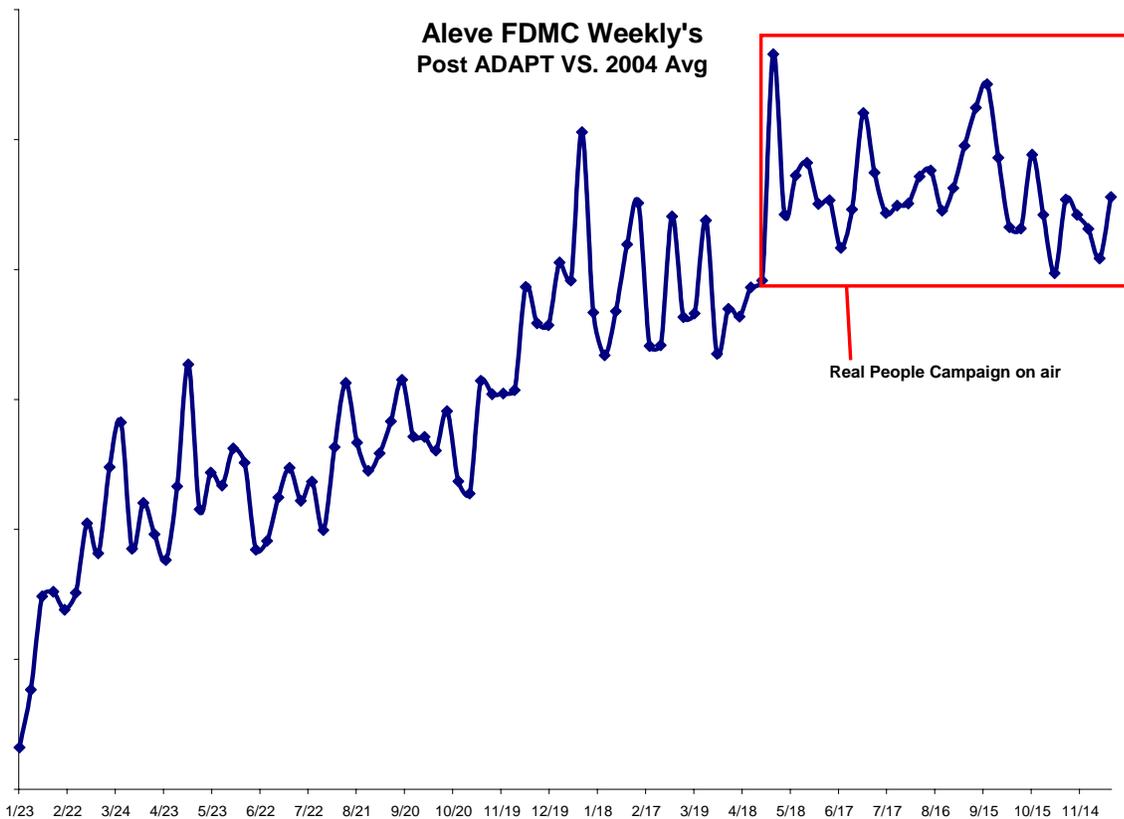
Campaign Launch

The campaign began with :15 teasers, :30 radio and a local and national PR effort that included a satellite media tour with longtime Aleve user and NFL star, Jerry Rice. The campaign featured brand advocates whose stories communicated a clear and functional role for the product, and more importantly, an emotional one.

Media weight was switched to 100% :30s, so consumers had enough time to truly connect with each person. Overall spending was increased during Network Primetime to ensure arthritis sufferers would see it. Television inventory planned in Cable and Syndication was shifted into Network properties, as it was more challenging to ensure a new message air every day in Cable and Syndication. Every time a spot was introduced on National TV, it was also placed In Store, on National Radio and on the AleveGoodNews.com website.

Business Results

As soon as the Arthritis Month campaign went on air, Aleve’s sales climbed dramatically. In the first weeks of the campaign, Aleve recorded its highest four week sales total ever. Additionally the brand grew its share of the category by 1.2 percentage points vs prior month from 7.6 to 8.8. Since the first airing of “Real People,” Aleve has been consistently above the 2004 pre-ADAPT sales benchmark.



