

# 4 Things You Need to Know About Marketing and Promotion of Medicines

Innovative biopharmaceutical research companies are committed to bringing new medicines and vaccines to patients. As the biopharmaceutical industry makes advances in bringing these new products to fight and prevent illness, individuals are increasingly looking for detailed information about medical conditions, prevention and therapies. This information can help empower patients and health care professionals to make informed health care choices.

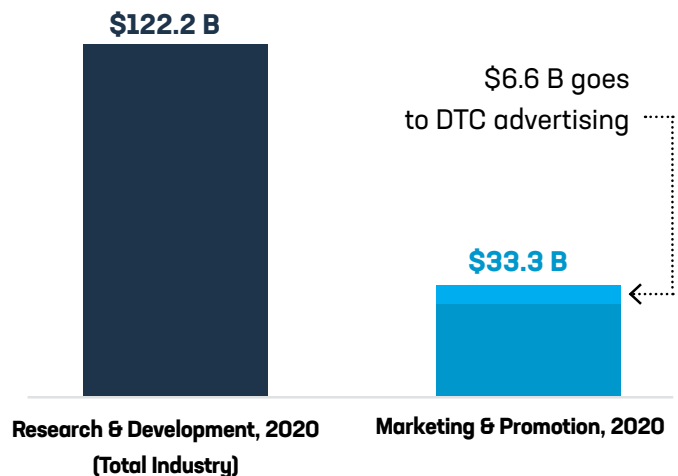
A significant advantage of direct-to-consumer (DTC) advertising lies in its ability to promote informed dialogue regarding health, illness and treatment options between patients and their health care providers.

Here are four key things to know about the marketing and promotion of medicines:

## 1. The biopharmaceutical industry spends significantly more on research and development (R&D) than on marketing and promotion.

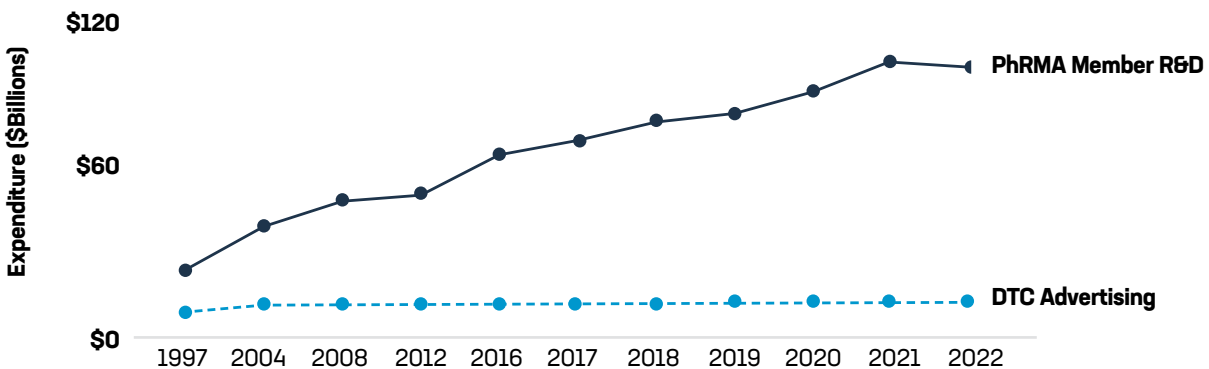
Comparisons of spending on R&D versus marketing and promotion often grossly overstate marketing and promotion spending. Estimates often include expenses unrelated to marketing and promotion, such as shipping and distribution, rent and other overhead.<sup>i</sup>

Recent data show total industry marketing and promotion spending<sup>ii</sup> to be much lower than R&D.<sup>iii</sup>



## 2. Investment in biopharmaceutical R&D is strengthened—not diminished—by DTC advertising.

R&D and marketing are not a zero-sum game. Biopharmaceutical R&D investment is far greater and has significantly increased over direct to consumer (DTC) advertising.<sup>iv</sup>



*Pharmaceutical DTC television advertising largely dates back to 1997 when FDA allowed broadcast advertisements to include a "major statement" about the warnings and precautions of a drug if "adequate provision" is made for providing consumer with the full prescribing information (e.g., by referring to a print advertisement or internet page).*

### 3. Marketing and promotion of medicines, vaccines and disease awareness educates patients, providers and benefits our health care system.

DTC advertising has proven benefits, such as raising disease awareness, removing stigma and supporting adherence to medicine.<sup>v,vi,vii</sup> What's more, biopharmaceutical companies also share important and timely emerging 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>viii</sup>

### 4. Marketing and promotional activities are highly regulated by the FDA.

The FDA closely regulates marketing and promotion. FDA regulations require that prescription drug advertising and promotional labeling must be accurate and non-misleading, and include a “fair balance” of the product’s benefits and risks. FDA recently issued a final rule implementing a statutory requirement that the “major statement” of side effects and contraindications in DTC television and radio advertisements be presented in a clear, conspicuous, and neutral manner.<sup>ix</sup> In addition to FDA’s oversight of drug advertising, PhRMA has issued a Code and Guiding Principles that provide guidance for companies’ promotional communications.<sup>x,xi</sup>



#### Sources and Notes as of February 2024:

- i U.E. Reinhardt, “Perspectives on the Pharmaceutical Industry,” Health Affairs 20, no. 5 (September/October 2001):136-149.
- ii NDP Analytics analysis of data from Kantar Media, IQVIA, and CMS Open Payments (analysis for PhRMA applying approach from Schwartz LM, Woloshin S. Medical marketing in the United States, 1997-2016. JAMA. 2019;321(1):80-96).
- iii Research!America. U.S. Investments in Medical and Health Research and Development, 2016-2020, January 2022.
- iv PhRMA. 2023 PhRMA Annual Membership Survey (for R&D figures); Kantar Media (for DTC advertising figures). Note that DTCA includes spending on prescription drugs and disease awareness.
- v Princeton Survey Research Associates International, “2017 Direct to Consumer Advertising Survey,” April 2017.
- vi 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
- vii 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.
- viii KRC Research. “Survey of Physicians About Pharmaceutical and Biotech Research Company Activities and Information.” Washington, DC: KRC, February 2014.
- ix Direct-to-Consumer Prescription Drug Advertisements: Presentation of the Major Statement in a Clear, Conspicuous, and Neutral Manner in Advertisements in Television and Radio Format, U.S. Food and Drug Administration, November 2023, <https://www.fda.gov/about-fda/economic-impact-analyses-fda-regulations/direct-consumer-prescription-drug-advertisements-presentation-major-statement-clear-conspicuous-and>
- x 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>
- xi Pharmaceutical Research and Manufacturers of America, Guiding Principles: Direct to Consumer Advertisements About Prescription Medicines. (Washington, DC: PhRMA, 2009). <https://phrma.org/en/resource-center/Topics/Cost-and-Value/Direct-to-Consumer-Advertising-Principles>