THE HIT PARADE

Medical/surgical journals have seen better days but there is a silver lining in the sector that has been hit hard the past few years. **Anthony Vecchione** reports on some of the industry's bright spots

Make no mistake about it. The current course of medical journal advertising is continuing on a downward spiral. The chronic economic downturn has taken its toll on the medical publishing industry. However, in the medical/surgical sector, there are some signs that there is light at the end of the tunnel.

JOURNAL AD REVIEW 2009
MEDICAL/SURGICAL MID-YEAR

But first, the stark facts. According to PERQ/HCI's 2009 Journal Advertising Review [Jan.-June 2009] med/surg ad dollars declined 32% to $155 million, down from $228 million in 2008 and $258 million in 2007. Medical/surgical advertising pages declined 34%.

In the total healthcare publication universe, ad spending dropped 28% to $291 million dollars down from $403 million in 2008, while total healthcare pub ad pages declined 31%.

Among the changes in the top five medical journals; the *Journal of Clinical Oncology* replaced *American Medical News* in the fourth-place slot. *The New England Journal of Medicine* held on to the top spot followed by the *Journal of the American Medical Association* and *American Family Physician*. *Family Practice News* rounded out the top five.

The Leading Advertisers

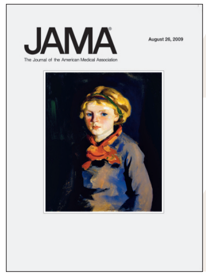
Forest Pharmaceuticals knocked Pfizer out of the top spot as the leading advertiser in medical/surgical journals. Despite the good

TOP 5 MEDICAL/SURGICAL JOURNALS RANKED BY AD REVENUE, JAN-JUNE 2009

1

New England Journal of Medicine — ad pages down 31% vs. first-half 2008

2



Journal of the American Medical Association —ad pages down 44% vs. first-half 2008

3

American Family Physician — ad pages down 36% vs. first-half 2008

4

Journal of Clinical Oncology — ad pages down 17% vs. first-half 2008

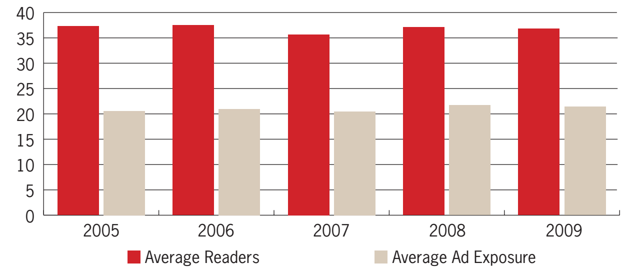
5

Family Practice News — ad pages down 22% vs. first-half 2008 news, Forest's journal advertising spending dropped 32% while Pfizer's ad spend declined 61%. Wyeth moved from the number nine spot in 2008 to the number three position with a 15% increase in journal ad spending. Abbott, ranked number four, realized a 2% increase in its ad spending. Fifth-place Lilly journal advertising spending dropped 63%. Genetech/BioOncology, made a substantial jump from number 17 in 2008 to number 10 with a 15% increase in ad expenditures. Merck, which saw ad expenditures decline by 58%, dropped from 7th place in 2008 to number 13.

The Top Products

Forest also garnered the top two most advertised products with its antidepressant offering Lexapro and Bystolic, an antihypertensive. Wyeth's antidepressant Pristiq, which wasn't in the top 25 last year, took the number three position while Pfizer's cholesterol-lowering agent Lipitor (scheduled to come off patent in 2010) dropped from the number three slot to number four. Forest's Alzheimer's drug Namenda, Amylin/Lilly's, type 2 diabetes drug Byetta and Genentech/Biogen Idec's Rituxan, used to treat non-Hodgkin's lymphoma and rheumatoid arthritis, moved into the top 10.