Brand Tracking Data – Arthritis Treaters

- Highest unaided brand awareness (68% vs. 54% baseline)*
- Highest unaided advertising awareness (48% vs. 38% baseline)*
- Greater proportion of committed Regular Aleve Brand Users (30% vs 23% baseline)*
- Stronger arthritis association (65% vs 49% baseline)*

*Analgesic Tracker March '05 versus November '06

By the end of 2006, consumer confidence in the brand was back and top-box purchase interest had even surpassed brand confidence.

Arthritis Treaters	12 '04 (Post Adapt)	Nov '06
Aleve Purchase Interest		
Definitely Will Buy	17	28
Definitely/probably will buy	30	41
Aleve Confidence		
Extremely Confident	11	19
Extremely/very confident	25	45

The Aleve Case Study is not a typical research story, where we could test a rough cut, fine tune it, produce a spot and then test again to confirm its ability to breakthrough and persuade the target audience. A traditional approach did not allow for the evaluation of 31 different :30 finished executions. Instead, it's a story of a brand using research to achieve a depth of understanding of the prime prospect so that risks can be taken without the "safety net" of a traditional copy testing approach, because of our confidence in our own understanding of the target.

The Aleve brand continues to see strong sales levels behind the "Real People" campaign.

Research Sources and Methodology

Analgesic Segmentation Study, 2003

Several on-going group worksessions led the team to a final segmentation, which was segmented by pain state identifying the I+ &J arthritis consumers as the prime target for Aleve

Gang & Gang, 2003

Custom web-based questionnaire

Target = 300 arthritis (I+) treaters -All respondents recruited from G&G's on-line panel

Using proprietary Resonance® topics to evoke emotional and intellectual responses to pain reliever experiences:

With Ideal Pain Reliever, with Aleve, and Most Frequently Used (other than Aleve) as a Treatment for Arthritis

Resonance protocol includes:

Spontaneous unprompted emotions (5 different words) on each stimulus

Unprompted reasons given for each emotion word

Aleve User Qualitative (Post ADAPT), 2005

6 90 minute mini groups were conducted among 40-68 year old Aleve treaters to gauge their knowledge of ADAPT news and to understand how this impacted their perceptions of the brand

2 Regular Aleve User Groups that unchanged their usage of Aleve

2 Regular Aleve User Groups that lessened their usage of Aleve

2 Former Aleve User Groups that discontinued their usage of Aleve

ADAPT/Analgesic Trackers, 2005 & 2006

ADAPT Tracker

Interviewing was conducted on-line among members of Survey Sampling's "Survey Spot" Panel. One thousand consumers, (250 in each group 18-39, 40-54, 55-69, and over 70 years of age were interviewed). Half of the consumers within each age group were males, half females.

A total of six ADAPT Tracker were fielded to keep a pulse on key measures

Analgesic Trackers

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Once team felt confident that consumer trust in the brand was back (based on ADAPT Tracker), tracker was converted to an analgesic tracker that did not focus on news measures, but more brand health and competitive measures

Arthritis Deep Dive, 2005

Interviewing was conducted in central locations. The basic sample was 707 interviews conducted among consumers age 45 or over who suffer from arthritis. One-third of the respondents were in each of three age groups 45-54, 55-64, and 65 or over. (Although the oldest group of consumers (those 65 or over) account for a small portion of category users they account for fully half of all of the pills consumed.) Additionally, 100 interviews were conducted among arthritis sufferers under the age of 45.

Respondents were both males (40%) and females (60%), evenly distributed among the three age categories.

