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Biotech DTC: Business Not As Usual

By John Mack

In 2005, sales of biotech products—i.e., biologics, including therapeutic serums, toxins, antitoxins, vaccines, blood components or derivatives, allergenic products, or analogous products, or derivatives (see box)—grew by 17.1 percent, far outstripping the 5.2 percent in sales growth of small molecules—products developed and marketed by Big Pharma. Although the overall total sales of biologics is still small in comparison to small molecules—about \$52 billion vs. \$600 billion—the biotech industry is poised to dramatically increase the number of products it adds to the market each year.

Whatever the numbers, there's blood in the water and ad agencies are circling, trying to entice these innovative companies into transforming themselves into marketing machines. Some agency people suggest that biotech needs to engage in traditional direct-to-consumer (DTC) advertising. Biotech, however, needs more than DTC as usual.

Follow Big Pharma's Footsteps?

There is no doubt that biotech companies should complement their R&D prowess with marketing expertise, unless they wish to be gobbled up by Big Pharma and that will be that. Some experts suggest, however, that it may be imprudent for biotech to follow too closely in Big Pharma's footsteps, especially with regard to broadcast (i.e., TV) DTC.



Alfred O'Neill

"Biotech should not take on the Big Pharma model with heavy emphasis on TV," says Alfred O'Neill, SVP, Group Director at Ryan TrueHealth, an integrated direct marketing healthcare agency. "Nor should they use unbranded ads the way Big Pharma has done—better to work with philanthropic and patient organizations to support the patient in a grassroots way, not just with a TV ad.

Paul Oestreicher, Director, US Hill and Knowlton, a healthcare communications

Definitions

Biopharmaceuticals or biologics are manufactured by biotechnology methods that involve complex biological molecules. Traditional drugs, on the other hand, are manufactured by chemical (nonbiological) means and involving small molecules.

FAQs from FDA's Center for Biologics Evaluation and Research (CBER):

What is a biological product?

Biological products include a wide range of products such as vaccines, blood and blood components, allergenics, somatic cells, gene therapy, tissues, and recombinant therapeutic proteins. Biologics can be composed of sugars, proteins, or nucleic acids or complex combinations of these substances, or may be living entities such as cells and tissues. Biologics are isolated from a variety of natural sources - human, animal, or microorganism - and may be produced by biotechnology methods and other cutting-edge technologies. Gene-based and cellular biologics, for example, often are at the forefront of biomedical research, and may be used to treat a variety of medical conditions for which no other treatments are available.

How do biological products differ from conventional drugs?

In contrast to most drugs that are chemically synthesized and their structure is known, most biologics are complex mixtures that are not easily identified or characterized. Biological products, including those manufactured by biotechnology, tend to be heat sensitive and susceptible to microbial contamination. Therefore, it is necessary to use aseptic principles from initial manufacturing steps, which is also in contrast to most conventional drugs.

Biological products often represent the cutting-edge of biomedical research and, in time, may offer the most effective means to treat a variety of medical illnesses and conditions that presently have no other treatments available.

This article contains excerpts from the article "From oligos to Oprah—the consumer and biotech" by Paul Oestreicher, Tim Warner & John Mack; *Nature Biotechnology* 24, 265 (2006)

agency, however, believes biotech companies should take on more marketing functions and rely on DTC as much as Big Pharma.

“All too frequently,” says Oestreicher, “[biotech] companies neglected to insert marketing questions into [the] mix. For long-term success, it’s important that biotech executives ask and address [marketing] questions early on in the biologics development process because finding the right answers is no small task...all indications are that the biotech industry will rely more—as the pharmaceutical industry has—not less, upon DTC-DTP communications to promote medicines...” (“From oligos to Oprah—the consumer and biotech.”)

Meanwhile, Big Pharma is being encouraged by some experts to go the opposite way. “Taking [decision-making] out of corporate hands and putting it in scientists’ hands [allows] them to go back to the way it was in the ’60s and ’70s, when it was mostly a science-driven process and CEOs were scientists,” says Kenneth Kaitin, director of the Center for the Study of Drug Development at Tufts University in Boston, in a March 27, 2006, Wall Street Journal article (“Bureaucracy Buster? Glaxo Lets Scientists Choose Its New Drugs”).

“Big Pharma has taken the big corporate approach to marketing,” says O’Neill. “It focuses almost exclusively on acquisition and for them DTC is like a big fishnet that is thrown out to see how many patients can be acquired and driven to the doctor’s office. Hopefully, the consumer is making the right choices based on the limited amount of information available to them.”

Biotech Products Require More Education

Oestreicher believes biotech needs DTC “not least because biotech products are every bit as complex as pharmaceutical products, if not more so.” Advertisers, however, readily admit that broadcast DTC ads cannot convey complex messages. The Coalition for Healthcare Communication (an organization representing several ad agencies and health communications companies), for example, asserts that “to ask [DTC] advertising to educate is to ask it something it is not capable of doing.”

O’Neill points out four defining features of biotech products:

1. The complexity of the science behind it and the use of genetics
2. Many involve complex delivery systems such as injections, infusions, etc.
3. Cost factors
4. Higher benefit, but also higher risk

One challenge biotech marketers will have is convincing consumers to opt for a biotech product instead of simply taking a pill. For example, Preos is a new self-injectable treatment for osteoporosis developed by Biogen. Other osteoporosis drugs, such as Boniva and Fosamax, which are heavily advertised on TV, are pills.