Readership and exposures for top 10 publications



Source: PERQ/HCI FOCUS Studies, June 2005-2009 (for primary care publications)

The Top Therapeutic Categories

Cytostatic Drugs-Other, took the number one slot supplanting SSRI/SNRI, which now holds the number two spot, as the leading drug class. Rounding out the top 5 most advertised therapeutic categories: ethical drugs misc- other; diabetes insulin and cancer therapy products. The diabetes insulin class moved up from number eight

MOST ADVERTISED COMPANY

Forest Pharmaceuticals held onto the top spot, even with a 32% drop in ad spend vs. January-June 2008, with Lexapro and Bystolic being the top two advertised brands, respectively. Pfizer held onto the number two position even with spend slashed by 60.7%, due in part to a decrease for Lipitor as it prepares to go off-patent. Wyeth climbed up six spots to take the third spot, with a 15.5% increase in spend vs. a year ago. Abbott increased its ad expenditures, by 2.3%, and advanced three positions to the fourth spot. Eli Lilly fell three spots as it cut spend by 63.5%

TOP 25 ADVERTISED COMPANIES, JAN-JUNE 2009

Rank	Rank		$ ad spending			% change	
2009	2008	Company	2009	2008	2007	2009 vs 2008	2008 vs 2007
1	1	Forest Pharmaceuticals	12,906	18,970	8,243	- 32.0	130.1
2	3	Pfizer Laboratories	6,144	15,628	33,105	- 60.7	- 52.0
3	9	Wyeth	5,970	5,168	11,833	15.5	-56.0
4	7	Abbott	5,923	5,789	4,864	2.3	19.0
5	2	Eli Lilly	5,719	15,648	9,024	- 63.5	73.4
6	12	Novo Nordisk	5,368	4,581	8,342	17.2	- 45.1
7	51	Takeda	3,867	1,107	1,348	249.3	- 17.9
8	8	Novartis	3,245	5,766	5,217	- 43.7	10.5
9	13	Shire US	3,157	4,214	4,042	- 25.1	4.2
10	19	Genentech	3,021	2,615	5,009	15.5	- 47.8
11	4	AstraZeneca	2,616	7,041	7,089	- 62.8	- 0.7
12	25	Bristol-Myers Squibb	2,453	2,282	4,227	7.5	- 46.0
13	6	Merck	2,428	5,819	9,619	- 58.3	- 39.5
14	34	Galderma	2,397	1,633	1,214	46.8	34.5
15	20	Bayer HealthCare	2,150	2,563	2,713	16.1	- 5.5
16	35	GlaxoSmithKline	2,106	1,603	4,428	31.4	- 63.8
17	33	Endo	2,049	1,757	1,186	16.6	48.2
18	55	Celgene	2,022	1,019	905	98.5	12.5
19	18	Cephalon	1,991	2,716	3,422	- 26.7	- 20.6
20	10	Janssen Pharmaceuticals	1,924	5,039	5,834	- 61.8	- 13.6
21	14	Alcon	1,857	4,131	3,885	- 55.0	6.3
22	26	Genentech Biogen/IDEC	1,695	2,269	1,009	- 25.3	124.9
23	29	Amylin/Lilly	1,670	2,109	1,853	- 20.8	13.8
24	46	Amgen	1,641	1,275	2,562	28.7	- 50.2
25	23	Pfizer	1,511	2,521	1,713	- 40.1	47.2

Source: PERQ/HCI Journal Ad Review

to the number four position while antipsychotics dropped from the third place slot in 2008, to number 13 while beta blockers fell from number five to number nine.

Bright Spot

Industry insiders say that despite a rough year, there are some signs that things might be turning around. "I think maybe we hit the bottom of the trough. But in the last couple of months, July, August, September, anecdotally, things seem to be picking up, especially in primary care," says Dave Emery, VP, sales/client services, healthcare media, at PERQ/HCI.

Putting the 2009 data into perspective, Emery notes that there may be an incorrect perception in the market—among advertisers and others—that journals have become less relevant, less widely used and that readership is declining. "The data doesn't support this position. Over the past five years, a period in which pharma's investment in journal advertising has declined, there's been no discernable change in reading frequency and thoroughness for the top primary care publications. The story is similar across various specialties," says Emery. He notes that there is a compelling argument that journals are underutilized by many marketers.

Further assessing the state of the industry, Emery points out that consolidation and cost trimming has increased among pharma companies. In addition, the total amount of money being spent on advertising promotion has decreased and the percentage of that that's going into print journals has gone down. "Some of that has shifted over to online but I think that's still very much a nebulous area," said Emery, who added, "you've got people putting money into their own websites and you've got people buying ads on Google and people sponsoring things on Medscape that don't necessarily show-up as advertising per say." Emery asserted that money is still being spent to reach the physician, but it's not necessarily going into the traditional print publishers pockets. Emery added that oncology continues to be a really strong market.