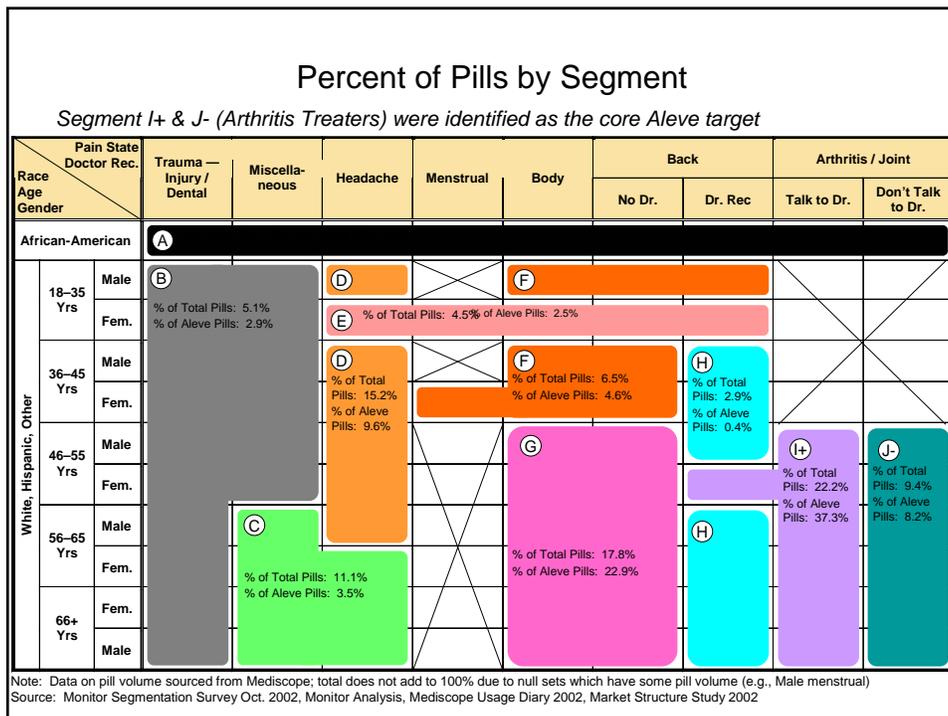
Screening and preliminary interviewing was done on computers in central location facilities and there was a take-home self-administered booklet.

IRI HH Target Panel Study, 2005

Using IRI 's AttitudeLink™ service, Bayer conducted attitudinal surveys among IRI's Consumer Network panel, a group of over 70,000 U.S. households who use a handheld scanner to record their bar-coded product purchases. AttitudeLink provides a direct link between longitudinal purchasing behavior and the consumer needs and attitudes underlying that behavior.

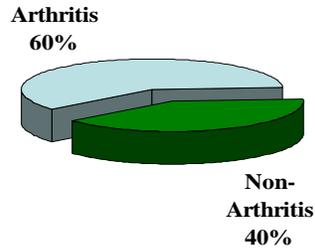
A custom survey was conducted among the entire panel and administered via a panelist newsletter. This approach was used to type the panel according to Bayer's custom segmentation. Using the household panel data, the purchase behavior of consumers within the various segments were examined to identify which groups were contributing to Aleve's sales loss, which would help the team focus its marketing efforts.

Key Research Data



The majority of Aleve's dollar losses in the 8 weeks Post ADAPT trace to the Arthritis sufferer.

Source of Aleve's Dollar Losses



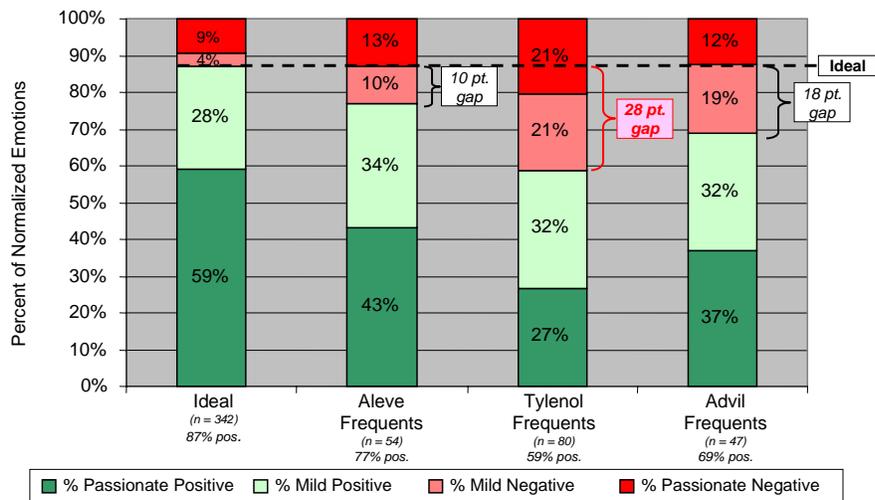
Estimated % of Total US Households:
 Arthritis = 33%
 Non-Arthritis = 67%

