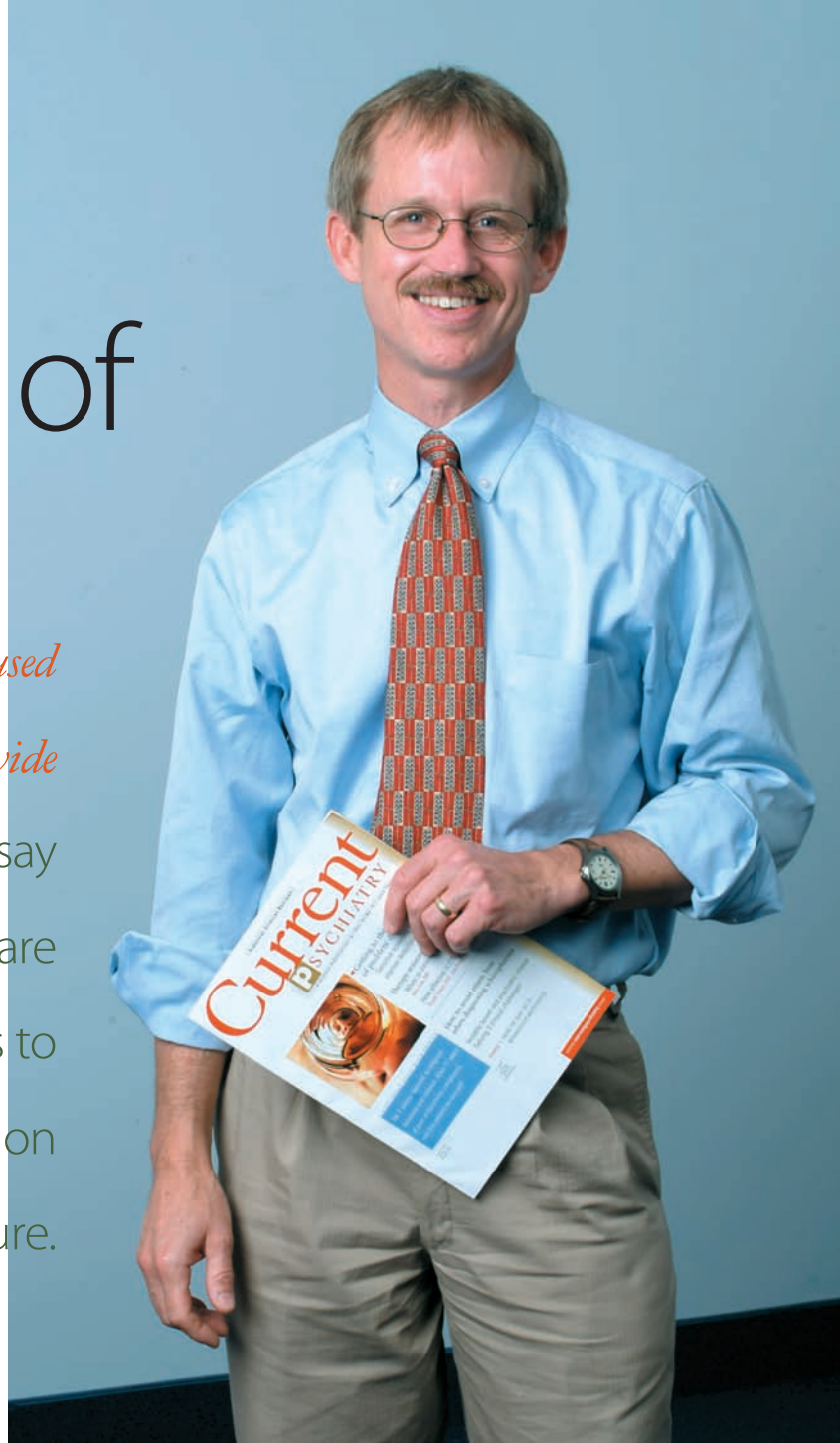


BY AUTUMN KONOPKA

The Value of

Advertising in medical journals, while underused in the past according to most experts, does provide value to pharmaceutical marketers. Experts say

recent industry trends are likely to encourage pharma companies to focus more of their efforts on journal advertising in the future.



