

## DailyVista

### OraSure reports higher revenue after increasing marketing, PR spend for OraQuick

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[OraSure Technologies](#) reported higher first quarter revenues last week after increasing national advertising and public relations spend for the [OraQuick](#) in-home HIV test.

The OraQuick In-Home HIV Test is the first in-home oral HIV test. It is an over-the-counter version of OraQuick Advance, an oral swab rapid test with more than 25 million units sold in the professional market, including doctors, hospitals, clinics and other trained professionals.

For the first quarter ended March 31, OraSure's consolidated operating expenses increased to \$5.2 million, or 30 percent, compared to the first quarter of 2012, largely due to higher spending associated with advertising and promotional activities for OraQuick, President and CEO Douglas Michels said during the company's earnings call May 8.

Advertising and promotional costs for OraQuick were \$6.9 million in Q1, compared to \$1 million spent on launch preparation in the first quarter of 2012.

About 100,000 people have purchased OraQuick since it became available in the fourth quarter 2012, according to Michels.

OraSure's revenue in the first quarter was \$21.2 million, 6 percent higher than \$20.9 million during the prior year period. Michels said this sales growth was driven by the following three initiatives:

- Continued national advertising
- Continued national public relations
- The recent addition of regional and local marketing activities targeting communities at highest risk for HIV

"Specifically, we continued our print, digital and television advertising throughout the first quarter, shifting from our 45-second launch TV spot to more efficient 30- and 15-second spots," Michels stated. "This allowed us to generate a greater number of impressions against our target audiences."

Kathleen Weber, senior vice president and general manager of consumer products, said TV drove sales growth through the beginning of April and local and regional activity led to the next growth phase, including heightened local and national level web traffic.

"We have made some other shifts in our media, not just the shift of 30s and 50s, but our digital strategy has evolved with learning where we moved away from some banner ads that were less effective and moved more into page search," she continued. "We have seen dramatic increases in our digital conversion rates, just literally in the past month from making that change. So, I think the point is as we

shift, we try to become more efficient. We are measuring in any way that we can, whether its sales, website traffic or conversion rates. We have some awareness and tracking surveys and zip code analysis to measure where we are having impact and what we can do differently and more smartly.”

OraSure is carefully measuring and tracking the impact of all marketing activities to optimize plans for the back half of 2013.

“We are also analyzing store level point of sale data to understand by geography and, in some cases, down to the zip code level where our sales are strongest,” Michels stated.

In late March, OraSure began regional and local radio, outdoor ads and event marketing activities to reach customers at bars nightclubs and community events, as part of the new “[Make Knowing Your Thing Today](#),” campaign.

The campaign is geared towards stimulating conversations about HIV and creating buzz around the need for testing. The campaign asks people nationwide to share stories about their decision to test for HIV.

“We’ve also continued our national public relations efforts around key dates, such as National Black HIV Aids Awareness Day in February, and Women and Girls HIV Awareness Day in March,” Michels said. “We are continuing our relationship with [former NBA player] Magic Johnson who has assisted us in generating over \$200 million media impressions for our brand since the start of the launch.”

Local radio activity has featured prominent celebrity disc jockeys like Tom Joyner and Elvis Duran.

“The goal of these activities was to provide more information about HIV and the impact that it is having on various communities,” Michels expressed. “We are also reinforcing the ideas that it has never been easier to learn your HIV status with OraQuick In-Home HIV Test.”

OraSure reports that OraQuick’s retail launch has been received positively, which may lead to drugstore channel expansion.

“Given our performance and learning, we are now actively seeking standard distribution in both the e-commerce and brick and mortar space,” Michels acknowledged. “In the weeks to come we expect you’ll see the product become available on [walgreens.com](#), [riteaid.com](#) and [drugstore.com](#) .”

Approved by the U.S. Food and Drug Administration in July 2012, OraQuick was named one of the “Best Inventions of 2012” by TIME and was also named a “[Top Health Breakthrough of 2012](#)” by Men’s Health magazine.

[Zer0 to Five](#), with offices in New York and Philadelphia, assists OraSure with its PR efforts.