Responding to the current PERQ/HCI scores, Jennifer Day, president, Association of Medical Media (AMM), says that she does not regard the drop in ad dollars and pages to be a phenomenon unique to the healthcare space. She notes that the current decline is impacting the entire B-to-B space, down 26.5% in dollars and 30.2% in pages.

MOST ADVERTISED CATEGORY

SSRI/SNRI have long dominated the top therapeutic category, in part, to Wyeth's Pristiq and Effexor. In the first six months of 2009, however, it was a different story as Cytostatics like Bayer/Onyx's Nexavar came out on top, even with a 13.5% decrease in ad spend vs. January-June 2008. SSRI/SNRIs slipped to the second spot, posting a 36.2% decrease in ad expenditures. Ethical Drugs Misc. held onto the third spot with a decrease in ad spend of 15.8%. Antipsychotics-Other dropped nine spots from fourth to 13th. Diabetes Insulin inched up two to claim the fourth spot

TOP 25 ADVERTISED CATEGORIES, JAN-JUNE 2009

Rank 2009	Rank 2008	Category	$ ad spending 2009	2008	2007	% change 2009 vs 2008	2008 vs 2007
1	2	Cytostatic	12,409	14,352	15,574	- 13.5	- 7.8
2	1	SSRI/SNRI	11,051	17,320	19,799	- 36.2	- 12.5
3	3	Ethical Drugs Misc.	9,654	11,470	7,859	- 15.8	46
4	6	Diabetes Insulin	8,896	8,335	15,519	6.7	-46.3
5	7	Cancer Therapy	7,549	7,862	6,301	- 4.0	24.8
6	8	Chol Red Rx Statins	5,996	7,510	7,208	- 20.2	4.2
7	9	Alzheimer	4,383	5,913	6,342	- 25.9	- 6.8
8	12	Chol Red Rx—Other	4,255	4,105	3,040	3.7	35.0
9	5	Beta Blocking Agents	4,066	11,423	1,344	- 64.4	749.8
10	25	Proton Pump Inhibitors	2,987	2,210	4,215	35.2	- 47.6
11	17	Non-Specific Promo Advert	2,860	3,222	2,556	- 11.2	26.1
12	11	Dermatologica—Other	2,686	4,568	3,929	-41.2	16.3
13	4	Antipsychotics—Other	2,523	11,461	7,107	- 78.0	- 33.0
14	16	Morphine& Opium Non-Inject	2,193	3,257	3,582	- 32.7	- 9.1
15	23	Beta Agon, Aerosol	2,021	2,673	1,564	- 24.4	70.9
16	30	UT Antispasmodics	2,018	1,742	3,756	15.8	- 53.6
17	26	Interferon	1,928	2,192	2,263	- 12.0	- 3.2
18	35	Diabetes Oral	1,859	1,576	2,872	18.0	- 45.1
19	37	Derm Acne Therapy	1,699	1,438	1,606	18.2	- 10.5
20	27	Antiviral—Other	1,577	1,999	3,339	- 21.1	- 40.1
21	54	Toothpaste—OTC	1,575	905	1,289	74.1	- 29.8
22	104	Anesth—Other Local & Top	1,431	364	495	293.7	- 26.5
23	15	Ext Spec Macrolide	1,397	3,269	3,203	- 57.3	2.0
24	28	Biological Response Modifier	1,365	1,987	4,015	- 31.3	- 50.5
25	79	Hematology Iron Alone	1,355	640	463	111.6	38.2

Source: PERQ/HCI Journal Ad Review

"I think what we're seeing is a strong proliferation of new channels—online, audio/video, mobile and social networking. And, all of these segments are adding to the array of options—in addition to print. Having said that, it is the print channel that delivers the largest audience for the least amount of dollars," says Day.

