DOWN BUT NOT OUT

The last thing medical/surgical journals needed was a recession. **James Chase** teams up with Kantar Media to chart the biggest advertisers and the most advertised categories and brands of ’09

JOURNAL AD REVIEW 2009
MEDICAL/SURGICAL
FULL YEAR

It is, perhaps, difficult to imagine right now, but as recently as 2006 medical surgical journal revenues were still on the up. Not much of an up, perhaps—in 2006, ad spending had climbed a mere 2% to $521 million—but it sure was better than what was to follow.

The full year 2007 saw a 4% reverse, the first decline in many, many years. In 2008, revenues really started to tumble, down another 12% to around $437 million. But if 2008 was a landslip, then 2009 turned into an avalanche. Last year, medical/surgical journals reported total ad revenues of just $345 million, down a whopping 21% over the previous year. Which all adds up to the sector having lost more than one third of its ad income (34%) in only three years.

It’s been a staggering demise for medical/surgical publications, and while some in the industry are still claiming that such trends are cyclical, it’s hard to imagine a similarly spectacular swing restoring the balance anytime soon.

Look at 2009 from the perspective of the number of ad pages and you’ll get the same story, in fact slightly worse than dollars, down 23% to 67,282—that’s a loss of almost 20,000 pages since 2008 and more than 35,000 pages in the past two years.

When it comes to individual titles in the marketplace, the losses

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

Total ad pages for top journals down 22.7% vs. 2008

Source: Kantar Media

1

New England Journal of Medicine — ad pages up 0.9% vs. 2008

2

Journal of the American Medical Association—ad pages down 12.8% vs. 2008

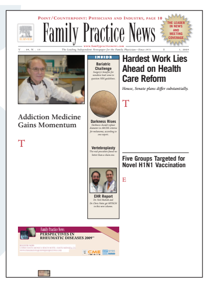
3

American Family Physician — ad pages down 13.2% vs. 2008

4

Monthly Prescribing Reference — ad pages down 27.6% vs. 2008

5



Family Practice News — ad pages down 11.4% vs. 2008 were largely indiscriminate, with a couple of exceptions.

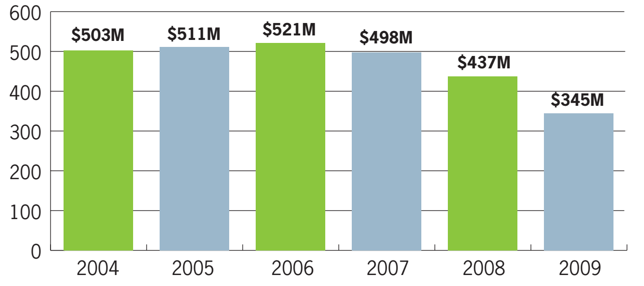
Of the top five medical/surgical journals by dollar revenues, only the retaining number one, *The New England Journal of Medicine*, posted an increase in pages. And in this case, that amounts to 0.9%, or little more than two extra pages a month, to total 3,218 for the year.

However, it's a handsome return compared to the other "big four"—*Journal of the American Medical Association* (*JAMA*) was down 12.8% to 1,669 pages; *American Family Physician* showed a deficit of 13.2% to 1,220 pages; *Monthly Prescribing Reference* (*MPR*) dropped 27.6% to 1,080 pages; and *Family Practice News* felt a reversal of 11.4% 1,052 pages.

The biggest loser in the top 50 was *American Medical News*, which plummeted 46% to 586 pages.

Some of the specialties fared better, with oncology titles continuing to add pages. Some of the star performers included *Circulation* (up 31% to 538 pages), *Oncology Net Guide* (up 28% to 421), *Journal of American Society of Nephrology* (up 10% to 537 pages), *Oncology Times* (up 8.1% to 928 pages) and *HemOnc Today* (up 6.5% to 914 pages).

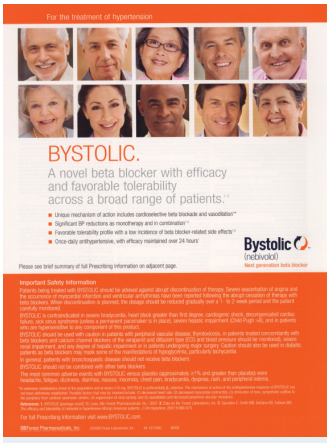
Medical/Surgical Journals Ad Revenue 2004-2009



Source: Kantar Media

The biggest advertisers

So, who is still advertising in medical/surgical journals and what are they promoting? Forest Laboratories skyrocketed to become the number one advertiser in this space with ad spend up an incredible



MOST ADVERTISED COMPANY

Forest Laboratories dominates as the top advertised company for the second year, increasing its overall ad spend by 29.9% while the other companies in the top five decreased spend in the double digits. Genentech was the only other company in the top 10 to increase spend. Pfizer continues to hold onto the number two position even with outlays decreasing by 17.4%. The company still had a large margin between it and Lilly, in third with a decrease in spend of 42.6%, and Wyeth (acquired by Pfizer in 2009) in fourth with a staggering drop of 37.4% in ad outlays