Professional medical journals have consistently outranked other vehicles as doctors' most preferred and trusted source for educational information. In a 2004 study conducted by ACNielsen HCI, 80% of doctors selected journals as an important source of information.

"Year after year, medical journals have demonstrated the ability to develop dependable and predictable relationships with their readers," says Joetta Melton, publisher of *American Family Physician*, *Family Practice Management*, and *Annals of Family Medicine*. "Journals play a key role in educating physicians. And the professional audiences — whether they are physicians, nurse practitioners, physicians assistants, or pharmacists — look to their specific journals for reliable

information, and they trust the medical journals that they read."

Despite this connection with audiences and the trust readers have in the information they receive, journal advertising has consistently been at the bottom in terms of budget allocations for promotional spending.

In 2004, journal advertising, at \$540 million, accounted for less than 3% of promotional spending, according to estimates from the Association of Medical Publications (AMP). Spending on detailing was estimated to be \$11.3 billion in 2004; spending for direct-to-consumer was \$4.3 billion; and professional medical education spending was \$2.9 billion.

"Many people don't really believe in journal advertising, but they know they need to do it," says Art Wilschek, executive director for

advertising sales at the *New England Journal of Medicine*.

There is a disconnect at the company level, says Robert J. Osborn Jr., president, professional division, Dowden Health Media. Pharmaceutical companies want and need to have their clinical data published in peer-reviewed journals, but they don't necessarily make the connection that doctors read those journals and that they should want to advertise in those same journals.

He attributes this disconnect, at least in part, to advertisers' misconceptions that journals stifle the creativity of marketing and advertising campaigns. Although the AMP maintains guidelines regarding journal advertising inserts — including suggestions for paper weight and special effects — Mr. Osborn suggests that these guidelines, last

Journal Advertising

■ When new data come out in a journal, the whole medical world wants to see the results; yet somehow product managers, as a group, don't think journals are the place to be for their advertising.

Robert Osborn Jr.

President

Professional Division

Dowden Health Media

updated in 2000, are no longer in force and that many high-quality journals are open to more "creative" advertising.

Regulatory Changes

The current regulatory environment, many believe, could alter this spending picture. Journal publishers believe that government regulations, such as those pertaining to continuing medical education, as well as self-imposed restrictions such as the Pharmaceutical Research and Manufacturers of America (PhRMA) principles for direct-to-consumer (DTC) advertising, will encourage companies to focus their advertising efforts on journals.

Ms. Melton says in the current environment of increased regulatory and media scrutiny, pharmaceutical marketers are looking to reliable methods to get their messages out and maximize audience understanding of the benefits of their products, without attracting undue regulatory oversight.

"Medical journal advertising is a tried-and-true medium for getting the promotional message out without incurring any problems," she says.

PhRMA's guiding principles, which went into effect Jan. 1, 2006, suggest that companies spend an appropriate amount of time educating health professionals about new products before beginning DTC campaigns. It remains to be seen how this guidance will be applied across the industry, but Pfizer, for instance, has already issued a DTC plan whereby the company will wait six months before launching any direct-to-consumer advertising for new products.

"We're expecting that there will be a seismic shift," says Alan Imhoff, president of International Medical News Group, Elsevier. "Companies will focus more on reaching professionals first and making sure the medical community understands, supports, and is comfortable with new drugs before the DTC process begins. This is something that companies probably should have been doing all along because it makes a whole lot of sense."

"Journal advertising is one promotional modality that is safe under the current guidelines," says Jon Bigelow, group VP and general manager of Cliggott Publishing Group, CMP Healthcare Media LLC. "I think recent regulatory concerns and other events that have affected detailing, direct-to-consumer, and CME have pharmaceutical companies reevaluating the promotional mix for their campaigns. This is an opportunity for them to reconsider the weighting given to the different pieces of promotional spending that they've been making over the past few years. I believe the outcome of this reevaluation is going to work in favor of journal advertising."

