

## **Verilogue hears what patients say**

**By John George**

**January 15, 2010**

HORSHAM — In its latest pharmaceutical market research study, **Verilogue Inc.** found that spending big bucks on direct-to-consumer advertising doesn't automatically mean patients will be more likely to bring up a heavily promoted drug when talking to a doctor.

In fact, the study found physicians were more likely to make reference to specific commercials than patients were during office visits.

Verilogue's analysis is not based on Internet questionnaires or surveys with patients or doctors conducted after office visits. Instead, the 3-year-old Montgomery County health-care market research company literally eavesdrops on actual discussions between patients and their doctors — provided both agree to it beforehand.

Jeff Kozloff, Verilogue's CEO and co-founder, said the company has developed a patent-pending, point-of-practice database and technology system that starts with the company digitally recording conversations in doctors' offices.

"The beauty of what we do is get [information] that is not stated afterwards, it's derived from actual conversations," Kozloff said. "We have conversations between a doctor and a patient that are two hours and conversations that are two minutes and everything in between. We take that unstructured dialogue and put meaning to it."

April Neidholdt, 26, of Pasadena, Calif., an administrator at the California Institute of Technology who has type-1 diabetes, jumped at the chance to have her conversations recorded. Neidholdt said when people think of diabetes, they view it as a disease that afflicts primarily the elderly.

"I saw this as an opportunity for people like me to take our stories right to the pharmaceutical companies so they can better understand what we are looking for to manage our condition," she said.

Verilogue's clients are primarily pharmaceutical manufacturers, including 14 of the 15 largest Big Pharma companies, seeking to improve how they interact with both consumers and health-care providers. It has worked with marketing teams representing more than 75 different branded pharmaceutical products at those companies.

Jeffrey Dierks, senior product manager for **Endo Pharmaceuticals**, said the Chadds Ford specialty pharmaceutical company hired Verilogue to assist its marketing efforts for one of its pain medicines.

“Everybody does physicians research and everybody does patient research,” Dierks said. “What we don’t do enough of is look at how disease states are discussed between doctors and patients, and how product and treatment options are considered.”

Endo plans to use the knowledge it gained from Verilogue’s analysis of physician-patient discussions to improve its direct-to-consumer advertising and the education materials it provides to physicians and patients for an unnamed product.

“Sometimes patients have a hard time explaining their pain,” Dierks said. “We think we can help empower patients and doctors with more standardized vocabulary.”

The company has agreements with more than 40,000 patients across the country who are allowing their conversations to be recorded, which, Kozloff said translates into “thousands of conversations” each month. It records verbal exchanges in the offices of doctors covering 14 different specialties and encompassing 75 disease areas.

Those conversations are scrubbed of all information that could be used to identify the patient or physician, then analyzed by both humans and computers for key information used in market analysis studies.

Dr. Regina Kohls, a family physician in Cincinnati, agreed to be part of the research program (for which she is paid by Verilogue) and said about 95 percent of her patients also participate. Patients receive a remuneration if they agree to participate in follow-up studies.

“The idea of capturing the patient visit on audio to improve patient education materials is very innovative and appealing,” Kohls said. “Surprisingly, I have found that the tape recorder has not impacted patient visits. Once it has been turned on, and I record the obligatory disclaimer, the recorder seems to fade away. The patient and I begin the visit and the health-care issue at hand becomes the priority.”

Kozloff founded the company in his basement in 2006 with Jamison Barnett. Both have backgrounds in pharmaceutical marketing research.

“We both spent a lot of time in rooms where researchers talked with patients,” he said. “We thought there had to be a better way to measure patients’ attitude and behavior.”

In December 2007, the company raised \$4 million from the Edison Venture Fund of Lawrenceville, N.J., its only venture capital investment to date.

Verilogue, a privately held company, does not disclose revenues. Kozloff said the company did experience a 34 percent sales growth in 2009 compared to the previous year. Its staff has grown from the two founders to 38 employees.

Kozloff said Verilogue's data gathering process meshes well with the movement toward a more personalized approach to medicine. "We record conversations from people who are newly diagnosed through to people who have been living with a chronic disease for 15 to 20 years," he said. "The needs of patients are different through the continuum of care."

Verilogue's study on direct-to-consumer advertising found drug companies need to do a better job connecting meaningfully with patients and preparing physicians with visual aides and other materials to put side effects — which must be mentioned in commercials — into perspective.

The study found the most successful ad campaign was for **Genentech's** postmenopausal osteoporosis drug Boniva featuring Sally Field. The analysis found people related to having a well-known and trusted actress deliver the company's message to the target audience: middle-aged woman.

"Direct-to-consumer advertising has its place," Kozloff said, "but there are opportunities to improve it."