“How do you convince a woman that she should consider injecting herself with Preos when she has been told by her physician that she can take a pill once a month?” asks O’Neill. “The reward has to be articulated well enough to overcome this and I don’t see how this can be done in a standard TV commercial.”

The “Oprahsizing” of Advertising

“Biotech DTC execution,” says O’Neill, “needs to break away from the glossy imagery and use of celebrities endemic to Big Pharma DTC. Biotech should not shy away from its strength, which is science. It needs to embrace the science in its marketing communications. The science, however, has to be explained in human terms in order to encourage patients to be engaged in the treatment. We all know that 50% of patients drop therapy—even life-saving therapy—within 3 months. What that tells me is that these are not really committed patients. They have been driven to the doctor by DTC advertising but they have not had their expectations set.”

Many marketers suggest that the science has to be “dumbed down” so that consumers can understand it. Rather than dumbing down the science in order to do broadcast DTC—a strategy doomed to failure in any case—biotech companies need to master communications channels that allow them the space and interactive tools to explain the science.

Scientist Ambassadors

“What would happen,” asks O’Neill, “if you made scientists in charge of marketing? Take the GSK ‘Clarence the scientist ads.’ Why does Clarence speak only in an unbranded fashion? Why can’t he talk about the product he has worked so hard on and that he believes in? I believe biotech companies should let the humanity of the science and the passion behind the development of these near cures come through in the marketing. These people have been working within a desert of results for 15 years before achieving success. Why wouldn’t you want these people as “ambassadors” to the patient?”

The complexity of biotech products requires evidence-based, science-driven marketing, which cannot be delivered via superficial TV ads. Consequently, rather than devoting 75% of its DTC budget on TV as does traditional pharma, biotech

should focus on more information-rich and targeted channels such as the Internet, direct mail, and other “out-of-the-box” techniques.

O’Neill suggests a broadened definition of DTC: “any method for touching a patient or consumer.” He suggests the following channel mix for biotech DTC, in order of importance:

1. Internet
2. Call Centers – “I mean a real call center with nurses that will reach out to you and partner you with other patients to form your own local support groups; this is distinct from the type of call center Big Pharma deploys.”
3. Direct Mail
4. Grassroots patient advocacy

Cost of Biotech Products

Extravagant spending on DTC—especially expensive and very visible broadcast DTC—is often cited rightly or wrongly by critics as being responsible for high drug costs. Biotech will have to be careful to communicate the value of their products without exposing itself to this withering criticism.

“Biotech products,” says O’Neill, “are really services rather than drugs. The serious risks and complexity of biologics require treating acquisition and retention as one in the same and that means service. These are expensive drugs with high margins and biotech companies can afford to provide virtually personalized service. This can be done economically because the target patient group for most biologics is relatively small.”

Biotech Marketing Guideposts

“Biotech marketing should frame messages around three core concepts as guideposts,” according to O’Neill:

1. Emotion
2. Science
3. Value

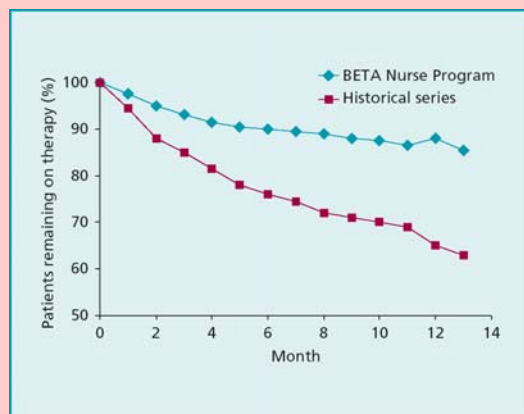
To attain the goal, biotech must resist the siren call of marketing and advertising agencies steeped in traditional broadcast DTC experience and learn from Big Pharma’s mistakes.

Pharma Marketing News

Service vs. Product: Betaseron Case Study

Berlex, the US subsidiary of Schering AG, which manufactures and markets Betaseron for the treatment of Multiple Sclerosis (MS), supports patients through its MS Pathways™ program. According to a 2004 press release, this program includes tools to help patients and well partners find an MS-specialist B.E.T.A. (Betaseron® Education, Training and Assistance) Nurse, who is available any time, day or night, to help answer their questions, as well as to locate a local B.E.T.A. Center, a community meeting place for members of the MS community. The B.E.T.A. nurses network, which includes more than 50 MS nurse specialists, helps people on Betaseron manage their disease and offers ongoing support to patients, families and friends. B.E.T.A. Centers are an integral part of the B.E.T.A. nurse program, and are the first and only privately sponsored centers in the United States just for people with MS. Currently, there are nine B.E.T.A. Centers across the country.

The US program is modeled after the European version, which demonstrated a striking improvement in adherence. Published studies have shown that after 13 months, 20% more program participants remained on Schering AG’s Betaseron therapy (when compared with historical data on non-participants; see Chart). “It’s very successful,” says Len Starnes, Head of European eBusiness for Schering AG, “and it drives all of our disease management programs in MS.” (For more information on this program, see PMN reprint “[European Compliance Not Only Possible, But Leading Edge](#)”.)



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