Extraordinary Occurrences

In 2004, the journal-advertising market got a promising lift when, according to PERQ/HCI's Journal Ad Review, there was a 10% increase in ad spending for medical/surgical journals, compared with an increase of

only 3% in the year before. Many publishers hoped this growth would continue, fueled largely by the constraints being placed on pharma's other promotional outlets, such as DTC advertising, continuing medical education (CME), and detailing.

Unfortunately, 2005 saw less than 1% growth in the medical/surgical ad spending, according to PERQ/HCI.

"There was a lot of buzz around DTC, and I think journals were the ones that were hit the hardest by the fixation on reaching the patient," Mr. Imhoff says. "This trend started to turn around in 2004. I think we would have seen much greater growth in 2005 advertising

■ What Doctors Want

80% of doctors turn to journals as their first-choice source of information.

but there were a lot of extraordinary occurrences."

Those extraordinary occurrences, according to Mr. Imhoff, included the COX-2 controversy, as well as a slow down in new drug approvals. The U.S. Food and Drug Administration (FDA) approved fewer drugs in 2005 than it had the previous year, from 38 new drugs and biologics in 2004 to 25 in 2005.

Additionally, despite the dip in primary-care advertising, many of the specialty markets performed well in 2005. According to PERQ/HCI, advertising spending in the therapeutic areas of emergency medicine, gastroenterology, general surgery, nephrology, and orthopedic surgery experienced significant growth over the previous year.

Thought leaders in the medical-journal industry believe that, at least for the time being, the specialty markets will continue to offer the greatest promise for increases in advertising spending. But with few new prod-



■ Journal advertising is a powerful medium because the message appears in a reliable environment. The content that surrounds the ad is of interest to the physician; it's current and reliable information, and the doctors are receptive to learning when they are reading a journal.

Joetta Melton

Publisher

American Family Physician, Family Practice Management, and Annals of Family Medicine

ucts on the horizon, they don't expect the overall 2006 landscape to end up much better than 2005.

"Brand managers tend to advertise around new, big product launches, and unfortunately there aren't too many blockbusters in the pipeline for this year; as a matter of fact, some blockbuster products are coming off patent," says Charlie Hunt, managing director of DeSilva and Phillips and research consultant for AMP. "In terms of advertising revenue, the greatest opportunity for growth is in the market segments that will feature significant launches for newly approved products and/or new indications."

These predictions would seem to parallel the trends affecting the industry as a whole. According to forecasts from IMS Health Inc., the global pharmaceutical market is expected to achieve about 6% to 7% growth in 2006, about even with the 7% to 8% growth of 2005.

Mr. Imhoff suggests that the industry's investments in more targeted, genomics-based drug discovery will begin to yield exciting new medicines next year, and those product launches will fuel growth in journal advertising.

Where Journals Add Value

While it is true that marketing teams are somewhat limited as to how much they can push the creative envelope because of different guidelines, there are ways to appeal to doctors.

Mr. Hunt says the AMP's Doctors' Choice Awards (presented in October) are a good indicator that creative teams have been able to capture the attention of specific physician specialties with interesting approaches.

The Doctors' Choice Awards, which have been presented annually by the AMP since 2003, highlight the best advertisements in professional medical journals. The awards are



■ At a time when the value of current levels of detailing, direct-to-consumer advertising, and CME have been called into question, the pharmaceutical industry needs to reevaluate the mix of promotional spending. It's clear that professional advertising has been underused.

Jon Bigelow

Group VP/General Manager,
Cliggott Publishing Group
CMP Healthcare Media

unique because they are decided by physicians rather than advertising agencies or journal publishers.

In addition to appealing aesthetically to doctors, recent AMP research suggests that ads that have won the Doctors' Choice Awards also may be having a significant impact on physicians' prescribing patterns.