Action: Arthritis Penetration Objective

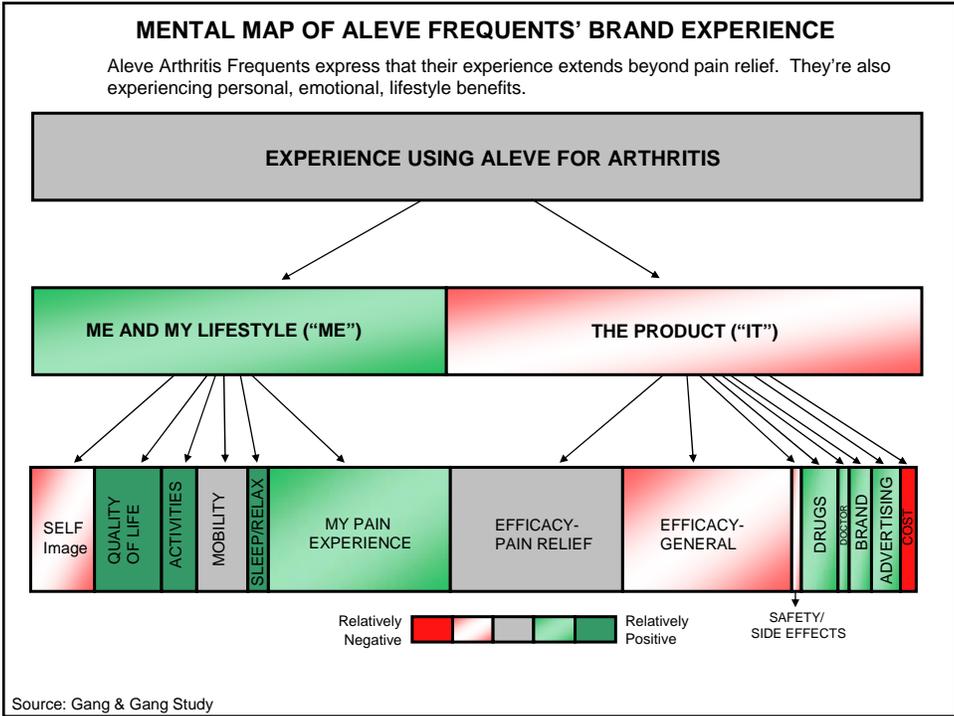
Source: IRI Panel Study Post ADAPT

ALEVE FREQUENTS' EXPERIENCE CLOSER TO IDEAL

Emotion Responses for Brand Used Most Frequently (I-Plus Consumers)



Source: Gang & Gang Study



ARTHRITIS PAIN PROFILE -By Segment-

	Total (803)	Age 45+			
		I+ (553)	J (154)	Age Under 45 (96)	Age 65+ (231)
Base: Total Respondents	%	%	%	%	%
FREQUENCY SUFFER FROM ARTHRITIS PAIN					
Everyday	43	49	24	36	47
Several days a week	33	32	39	27	30
About once a week	12	8	20	21	7
Once a week or less	13	11	17	17	16
Mean	4.5	4.9	3.5	3.9	4.7
HOW BOTHERSOME ARTHRITIS IS					
<u>Extremely/Very Bothersome</u>	57	61	39	59	54
Extremely bothersome	18	21	9	21	16
Very bothersome	38	40	30	38	38
Somewhat bothersome	38	34	53	36	39
<u>Not Too/Not At All Bothersome</u>	5	5	8	5	7
Not too bothersome	5	4	6	5	6
Not at all bothersome	1	0	2	0	1

Continued...

ARTHRITIS PAIN PROFILE -By Segment (Cont'd)-

	Total (803) %	Age 45+		Age Under 45	Age 65+
		I+	J	(96) %	(231) %
TIMES OF DAY TYPICALLY SUFFER FROM ARTHRITIS					
Daytime	89	89	87	91	87
When I wake up	66	68	60	62	52
After waking up but before breakfast	24	25	18	25	14
Breakfast time	14	15	10	15	6
After breakfast but before lunch	19	20	13	20	13
Lunch time	22	22	13	30	7
After lunch but before dinner	22	24	16	22	12
Dinner time	20	20	12	36	8
Nighttime	65	64	66	72	65
In the evening after dinner	37	36	37	38	37
When I go to bed	39	39	40	40	38
During the night	33	34	26	40	32
Daytime only	31	31	32	27	30
Nighttime only	7	6	11	8	9
Both	58	57	55	64	56
SIMILARITY OF PAIN AT DIFFERENT TIMES					
Same through the day and night	49	51	38	52	51
Different times I am bothered	54	52	63	50	51

Continued...

Top 3 BEHAVIOR CHANGES IN RESPONSE TO ARTHRITIS PAIN - Total -

