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**SDI REPORTS: PROMOTIONAL EXPENDITURES FLATTEN AS THE NUMBER OF BRANDED
BLOCKBUSTER DRUGS DECREASES**

PLYMOUTH MEETING, Pa. (May 11, 2009) — U.S. retail prescriptions grew just 2.7% in 2008, compared to 4.5% in 2007, according to SDI, the leading provider of de-identified patient-level data analytics. Overall growth was seen in generics, with prescription increases of 11% in 2008 and 12% in 2007, while branded prescriptions decreased 10% in 2008 versus 5% in 2007.

Simultaneously, the number of blockbuster brands (more than \$1 billion in annual retail sales), which peaked in 2006 at 38, receded to 34 in 2008.

With fewer blockbusters to promote, it comes as no surprise that pharmaceutical manufacturers' promotional spending tapered off. Total promotional expenditures were flat in 2008, increasing only 1% (as tracked by SDI's promotional audit suite). Spending grew an average of 2% annually from 2004 to 2008.

- The biggest decrease in promotion expenditures was in direct-to-consumer (DTC) advertising, which dropped 8% in 2008 after a 4% drop in 2007.
- The cholesterol, gastroesophageal reflux disease, depression, and hypertension markets have endured generic erosion/blockbuster declines, with DTC spending decreasing an average of 47% in 2008 and 39% in 2007.

On average across the industry, the greatest sales and marketing emphasis is still geared toward physicians and practitioners, either in-person, through professional journals, or through electronic promotions.

- In aggregate, physician-focused efforts represented 77% of total marketing spending in 2008 and 75% of total promotion in 2007.
- Unlike the uniform reductions in DTC advertising in the four disease categories mentioned earlier, the trends in physician-focused efforts were more varied — reflecting a certain complexity and evolution currently under way.

John Ross, SDI's Chief Operating Officer, believes the marketing and sales trends are a by-product of a few key factors. "In our industry, manufacturers' promotional efforts are being increasingly scrutinized internally from a budgetary and return-on-investment perspective, as well as externally on the regulatory front," Ross said. "Evidence of the changes under way in promotional efforts can be seen in sales representative reductions, growing emphasis on online marketing, continued outsourcing, and the deployment of new segmentation and targeting schemes that reflect the transformation that the industry is undergoing."

About SDI

Since 1982, [SDI](#) has been delivering innovative healthcare data products and analytic services to the pharmaceutical, biotech, healthcare, medical device, financial services, and consumer packaged goods industries. SDI is the leading provider of de-identified patient-level data analytics and offers a broad array of solutions and insights across the continuum of care. These include custom and syndicated patient-level data studies; localized disease and treatment surveillance and projection; market research audits; healthcare profiles; comprehensive managed care offerings; clinical trial optimization; direct-to-patient pharmacy programs; marketing effectiveness; sales targeting and compensation products; data integration, warehousing, and mining; list services; and direct marketing services. Its current roster includes the top 50 pharmaceutical/biotech companies. For more information, visit www.sdihealth.com or call 610.834.0800.