

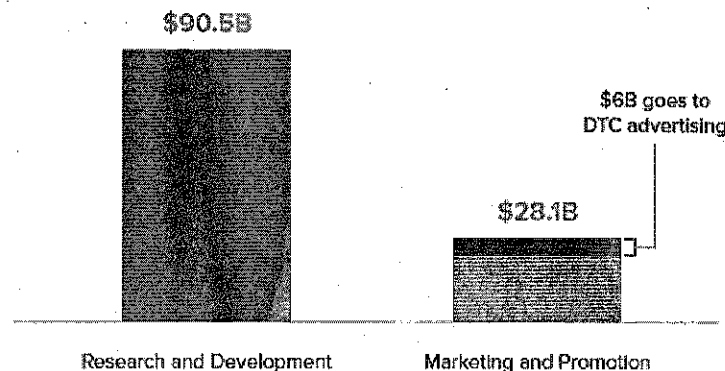
# MARKETING AND PROMOTION OF MEDICINES:

## 4 Things You Need to Know

### 1. THE BIOPHARMACEUTICAL INDUSTRY SPENDS SIGNIFICANTLY MORE ON R&D THAN ON MARKETING AND PROMOTION.

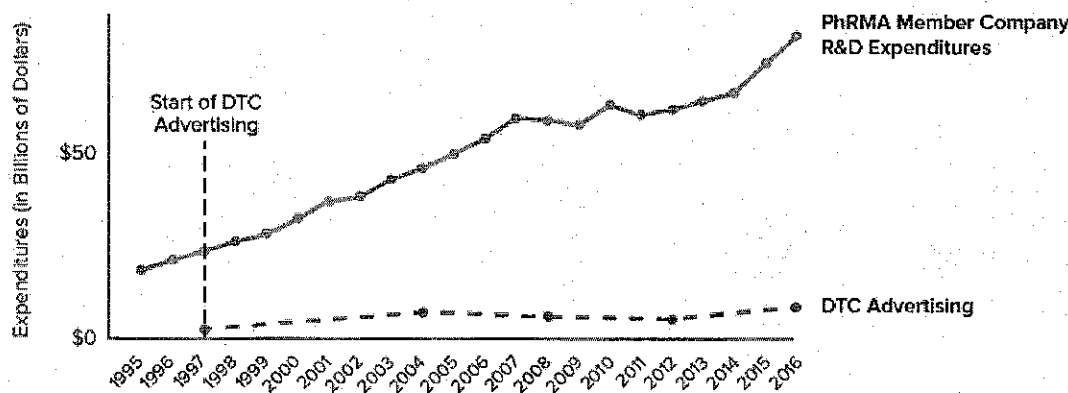
Comparisons of spending on R&D versus marketing and promotion often grossly overstate marketing and promotion spending by including expenses unrelated to marketing and promotion, such as shipping and distribution, rent and other overhead.<sup>1</sup>

Recent data published in the Journal of the American Medical Association (JAMA) shows total industry marketing and promotion spending to be much lower than its spending on research and development (R&D).<sup>2</sup>



Sources: Research!America, 2018 (for R&D estimate). Schwartz, et al, 2019 (for marketing and promotion estimate).

### 2. INVESTMENT IN R&D IS STRENGTHENED – NOT DIMINISHED – BY MARKETING AND PROMOTION.



R&D and marketing are **NOT** a zero-sum game. On the contrary, R&D investment showed no decline with the introduction of direct-to-consumer (DTC) ads.<sup>3</sup>

Sources: PhRMA, 2019 PhRMA Annual Membership Survey, 2019 (for R&D figures). Schwartz, et al. 2019 (for DTC advertising estimates).

### 3. MARKETING AND PROMOTION BENEFIT PATIENTS, PROVIDERS AND THE HEALTH CARE SYSTEM.

DTC advertising has proven benefits, such as raising disease awareness, removing stigma, and promoting adherence to medicine.<sup>4,5,6</sup> And biopharmaceutical companies also share important and timely information about medicines directly with health care professionals, including findings from new clinical studies, new dosing information, and emerging safety and risk information consistent with FDA regulations.<sup>7</sup>

### 4. MARKETING AND PROMOTION ACTIVITIES ARE HIGHLY REGULATED BY THE FDA, AND COMPANIES DEVOTE SIGNIFICANT RESOURCES TO ENSURE RESPONSIBLE AND TRUTHFUL PROMOTION.

The FDA closely regulates marketing and promotion to help ensure materials are accurate and non-misleading, and include a “fair balance” of the product's benefits and risks. In addition to FDA's oversight of drug advertising, PhRMA has issued a Code and Guiding Principles that provide guidelines for companies' promotional communications.<sup>8,9</sup>

## Endnotes

1. U.E. Reinhardt, "Perspectives on the Pharmaceutical Industry," Health Affairs 20, no. 5 (September/October 2001): 136-149.
2. Research!America. U.S. investments in medical and health research and development, 2013-2017, Fall 2018 (for R&D estimate). Schwartz LM, Woloshin S. Medical marketing in the United States, 1997-2016. JAMA. 2019;321(1):80-96 (for marketing and promotion estimate).
3. PhRMA. 2019 PhRMA Annual Membership Survey. July 2019. <https://www.phrma.org/Report/2019-PhRMA-Annual-Membership-Survey>
4. Princeton Survey Research Associates International, "2017 Direct to Consumer Advertising Survey," April 2017.
5. Food and Drug Administration, "Patient and Physician Attitudes and Behaviors Associated with DTC Promotion of Prescription Drug – Summary of FDA Survey Research Results," November 19, 2004, <https://www.fda.gov/media/112016/download>
6. Bhutada NS; Rollins BL. Disease-specific direct-to-consumer advertising for reminding consumers to take medications. Journal of the American Pharmacists Association: JAPhA. 55(4):434-7, 2015 Jul-Aug.
7. KRC Research. "Survey of Physicians About Pharmaceutical and Biotech Research Company Activities and Information." Washington, DC: KRC, February 2014.
8. Pharmaceutical Research and Manufacturers of America, "Code on Interactions with Health Care Professionals," February 2017, <http://www.phrma.org/codes-and-guidelines/code-on-interactions-with-health-care-professionals>
9. Pharmaceutical Research and Manufacturers of America, Guiding Principles: Direct to Consumer Advertisements About Prescription Medicines. (Washington, DC: PhRMA, 2009), <https://www.phrma.org/codes-and-guidelines/direct-to-consumer-advertising-principles>