



## The Biodefense Market TO GROW



**Bill Kelly**  
*The biodefense market for pharmaceutical companies is completely unpredictable and is a completely different paradigm, says Bill Kelly, President of Bioinformatics.*

Biodefense research is one of the fastest growing markets for suppliers of life-sciences products and instrumentation. When the budget allocated to the Department of Health and Human Services, as well as the expenditures of other agencies, private institutions, and corporations related to biodefense are considered, the total market could reach \$50 billion within the next few years, according to a recent report by Bioinformatics LLC.

"The biodefense market is largely driven by the U.S. government," says Bill Kelly, president of Bioinformatics. "Overall, \$47 billion has been proposed for homeland security programs in 2005. This includes spending on homeland security initiatives across a wide variety of departments, agencies, and programs. Of that amount, we've identified that about \$9.6 billion will be spent on biodefense for fiscal year 2005."

He says government spending on biodefense research is likely to continue to increase at a rate exceeding investment in other areas of biological research and development and is attracting both scientists and companies.

President Bush's authorization of the Project BioShield Act in July is but one of many government initiatives to improve the country's defenses against bioterrorism. About \$1.6 billion was allocated in 2004 to the National Institutes of Health (NIH) to support basic research on potential agents of bioterrorism,

such as anthrax or smallpox, as well as the development of vaccines, diagnostic tests, and therapies to detect and counter the effects of a bioterrorist attack.

The report, Market Opportunities in Biodefense Research, finds that biodefense research is rarely the exclusive focus of a scientist's lab. This finding further supports the notion that potential new biodefense buyers can be found across the spectrum of a supplier's existing customer base as researchers are attracted to the field because of the availability of funding and the urgency of the mission.

Researchers find that younger Hispanics are the least likely to rely on a personal physician for health information, which presents an opportunity for companies to use the Internet to build a relationship with this audience.

## Online Hispanic Population: AN OPPORTUNITY FOR HEALTHCARE COMPANIES

U.S. Hispanics represent one of the few remaining online growth opportunities for health and pharmaceutical companies, according to a recent report from Manhattan Research. Almost 10 million Hispanic adults use the Internet for health in some capacity. The youngest segment, those between the ages of 18 and 34, are three times more likely than those older than 55 to use the Internet on a regular basis.

"There is a significant untapped potential within this arena," says Erika S. Fishman, a senior analyst at Manhattan Research. "Since Hispanic reliance on the Internet for health and drug information will only increase over the next few years, companies must invest now in innovative techniques to cater to the cultural needs of this segment or risk being left behind in an evolving market."

The research also revealed that despite findings that U.S. Hispanics are less likely to recall advertisements for pharmaceutical products (relative to U.S. non-Hispanics), the Hispanic population is actually much more likely to use the Internet to find additional information about a product.

Although a few companies have embraced this market segment with targeted online information, researchers say many companies fail to grasp the relative importance of the Internet to the Hispanic population seeking prescription information.

Americans  
**VULNERABLE TO COUNTERFEIT DRUGS**

## Americans VULNERABLE TO COUNTERFEIT DRUGS

American consumers' vulnerability to counterfeit drugs is a growing problem given the recent rise in

### CONSUMERS AND COUNTERFEIT DRUGS

- ▶ The vast majority (93%) of those surveyed said they had never purchased a drug they suspected was counterfeit; 4% said they had. Of those, one-third did nothing about it; 40% told their pharmacist, and 34% told their doctor.
- ▶ Nearly one in five respondents said if they suspected a drug was counterfeit they would do nothing about it; 69% thought telling the pharmacist who dispensed the drug would be the best thing, 46% would report it to the police, 46% to their doctor, and 43% to the FDA. One-third would report it to the pharmaceutical manufacturer.
- ▶ 15% of the respondents said they had purchased a drug online, and more than one in four (26%) of those 55 years of age and older have purchased drugs online.
- ▶ 30% of those who have purchased prescription medications online said they were not asked for a prescription before making the purchase. Only half (46%) disagreed with the statement "If I purchase my prescriptions from an online drug seller, I do not have to see my own doctor to obtain a prescription."
- ▶ When asked about judging the legitimacy of online pharmacies, respondents seemed to want greater governmental involvement. Most agreed that the FDA should approve all locations where prescriptions are sold (60%) and that state health departments should provide a list of legitimate sites (56%).

Source: National Consumers League, Washington, D.C. For more information, visit [nclnet.org](http://nclnet.org).

government investigations and the explosion of Internet sales of prescription drugs. A new survey from the National Consumers League (NCL) shows that consumers are unable to identify suspect drugs.

Consumers are turning to the Internet for their prescription drug needs, and the survey found most don't know how to tell whether the drugs sold are legitimate. The online survey of 1,013 adults — 18 years of age and older — conducted by Opinion Research Corp in May, revealed that more than half of the respondents believe there is no way to tell if a prescription drug sold online is real or counterfeit,

and among those who have bought drugs online, nearly one-third said they were not required to have a prescription to make the purchase.

"Unfortunately, this is a bad time for consumers to be unaware of how to identify counterfeit drugs and the potential dangers they pose," says Linda Golodner, president of NCL.

