

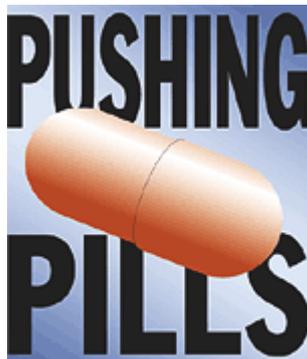
March 13, 2002

ADVERTISING

Ad Agencies Begin to Participate In Development of New Drugs

By VANESSA O'CONNELL
Staff Reporter of THE WALL STREET JOURNAL

More than telling American consumers why they need a particular medication, advertising agencies are increasingly working with large pharmaceuticals companies in the earliest stages of drug development.



In a potentially controversial practice, agencies are helping drug companies recruit patients for clinical trials and are even conducting medical experiments in agency-owned labs. In the past, such crucial groundwork was solely the purview of the drug makers and took place a decade or more before an agency came into the picture.

"What you're seeing is an emerging convergence between the clinical development and the commercialization of drugs," says Thomas Harrison, chief executive officer of the Diversified Agency Services division of **Omnicom Group Inc.**, the New York parent to BBDO Worldwide, DDB Worldwide and TBWA Worldwide. He adds: "The ultimate goal is to make drug development more efficient."

According to the Pharmaceutical Research and Manufacturers of America, the industry trade group, drug companies invested an estimated \$30.3 billion in research and development last year. For an agency, getting involved early in the process can be lucrative on its own but can greatly increase the chance of getting the account if the product ultimately comes to market. For the drug maker, agency involvement can shorten the costly process of getting a drug from development to market.

"The emphasis has to be speed, speed and more speed," says Lynn O'Connor Voss, the chief executive of **Grey Global Group Inc.**'s Grey Healthcare Group Worldwide, which last year handled the launch of such drugs as Advair for asthma, Nexium for heartburn and Augmentin ES-600 for children's ear infections.

But critics see a potential clash of science and business. They question whether ad agencies can succeed in their efforts to branch into the highly competitive drug development business, a field which until recently they have known very little about. In theory, there could be a temptation for the agency to tilt test results toward the

RECENT ADVERTISING ARTICLES

- [Ad Firm Finds It Lonely in the Middle](#) ^{3/12}

REIGNING IN DRUG ADS

[Backlash Rises Against Flashy Ads for Prescription Pharmaceuticals](#)¹

[Drug Makers Offer Consumers Coupons for Free Prescriptions](#)²

Cast Your Vote

Does advertising influence your use of prescription drugs? Participate in the [Question of the Day](#)³.

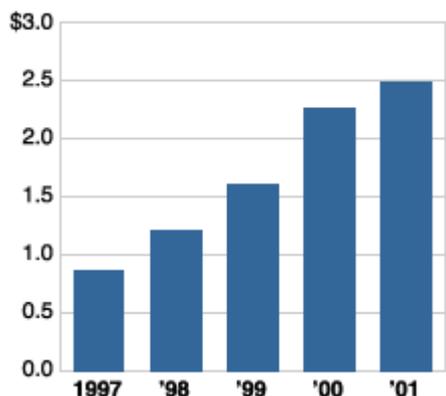
drug maker in hopes that it would eventually land the ad campaign for the new product -- and thus reap major advertising fees.

Others worry that agencies could marshal the forces of their lobbying and public-relations specialists to help the large pharmaceuticals companies gain regulatory approval for their drugs or gain other advantages with powerful academic institutions or medical associations.

THE AD INUNDATION

Spending Takes Off

Total ad spending for prescription medications, in billions



Who Spent the Most

The top advertised drugs last year

Drug	Treatment	2001 Ad Spending (in millions)
Vioxx	Osteoarthritis	\$135.43
Celebrex	Arthritis	130.36
Nexium	Heartburn	126.14
Viagra	Impotence	90.63
Allegra	Allergy	89.09
Zocor	Cholesterol	85.64
Glucophage XR	Diabetes	80.90
Claritin	Allergy	79.72
Imitrex	Migraine	70.60
Flonase	Nasal	68.99
Paxil	Antidepression	65.12
Zyrtec	Allergy	62.71
Procrit	Anemia	59.45
Singulair	Asthma	57.90
Zoloft	Depression	55.93

Source: CMR

"In addition to the pharmaceutical companies, and everything they know about drug marketing, now there are these other ad companies out there collecting information on drug marketing and research," says Sidney M. Wolfe, director of health research at Public Citizen, a consumer watchdog group. "Whether or not that is good, it could be anticompetitive. They may gain a set of facts for one company, and use that set of facts to deal with another."

Omnicom's Mr. Harrison dismisses claims that any trial results might be biased and says his agencies' motives are simple: "All we want to do is speed up the process," he says. "What we want to try to do is look at the molecule in the test tube as a brand. A lot of people don't think a brand is a brand until it has the FDA approval. But we are asking, what is the maximum commercial potential of this molecule? What will it be when it grows up? What is the message? How should the clinical trial be developed?"

To expedite drug development, many agencies now employ patient-recruitment specialists who identify people afflicted with diseases for clinical trials and other research. Drawing people willing to test the safety and efficacy of compounds that have yet to be approved by the regulators at the Food and Drug Administration has taxed the drug companies over the years, but the agencies say their communications skills help them excel at the task.

The biggest ad-holding companies run clinical trials at their own small science and marketing labs known as "contract research organizations." These units, which the ad-agency parents say operate independently, test the chemical compounds on patients and keep track of the results. Drug-company sponsors later can submit the results to the FDA for approval to market the chemical compound to the public as a possible new drug.

Omnicom is one of the most aggressive in the drug-development marketing efforts. It owns a 20% stake in Scirex, a clinical research organization that specializes in mental and neurological experiments for drug companies. Last September, it acquired all of Interbrand Wood, which specializes in creating brand names for drugs (among them, Viagra, Zocor, Prozac,

Celebrex and Prilosec). Omnicom's DDB Worldwide Tuesday bought Bass & Howes Inc., a public-policy firm with offices in Washington, D.C., and New York City, in a move to offer clients such as **Pfizer** Inc. and **Genentech** Inc. the ability to raise awareness of health and environmental issues that support their business goals.

About 14 months ago, Omnicom bought Matthews Media Group, a 150-employee business in Bethesda, Md., that specializes in recruiting patients for clinical trials and reaching out to specific groups, such as people who are afflicted with high blood pressure.

Named for founder and chief executive Molly Matthews, a 50-year-old former hospital public-relations executive, Matthews is working with Scirex, a 600-employee clinical-trial company that tends to focus on mental-health, pain, infectious-disease and nervous-system studies. Matthews advertises to people who want to participate in clinical trials that Scirex undertakes.

"If we have someone who calls and wants some information about cancer or AIDS, we can benefit from shared knowledge that we gain from recruiting people for clinical trials," Ms. Matthews says. She calls it the art of cradle-to-grave marketing.

Write to Vanessa O'Connell at vanessa.o'connell@wsj.com⁴

URL for this article:

<http://online.wsj.com/article/0,,SB101596852355964520,djm,00.html>

Hyperlinks in this Article:

(1) <http://online.wsj.com/article/0,,SB1015968026351450840,00.html>

(2) <http://online.wsj.com/article/0,,SB1015968588107926720,00.html>

(3) <mailto:vanessa.o'connell@wsj.com>

Updated March 13, 2002

Copyright 2002 Dow Jones & Company, Inc. All Rights Reserved

Printing, distribution, and use of this material is governed by your Subscription agreement and Copyright laws.

For information about subscribing go to <http://www.wsj.com>