A study tracked new prescription market share for each of the products that won a Doctors' Choice Award in 2005. Of the 13 winning products, 10 brands showed an increase in new prescription market share, two remained relatively flat, and one lost market share because of generic competition.

"It's too much of a coincidence that 10 of the 13 winning products would increase their

The American Medical Association Delivers
Only 1 Newspaper to America's Physicians.

Every Week.

American Medical News

The only top-rated weekly newspaper for physicians.



Contact:
Charlie Meitner or Tracey Sears for
unique advertising options.
973-263-9191
charlie.meitner@ama-assn.org
tracey.sears@ama-assn.org

The only weekly physician newspaper



■ Doctors do read ads, they do respond to ads, and they do make decisions based on ads.

Art Wilschek

Executive Director
Advertising Sales

The New England Journal of Medicine

market share of new prescriptions,” says Mr. Hunt, who conducted the study. “The common factor among the winning ads was that doctors liked them. Physicians must have



The winning ads show that creative ideas really work, Mr. Bigelow says.

“This new finding that the winning advertisements are associated with greater prescriptions reinforces this logic; it further adds to the growing body of research that shows that professional advertising is very effective,” he says.

Mr. Wilschek stresses how much companies spend on journal advertising is just as important as the message. As evidence of this point, he cites another AMP study, called “Better Allocation Drives Greater Returns,” which illustrates that adequate spending on journal advertising — combined with appro-

■ Ten out of the 13 products that won the Doctors’ Choice Awards increased their market share for new prescriptions. The commonality was that doctors liked the ads. They must have believed the ads, and therefore it had an impact on the way they wrote the products.

Charlie Hunt

Managing Director, DeSilva and Phillips
Research Consultant, Association of Medical Publications

to this ad increased new prescriptions by more than 10% over one year.

On the other hand, the ad for Product B did not test well; its message was not simplified to satisfy pretest recommendations; and midway through the study, the detail force changed its messaging. As a result, the product saw virtually no change in prescriptions, product awareness, or ad recognition, even in the most heavily promoted cells. On the contrary, doctors who received the highest exposure were the most confused, according to Mr. Wilschek.

“Since the messages were confusing, the more physicians were told, the more confused they became,” he explains. “The advertising worked, but it didn’t work the way the company wanted it to. The story there is that marketers need to have a coordinated promotional plan with a similar message. If there are confusing messages, this not only neutralizes the campaign, but it can actually hurt what a company or agency is doing.”

Another study, first presented in September 2002, was conducted by Dick Wittink, Ph.D., of the Yale School of Management, which showed that journal advertising has a positive return on investment.

The study evaluated 392 branded drugs with revenue of \$25 million or more for the time period 1995 to 2000. The study concluded that all four promotional tactics that were evaluated — direct to consumer, detailing, physician meetings, and journal advertising — work, but there are opportunities to increase the efficiency of the spending for each tactic.

The results suggested that very positive returns could be obtained by allocating additional resources to advertising in medical pub-

■ Journal Advertising Leverages Detailing

While big pharma companies are cutting their salesforces as much as 15%, journal advertising can leverage salesforce efforts by 10% or more.

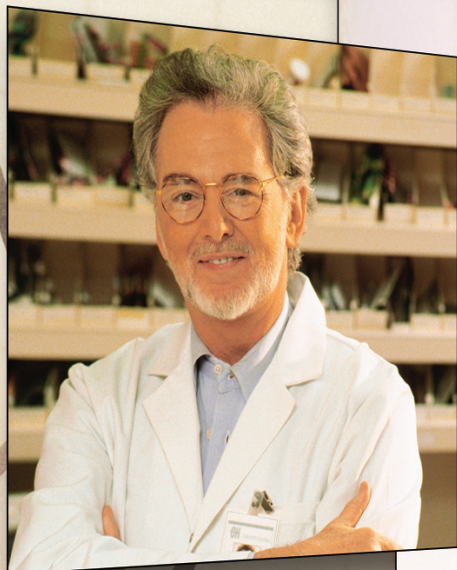
believed the ads, and therefore this had an impact on the way physicians wrote prescriptions for the products. In some cases companies spent more in advertising than the competition and in some cases less. In some cases advertisers ran a one-page ad, in other cases a two-page ad, and in still other cases a four-page ad. They didn’t buy the market. Some of the winning ads came from small advertising agencies and some of them came from big agencies.”

priate, coordinated messaging — can have a significant impact on product awareness and new prescriptions.