Alan Imhoff, president and publisher of International Medical News Group says that the 32% decline year over year is nothing to laugh at. "But I think we need to keep it in context. In the past, healthcare, particularly professional promotion of pharmaceuticals, was not really impacted by the ups and downs of the larger economy—it certainly is now." Imhoff notes that those same big declines in promotional dollars are being seen in all kinds of industries, including consumer goods, and not just in print. But TV and even web-based promotion have been deeply impacted by what Imhoff referred to as a near depression. "So, that's a big part of it," says Imhoff. "You add in a long dry spell for new products and the growing focus on online promotion and you get a year like 2009."

And how much growth will the industry see in emerging media, social networking and e-detailing going into 2010? "We are already seeing a major uptick in the second half of this year—and I see this growing exponentially across all channels within the marketing/advertising space, educational programs and events," says Day.

"When it comes to which channel we deliver it in, my answer is simple, who cares, print, online, live events, mobile channels, you name it. We need to deliver it however our readers and customers want it," says Trevor Deal, publisher, *Mayo Clinic Proceedings* and *The Journal of Family Practice*.

Despite the dismal numbers, Lee Maniscalco, CEO of Haymarket Medical, is optimistic that ad spending will increase. "Physicians still rely on magazines as their primary source for clinical information and while PDA usage among physicians has increased for CME, drug look-up and script writing, the only viable advertising model seems to be for messaging, not general product advertising," he notes. "Conversely, web-based advertising simply works better given its size, clarity and ease of use; however, the hectic nature of a physician's practice is not conducive to regular daily usage, particularly for clinical practice." Maniscalco says that print will come back as part of an integrated approach to reaching clinicians and that it has a unique place in the media mix, because it allows pharma to deliver significant amounts of clinical information in the ad itself, without making clinicians "click" or take some other action, to get more information. ■

TOP 25 ADVERTISED BRANDS, JAN-JUNE 2009

Rank 2009	Rank 2008	Product	Company	$ ad spending (Jan-June) 2009	2008	2007	% change (Jan-June) 2009 vs 2008	2008 vs 2007
1	4	Lexapro	Forest	5,505	4,410	5,023	24.8	- 12.2
2	1	Bystolic	Forest	3,976	11,314	0	- 64.9	NA
3	54	Pristiq	Wyeth	3,443	943	0	265.0	NA
4	3	Lipitor	Pfizer	3,320	4,523	6,116	- 26.6	- 26.0
5	117	Trilipix	Abbott	3,151	436	0	622.9	NA
6	11	Namenda	Forest	2,470	2,579	3,220	- 4.2	- 19.9
7	9	Levemir Injection	Novo Nordisk	2,344	2,772	3,865	- 15.4	- 28.3
8	14	Rituxan	Genbiold	1,695	2,264	1,009	- 25.1	124.4
9	18	Byetta	Amylin/Lilly	1,670	2,109	1,853	- 20.8	13.8
10	42	Avastin	Genentech BioOncology	1,619	1,140	1,731	42.1	- 34.1
11	0	Kapidex Capsules	Takeda Pharmaceuticals	1,477	0	0	NA	NA
12	32	Januvia	Merck	1,465	1,417	2,411	3.4	- 41.2
13	0	Toviaz	Pfizer	1,428	0	0	NA	NA
14	183	Vidaza Injection	Celgene	1,415	267	345	428.9	- 22.4
15	847	Niaspan Tablets	Abbott	1,383	16	35	8,708.20	- 55.6
16	12	Symbicort	AstraZeneca	1,332	2,374	212	- 43.9	1,020.10
17	21	Aricept	Pfizer/Eisai	1,305	1,994	1,736	- 34.5	14.8
18	50	NovoLog Flex Pen	Novo Nordisk	1,298	981	908	32.4	8.0
19	0	Uloric	Takeda Pharmaceuticals	1,266	0	0	NA	NA
20	0	Moxatag	MiddleBrook	1,240	0	0	NA	NA
21	474	Novo Nordisk Diabetes	Novo Nordisk	1,880	64	131	1,744.10	- 51.2
22	1083	Liddoerm Lidocain Patch	Endo Pharmaceuticals	1,152	6	0	17,968.00	NA
23	0	Humalog Insulin	Lilly	1,151	0	0	NA	NA
24	67	Enbrel	Wyeth/Amgen	1,150	718	1,086	60.3	- 33.9
25	36	Flector Patch	King Pharmaceuticals	1,130	1,278	0	- 11.6	NA

Source: PERQ/HCI Journal Ad Review