

Biotech Companies Warming To Social Media

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Recently, Oprah Winfrey came under fire from Newsweek magazine in an article ironically titled "Live Your Best Life Ever!" Authors Weston Kosova and Pat Wingert took on the one of the most powerful people in media by saying that Winfrey, on her show and through her ever growing online social network, often promotes unproven health "cures" to her throngs of fans. While most businesses are racing to explore how to leverage the social media phenomenon to their advantage -- Facebook pages, RSS feeds, YouTube and even Twitter are increasingly in the marketing and PR mix for consumer-facing companies -- biotech firms have been slow to test the social media waters. The regulatory environment and risk aversion are legitimate concerns. But many close to the industry believe that biotech, among the most technology-oriented of all industries, needs to be more aggressive in its approach.

"Social networks hold tremendous promise and opportunity for biotech companies to enhance their consumer marketing," said Mouli Cohen Ecast and Voltage Capital founder, who heads a venture firm that invests in biotech startups. "The Internet is the primary way consumers search for and find information on health issues and treatment options, but how reliable are the sources of all that information? Social media is a logical extension of a company's online presence, and one that provides new opportunities to engage consumers and make sure the information they receive about drugs or medical devices is accurate." Pushing information out to consumers is only one facet of the power of social networks. Social networks are about making connections, and life science companies can harness blogs and networks like Facebook to facilitate interactions among consumers who share common health conditions and concerns.

The ability to monitor what consumers are saying is equally valuable. Twitter has spawned a host of online applications, such as TweetScan and Twist, that allow companies to monitor and analyze what people are tweeting about specific topics. "Think of how useful that is in a crisis situation," wrote Mark Senak of Fleishman-Hillard in his EyeOnFDA blog. "You can monitor what people are saying about your crisis, discern the messaging, develop your own response document and send it out directly to those who have been talking about it via Twitter."

Life science companies are watching for signals from the Food and Drug Administration on how the use of social media might be regulated. The FDA, which carefully monitors the pharmaceutical industry in its messaging to consumers, recently admonished a pharmaceutical company for posting a video on YouTube. The regulators took exception to certain claims made in the video as well as important information that the FDA said was left out. The use of YouTube as a communications vehicle, however, was not addressed -- a fact that was duly noted and widely reported by bloggers. "It's not the medium, it's the message," Dr. Jean Ah Kang of the FDA's Division for Drug Marketing, Advertising and Communications, told Senak in a recent interview.

Pharmaceutical companies are well aware that direct-to-consumer advertising is likely to be under review by the Obama Administration as part of the broader health care reform initiative. While new guidelines may be created, it's likely that "the message, not the medium" will continue to be the overarching policy, and social media won't specifically be restricted.

"The Obama administration is extremely Internet savvy and its ability to harness social media played a big role in the election, so I expect them to have an informed and sophisticated position in terms of how they regulate the use of social media by business," said Cohen.

Be that as it may, most pundits expect biotech and pharma companies to continue to proceed with caution. Cohen, however, thinks they should forge ahead. "There is too much upside and opportunity that social media offers. The challenge is to utilize social media in the way it's meant to be used -- as an engagement tool that facilitates two-way communication and adds real value for consumers. The companies that harness the power of social media will gain a competitive advantage and enhance their reputations in the process."