This study tested two products, each of which was promoted to primary-care physicians for the first time using varying levels of exposure. The ad for Product A performed well in a pretest and was coordinated with the message being delivered by the field force. The cell that received the highest level of exposure

Medical Marketing Service

Your *source* for the *best lists*



Pinpoint perfect prospects for your promotions with the best lists and databases of physicians, health professionals, pharmacists, and managers for direct mail, Med-E-MailSM, broadcast fax and telemarketing, including:

Physicians

- American Medical Association (AMA)
- American Osteopathic Association (AOA)
- American Academy of Pediatrics (AAP)

Health Professionals

- American Academy of Physician Assistants (AAPA)
- American Association of Diabetes Educators (AADE)

Pharmacists

- American Pharmaceutical Association (APhA)
- American Society of Health-System Pharmacists (ASHP)

Managers

- America's Health Insurance Plans (AHIP)
- American Academy of Medical Administrators (AAMA)

*MMS can provide lists for one-time, multiple or unlimited annual use.**

**For more information, call:
1-800-MED-LIST (633-5478)
E-mail: sales@mmslists.com**

Sound Bites from the Field

PHARMAVOICE ASKED REPRESENTATIVES FROM LEADING MEDICAL PUBLISHERS TO DISCUSS WHAT MAJOR TRENDS WILL INFLUENCE JOURNAL ADVERTISING IN 2006 AND 2007.



PETER ASHMAN is Publisher of *Nature Clinical Practice*, Nature Publishing Group, London, the scientific publishing arm of Macmillan Publishers Ltd., London, an

information resource for the basic biological and physical sciences. For more information, visit nature.com.

“Recent market studies show physicians continue to rank medical journals as the most reliable source for new information on new pharmaceuticals and devices. In a perfect world this should lead to increased spending from the pharmaceutical companies on journal advertising. But it is my belief that this information — although well published and frequently discussed within the publishing arena — is not successfully reaching those on the brand teams in charge of allocating promotional budgets.

The approval by the FDA for the pharmaceutical industry to advertise directly to the consumer had an immediate negative effect on print-advertising budgets. This change had an immediate upside to the pharmaceutical companies; DTC advertising yielded significant increases in prescriptions. Although this returned higher sales, it also led to drugs being prescribed beyond their initial intended target market, as with the COX-2 products. With the COX-2 scenario, the higher sales did not outweigh the negative impact of the drugs being pulled from the market. My hope is that the COX-2 story, and others similar to this, will lead pharmaceutical companies to reevaluate their promotional budgets and will result in decisions to allocate higher print advertising budgets to medical journals. We can rely on the physicians to help drive this shift back; they have struggled with being faced with the “uninformed patient” demanding drugs that may or may not be appropriate for them based on a two-minute TV commercial.

Pharma’s trend in consolidating media planning and buying are not merely for cost

efficiencies; the planners are now looking at the big picture, recommending a customized, integrated marketing program rather than planning in silos. I expect that the publisher/client relationship will move toward a partnership approach rather than a vendor relationship.

It is my expectation that there will be a gradual increase in journal advertising. Publishers can help push this by providing advertisers with a clear ROI for their investments in our journals.”



CAMERON BISHOP is President and CEO of Ascend Media, Overland Park, Kan., a business-to-business media company focused on the medical, healthcare, and

business-services industries. For more information, visit ascendmedia.com.

“The major trend is the increasing importance of bundled marketing-communications solutions that can include a variety of creative communications with problem-solving elements, including everything from journal ads to promotional projects, CME projects, sponsorships, special-event marketing, and e-media applications. Consequently, the role of the traditional journal advertising rep has changed forever, and reps will increasingly serve as marketing advisers who identify problems and provide these comprehensively bundled solutions.

