

Pharmaceutical innovation? Pure marketing!

# All Mouth and No Trousers

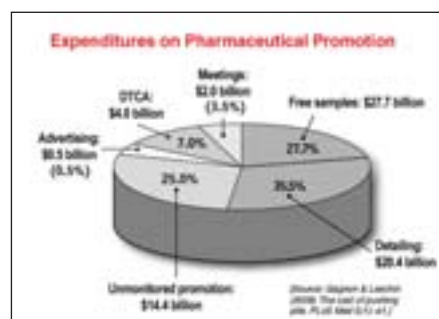
Industry spends twice as much on pushing pills as it does on research and development, says a recent study.

Have you ever wondered about the pharmaceutical industry's habit of firing hundreds of skilled employees whilst simultaneously banging on about innovation? Did you notice, the last time you were ill, that the little pills your medic prescribed were developed in the late 1970s? Are you just a little bit surprised to learn that several of the world's best selling drugs are pure life-style products with no real effect upon public health? And just how did your family doctor pay for that Porsche again?

## The real cost of pushing pills

A recently published study could answer such questions. The Canadians Marc-André Gagnon and Joel Lexchin have calculated how much money is spent in the USA on new drugs and how much the pharmaceutical industry spends on its foot soldiers and its 'ideal world' campaigns. In their study, entitled *The Cost of Pushing Pills*, they estimate the expenditure on pharmaceutical promotion in the United States and compare it with the amount of money spent on research and development (*PLoS Medicine* Vol. 5, No. 1, e1 doi:10.1371/journal.pmed.0050001). Their conclusion is startling: In 2004 (the latest

year for which data were available), total promotional spending by the pharmaceutical industry in the US came to about \$57.5 billion. It therefore appears that pharmaceutical companies spend almost twice as much on promotion as they do on research



Pharmaceutical marketing expenditure in the United States in 2004 totalled \$57.5 billion. In the same period, the industry spent only \$29.6 billion on R&D.

and development (\$29.6 billion in 2004). With about 700,000 practicing physicians in the US in 2004, the industry spent around \$61,000 per physician on promotion.

## US\$61,000 per physician

Expenditure on pharmaceutical promotion is mainly (more than 60 percent) composed of two activities: the dispersal of free drug samples, mainly to physicians, and academic detailing (i.e. health educators visiting physicians). Lower costs are incurred by direct-to-consumer advertising (DTCA), meetings, e-promotion, journal advertising and various others.

Even so, the study's authors regret that their figure is likely to be incomplete. Promotional expenditure such as ghostwriting and illegal off-label promotion would not be included in available data. Furthermore, they write, "items with promotional potential such as 'phase IV seeding trials' or educational grants might be included in other [company] budgets [...]".

According to the authors, seeding trials are mainly designed to promote the pre-



scription of new drugs rather than to generate scientific data,

"In 2004, 13% of R&D expenditures by American pharmaceutical firms was spent on phase IV trials. Almost 75% of these trials are managed solely by the commercial, as opposed to the clinical, division of biopharmaceutical companies, strongly suggesting that the vast majority of these trials are done just for their promotional value."

## Reliable sources

From where did Gagnon and Lexchin receive their information? Did they use questionable sources that are hypercritical of the pharmaceutical industry? Far from it! The raw data for the study were provided by two leading data collect on companies, IMS and CAM/Cegedim. Both IMS and CAM/Cegedim obtain their information directly or indirectly from the pharmaceutical industry (IMS) or from doctors (CAM/Cegedim) and have close ties with industry.

## Twice as much on promotion

However, there are concerns about the accuracy of the IMS data. IMS does not include the cost of meetings and talks sponsored by pharmaceutical companies nor the amount spent on phase IV "seeding" trials, nor other costs. Thus, the authors had to edit and to supplement the delivered data themselves and came to a figure twice as high as that reported by IMS and CAM/Cegedim. They conclude, "[...] Pharmaceutical companies spend almost twice as much on promotion as they do on R&D. [...] Promotion predominates over R&D in the pharmaceutical industry, contrary to the industry's claim."

It seems, therefore, that when the US pharmaceutical industry invests one dollar in a colourful package of pills they spend only fifty cents on developing its content. Well, that might be the situation in the United States, but what about Europe? In Europe, the situation is completely different – just ask your trustworthy drug manufacturer!

WINFRIED KOEPPELLE



An expensive and colourful package is crucial. The contents comes second.