Incidents of counterfeit drugs have increased since the 1990s, when the Food and Drug Administration (FDA) investigated an average of five cases a year to more than 20 investigations per year since 2000. The FDA is calling for stricter licensing agreements, improved reporting systems, increased international collaboration, and education for consumers and health professionals. In response, the National Consumers League has initiated a partnership with the FDA to provide alerts and information to consumers about counterfeit drugs.

## Clinical-Trial OUTSOURCING POISED FOR GROWTH



Ellen Julian

The worldwide clinical-trials outsourcing market is poised for steady growth, a new research study from Life Science Insights reveals. Driven by intensifying competition and productivity pressures, a growing number of pharmaceutical and biotechnology companies are outsourcing the management of clinical trials to contract research organizations (CROs) to maximize scarce resources and cut costs.

**Savvy pharmaceutical and biotechnology companies are now taking a closer look at improving their outsourcing strategies and are redesigning their clinical processes to get a leg up on the competition and align these decisions with drug-development strategy at the enterprise level, says Ellen Julian, a research director at Life Science Insights.**

Further findings from the study, Today's CRO, Understanding Changing Requirements for Clinical Trials Outsourcing, indicate that pharmaceutical and biotechnology companies will seek CROs that minimize staff turnover, excel at program management, offer technology expertise, and improve quality in repeat business. They will avoid CROs that do not

deliver on expectations or that overstate their capabilities in specific areas.

Savvy players in the CRO market are already acquiring or shoring up partnerships with category-leading vendors to give customers a more complete set of products and services. It's only a matter of time, researchers say, before the majority of top-tier CROs team with business process outsourcing (BPO) providers that offer process redesign, change management, and technology assessment. Additionally, with the increasing trend toward process improvement to create shareholder value, there will be more

**NEAR-TERM CRO TRENDS**

- ▶ There will be **MORE COLLABORATION** between U.S. and European contract research providers and offshore service providers. CROs will develop more robust capabilities to track and measure clinical outsourcing so that sponsors can learn from their experiences and improve their processes.
- ▶ There will be **MORE EMPHASIS** placed on shared goals and incentives and the concept of risk sharing.
- ▶ There will be **INCREASED ATTENTION** given to selling technology and services to CROs. As both a channel and user of technologies to automate and improve processes, CROs represent a gold mine for the IT industry.

Source: Life Science Insights, Framingham, Mass. For more information, visit [life-science-insights.com](http://life-science-insights.com).

focus on how leaders in this industry develop innovative strategies.

## Visiting the Doctor MAKES PEOPLE FEEL BETTER

There is a health benefit to visiting the doctor, even if no treatment is given, according to NOP

### Follow up

**BIOINFORMATICS LLC**, Arlington, Va., is a market-research firm that supports marketing, sales, and R&D executives in the life-sciences, medical-device, and pharmaceutical industries through published research reports, custom research, and consulting. For more information, visit [gene2drug.com](http://gene2drug.com).

**LIFE SCIENCE INSIGHTS**, Framingham, Mass., an IDC company, provides market research, analysis, and consulting services to decision makers in the life-sciences markets. For more information, visit [life-science-insights.com](http://life-science-insights.com).

**MANHATTAN RESEARCH LLC**, New York, is a marketing information and services firm that helps healthcare and life-sciences organizations adapt, prosper, and explore

World Health's new PatientDriver Study.

The research shows that patients diagnosed by physicians have a better emotional outlook than those who are self-diagnosed. In addition, these patients are healthier, more optimistic, more productive and are less likely to let their conditions interfere with their enjoyment of life.

"There is value to patients seeing their doctors and being engaged in the healthcare system, even when they don't receive a prescription," says Sue Rampsbacher, senior VP of the healthcare consumer practice at NOP World Health. "Those who don't visit their doctors and simply diagnose and treat themselves often experience serious problems controlling their symptoms."

Not only does visiting the doctor deliver benefits, but those benefits improve over time. As patients move up the treatment continuum, their relationships with their physicians strengthen.

Patients who see their physicians regularly — particularly those who have progressed to receiving prescription therapy — have far higher perceptions of their doctors than their self-diagnosed counterparts, Ms. Rampsbacher says.

Research additionally indicates that patients have more trust in their doctors' advice, understand physicians' instructions more completely, feel more comfortable asking questions, and are more satisfied with the answers they receive.

Sue Rampsbacher



**Many self-diagnosed patients rate their illnesses as moderate to severe and have symptoms that are interfering with the quality of their lives. They are simply suffering in silence. It is important to find ways to motivate these people to seek the treatment they need, says Sue Rampsbacher, Senior VP of the Healthcare Consumer Practice at NOP World Health.**

opportunities in the networked economy. For more information, visit [manhattanresearch.com](http://manhattanresearch.com).

**NATIONAL CONSUMERS LEAGUE**, Washington, D.C., is a private, nonprofit membership organization whose mission is to identify, protect, represent, and advance the economic and social interests of consumers and workers. For more information, visit [nclnet.org](http://nclnet.org).

**NOP WORLD HEALTH**, East Hanover, N.J., is a leading supplier of primary research to the global healthcare community and is the health-focused arm of NOP World, which is a wholly owned subsidiary of U.K.-based United Business Media Plc. For more information, visit [nopworld.com](http://nopworld.com).