The journal brand will continue to play a critical role as a carrier, conduit, or voice and source of credibility for its relevant reader base and the marketers who want to reach that base.

My hope is that medical and healthcare industry marketers will universally and fully recognize the exceptional value that doctors and medical professionals place on journals and journal advertising as a top source for clinical, pharmaceutical, equipment, and product information, as has been proven in countless research studies.”

lications for medium brands between \$100 million and \$500 million and for small brands between \$25 million and \$100 million.

Another study by Scott Neslin of Dartmouth College in 2001 evaluated 391 drugs (all brands with \$25 million in revenue in 1999) from 1995 to 1999. This study found that journal advertising had an overall ROI of \$5.00, which was the highest among the four marketing variables evaluated (direct to consumer, detailing, physician meetings, and journal advertising). The ROI was higher for larger and older brands.

Mr. Wilschek attributes the pharmaceutical industry’s underestimation of the value of journal advertising to poor planning.

“My theory is that there are many people in management today who either had an ad that didn’t work or they didn’t spend at the right level, so the ad didn’t produce a return on investment for them,” he suggests. “And throughout their careers, as they move up through the management levels, they carry the message that advertising doesn’t work based on one or two bad experiences.”

Mr. Osborn thinks there may be an even more basic reason why journal advertising has traditionally been undervalued as a medium for promotion.

“There’s a fundamental difference between the way product managers and physicians think about journals,” he says. “There’s an enormous opportunity for our industry — the agency and the publishing sides — to have a dialogue about this. I think journal advertising allows agencies an opportunity to tie some of the very innovative things they’re doing on the Web and in their consumer promotion back to the professional audience.”

Regaining Product Momentum

Mr. Wilschek emphasizes that with any form of promotion there is the need for continuity.

“Many people consider journal advertising to be just an expense; it is the first to be cut,” he explains. “If a program is doing well and the message and sales are accelerating and then the advertising is cut back, that momentum is lost for a couple months. Marketers move in and out of journal advertising, and then they say it doesn’t work. There needs to be continuity. A company wouldn’t pull its salesforce from the field for three months.”

Many publishers believe advertisers are missing out on the lucrative opportunities

The doctor will see you now.

The new *Nature Clinical Practice* journals — translating the latest findings into clinical practice.

Nature Publishing Group is known for its high editorial standards; experts trust the authoritative interpretations and informed opinions on how today's research will impact practice and patient care.

We do the reading... the *Nature Clinical Practice* journals filter key research from the top original research journals and deliver the critical messages to physicians in an immediately applicable format, always with the patient in mind.

Be seen; advertise in *Nature Clinical Practice*...

| | |
|--|---|
| <small>nature CLINICAL PRACTICE</small> CARDIOVASCULAR MEDICINE | Editor-in-Chief: Valentin Fuster, MD, PhD |
| <small>nature CLINICAL PRACTICE</small> ENDOCRINOLOGY & METABOLISM | Editor-in-Chief: P Reed Larsen, MD |
| <small>nature CLINICAL PRACTICE</small> GASTROENTEROLOGY & HEPATOLOGY | Editor-in-Chief: Stephen B Hanauer, MD |
| <small>nature CLINICAL PRACTICE</small> NEPHROLOGY | Editor-in-Chief: Robert W. Schrier, MD |
| <small>nature CLINICAL PRACTICE</small> NEUROLOGY | Editor-in-Chief: John W Griffin, MD |
| <small>nature CLINICAL PRACTICE</small> ONCOLOGY | Editor-in-Chief: Vincent T DeVita, Jr, MD |
| <small>nature CLINICAL PRACTICE</small> RHEUMATOLOGY | Editor-in-Chief: Peter E Lipsky, MD |
| <small>nature CLINICAL PRACTICE</small> UROLOGY | Editor-in-Chief: Peter T Scardino, MD |

For more information on promotional and educational opportunities, contact:

Toni Fournier, Sales Director 1.617.475.9210

Maureen Dominguez, Account Manager 1.212.726.9233

Justin Iacobucci, Account Manager 1.617.475.9221

nature
CLINICAL
PRACTICE

nature
CLINICAL
PRACTICE

nature publishing group





■ We're expecting that there will be a seismic shift, and there will be a focus on reaching the professional first and making sure that physicians understand, support, and are comfortable with the new drugs before the DTC process begins.

