

Big biotech embraces direct-to-consumer advertising

Under the gun of increased oversight on drug company advertising by the US Food and Drug Administration (FDA), the Washington, DC-based industry group Pharmaceutical Research and Manufacturers Association (PhRMA) on July 29 announced a set of guiding principles for ethical practices in direct-to-consumer advertising (DTC). DTC has already seduced a handful of biotech companies—among those that can afford it—and could become an integral part of their new product marketing strategy, which will no longer be limited to healthcare professionals.

Amgen's mass media and celebrity campaign for its product, Neulasta, an injectible biologic that counteracts a major side effect of chemotherapy, is unusual for such a specialty product. Compared with primary care pharmaceuticals, biotech and specialty pharmaceuticals are generally not appropriate for mass media DTC campaigns. They are often much more expensive and complicated to administer and target a compact group of patients. "For the most part, it's hard to justify the money spent on a really broad campaign," says James Gower, CEO of Rigel Pharmaceuticals in S. San Francisco, California, who headed sales and marketing at Genentech in the 1980s.

But Amgen's use of DTC is one of the more visible markers of what experts describe as a growing trend among biotech and specialty care companies; now, they more routinely include patient and consumer outreach into their marketing budgets. That's because small specialty companies are increasingly starting to own their marketing rather than partnering with bigger industry players to launch a product. "Now they're looking at [marketing to consumers] as an option—it's another way to generate revenue," says Osnat Benshoshan, who left her position as a senior marketing manager for Neulasta at Amgen to found the marketing consultancy DTC Catalyst in Los Angeles, California.

Deciding what kind of marketing strategy to use during a product's launch can determine where the product will end up in the spectrum of primary care to specialty markets. "It's sort of a leap of faith," says Benshoshan. "If you really believe that consumers are going to drive the decision, then you can go out there [with DTC]." Marlborough, Massachusetts-based company Sepracor,

Amgen went for direct-to-consumer advertising for one of its oncology products.

for example, accompanied last December's launch of its sleep aid, Lunesta, with a massive print and TV DTC campaign, reportedly costing \$60 million (*Nat. Biotechnol.* 23, 269, 2005).

To grasp the benefit of DTC, biotech companies have to be creative. Most specialty products require a different form of marketing from the \$80 million mass media campaigns run by big pharma. "DTC, for me, encompasses any way to reach patients, not just print and media," Benshoshan says. Companies are pursuing strategies such as creating educational websites for diseases their treatments target, or forming partnerships with disease advocacy groups. "The strategy has to be education—you can't really be pushing a brand," says Geoff MacKay, CEO of Organogenesis, a Canton, Massachusetts, company focusing on wound healing and skin regeneration.

"What you have to be comfortable with is that you are building a market others will benefit from," points out MacKay. Often, such approaches do not directly mention a product, but simply raise awareness of patients and their caregivers—who are increasingly seeking health information online—concerning a condition. Although the effect of such

marketing is more diffuse, there's also an upside: "If you're a specialty marketer, your consumer is going to be looking for you," says Brian Heffernan, executive vice president of consumer practice at GSW Worldwide, a healthcare marketing company in Columbus, Ohio. And DTC costs are particularly suited for small company budgets. "For about \$750,000 you can do an effective pilot program," he adds. "For \$2 to \$5 million, you can really make [a campaign] that is communicating with people who need to know about your product."

DTC strategy may vary. Despite the fact that Alkermes' Vivitrex, a once-monthly injectible treatment for alcohol addiction, currently under review for FDA approval, has a potential market comparable to that of a primary care product, the company has chosen to take a specialist approach. By starting small and building a base with thought leaders in addiction, the company believes they will be able to attract more patients to the therapy down the line. But that does not preclude the use of DTC later on. "The question [of DTC] can be answered

over the entire life cycle of the product," remarks Richard Pops, CEO of Alkermes in Cambridge, Massachusetts.

Indeed, though DTC may not serve specialty drugs early on, it may become an increasingly important part of marketing specialty products after their reputation is established. "We have this notion that we can see an expansion of effort after a couple of years of the product on the market," says Pops, noting that Vivitrex's future may well involve DTC. The same is also true for Amgen's Neulasta. Although its DTC campaign was tied to its launch in April, 2002, physicians were already very familiar with its older sibling, Neupogen, which had been on the market for years but required daily, rather than Neulasta's monthly injection.

Still, the use of DTC by big companies like Amgen may remain a special case for biotech. "Most of us aren't lucky enough to have product sales to be expanded," says Gower.

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