Alan Imhoff

President, International Medical News Group
Elsevier

that journal advertising can offer to older products.

"Journal advertising is a very cost-effective way to keep the momentum going or to regain the momentum for a product that's four or five years old," Mr. Wilschek explains. "But it's at this point in the brand's life cycle when we find many people stop advertising."

"For a relatively small investment in journal advertising, companies can continue to realize attractive returns from older products that are no longer supported by the detail reps," Ms. Melton says.

Mr. Hunt adds: "At some point, brand managers are going to recognize that journal advertising, which isn't sexy and new, is an effective way to leverage their detailing sales-force's time."

According to AMP research, this benefit could be substantial. In the Better Allocation

study released in late 2005, researchers concluded that heavily promoted products with targeted messages can leverage the efforts of the detail force. The study found that when the journal-ad message was appropriate and coordinated with that of the field force, physicians in the most heavily promoted cell perceived that they had been detailed 10% more than they actually had been.

This perception could be crucial as pharmaceutical companies — which are looking to cut costs and appease irritated physicians — continue to decrease the sizes of their detail forces. In 2005, some of industry's biggest players, including AstraZeneca, Pfizer, Glaxo-SmithKline, and Wyeth announced plans to

drastically cut their field forces, in some cases by as much as 10% to 15%.

"Pharmaceutical companies are reexamining the number of detail representatives that are necessary in the field," Ms. Melton says. "As they do, it will become more and more clear that the focus of these new, smaller detail forces needs to be on their new products because clearly at that point in time there's an indisputable return on investment. But that ROI could be enhanced further with journal advertising." ♦

PharmaVOICE welcomes comments about this article. E-mail us at feedback@pharmavoice.com.

Experts on this topic

JON BIGELOW. Group VP and General Manager, Cliggott Publishing Group, CMP Healthcare Media LLC, Darien, Conn.; CMP delivers information to healthcare professionals via a diverse range of marketing and communication vehicles including publications, Websites, and special projects. For more information, visit cmphealth.com.

CHARLIE HUNT. Managing Director, DeSilva and Phillips, New York; DeSilva and Phillips is an investment banking firm specializing in the media and digital media industries. For more information, visit mediabankers.com. Mr. Hunt also is Research Consultant, Association of Medical Publications, Westfield, N.J., an organization composed of publishing firms in the medical field that is dedicated to

helping publishers better serve readers and advertisers. For more information, visit amponline.org.

ALAN IMHOFF. President, International Medical News Group, Elsevier, Morristown, N.J.; Elsevier, a part of the Reed Elsevier Group Plc., is a multiple-media publisher of scientific, technical, and health-information products and services. For more information, visit elsevier.com.

JOETTA MELTON. Publisher, American Family Physician, Family Practice Management, and Annals of Family Medicine, American Academy of Family Physicians (AAFP), Leawood, Kan.; AAFP is a national medical organization that represents more than 94,000 physicians and medical students with the mission to preserve and promote the science and art of family medicine and to ensure high-quality,

cost-effective healthcare for patients of all ages. For more information, visit aafp.org.

ROBERT J. OSBORN JR. President, Professional Division, Dowden Health Media, Montvale, N.J.; Dowden is a health-media company that specializes in communicating to both consumers and physicians. For more information, visit dowdenhealth.com.

ART P. WILSCHEK. Executive Director, Advertising Sales, the New England Journal of Medicine, Waltham, Mass.; The New England Journal of Medicine is a weekly general medicine journal that publishes new medical research findings and editorial opinions on a wide variety of topics. For more information, visit nejm.org.