TOP 25 ADVERTISED COMPANIES, 2009

Rank 2009	Rank 2008	Company	$ ad spending 2009	$ ad spending 2008	% change 2009 vs 2008
1	1	Forest Laboratories	37,184	28,616	29.9
2	2	Pfizer	24,807	30,031	-17.4
3	3	Eli Lilly & Company	15,651	27,286	-42.6
4	4	Wyeth	11,466	18,320	-37.4
5	6	Novartis	11,318	12,973	-12.8
6	10	Takeda	9,748	10,598	-8.0
7	11	Novo Nordisk	9,332	9,811	-4.9
8	14	Genentech BioOncology	9,031	6,627	36.3
9	5	Janssen Pharmaceuticals	8,527	16,443	-48.1
10	9	Abbott	8,422	11,662	-27.8
11	8	Merck	7,508	11,851	-36.6
12	7	AstraZeneca	6,011	12,109	-50.4
13	12	Sanofi-Aventis	5,966	8,548	-30.2
14	13	Shire	5,751	7,080	-18.8
15	15	Bayer Healthcare	5,406	6,411	-15.7
16	18	GlaxoSmithKline	5,334	5,127	4.0
17	33	Amgen	4,757	3,302	44.1
18	24	King Pharmaceuticals	4,272	4,135	3.3
19	32	Galderma	4,253	3,324	27.9
20	20	Cephalon	4,011	4,789	-16.2
21	21	Allergan	4,007	4,459	-10.1
22	23	Bristol-Myers Squibb	3,881	4,339	-10.6
23	28	Endo Pharmaceuticals	3,803	3,830	-0.7
24	19	Amylin Pharmaceuticals/Eli Lilly & Co.	3,576	4,902	-27.1
25	22	Genentech/Biogen Idec	3,458	4,356	-20.6

 Source: Kantar Media, Journal Ad Review(TM) Data, Report: I4

30% to $37.2 million—and thus accounting for almost 11 % of the entire market on the back of just four products: Lexapro, Savella, Bystolic and Namenda.

The only other big gainers in the Top 25 were Genentech (up 36% to $9 million) and Amgen (up 44% to $4.8 million). For the rest of big pharma, ad outlays dropped dramatically—really dramatically—almost across the board.

Both AstraZeneca (down 50% to $6 million) and Ortho McNeil's Janssen Pharmaceuticals (down 48% to $8.5 million) pared back significantly, as did Eli Lilly (down 43% to $15.7 billion), Wyeth (now Pfizer, down 37% to $11.5 million) and Merck (also down 37% to $7.5 million). Not far behind in the budget-cut stakes were fellow big guns Sanofi-Aventis (down 30% to $6 million) and Abbott Laboratories (down 28% to $8.4 million). These numbers are enormous and you don't have to look too much further than this clutch of the biggest pharma companies to see where most of the cuts are coming from.

The most advertised categories

Cytostatic Drugs—Other limped across the finishing line to take the top spot as the most advertised therapeutic category on the back of a marginal 1.8% increase in ad expenditure to $26.8 million. It was a tight race, however, due mainly to the fact that perennial number one, SSRI/SNRI products, had dropped a jaw-dropping 31% in outlays to $26.5 million. Aside from the top two, some categories saw big gains, while others experienced heavy cuts.

MOST ADVERTISED BRANDS

Forest Laboratories Lexapro, for the treatment of depression and anxiety, claimed the top spot with a 41.4% increase in ad outlays. Forest also claimed the number two and three spots with its newest product Savella Tablets in the number two spot, dropping Bystolic to the third spot. Wyeth's (now Pfizer) Pristiq held onto the fourth spot even with a 19.9% decrease in ad spend

TOP 25 ADVERTISED BRANDS, 2009

Rank 2009	Rank 2008	Product	Company	$ ad spending 2009	$ ad spending 2008	% change 2009 vs 2008
1	3	Lexapro	Forest	13,485	9,534	41.4
2	-	Savella Tablets	Forest	9,960	0	N/A
3	2	Bystolic	Forest	8,889	13,549	-34.4
4	4	Pristiq	Wyeth	7,400	9,242	-19.9
5	5	Lipitor Tablets	Pfizer	6,635	8,225	-19.3
6	13	Janumet/Januvia	Merck	6,127	4,436	38.1
7	18	Humalog Insulin	Lilly	4,882	3,504	39.3
8	8	Namenda	Forest	4,850	4,867	-0.3
9	6	Levemir	Novo Nordisk	4,788	5,359	-10.7
10	-	Kapidex Capsules	Takeda Pharmaceuticals NA	4,429	0	N/A
11	1	Cymbalta	Lilly	3,778	13,858	-72.7
12	7	Byetta	Amylin/Lilly	3,576	4,902	-27.1
13	40	Avastin	Genentech BioOncology	3,465	2,153	60.9
14	-	Toviaz	Pfizer	3,459	0	N/A
15	-	Uloric	Takeda Pharmaceuticals NA	3,440	0	N/A
16	15	Rituxan	Genentech/Biogen Idec	3,279	4,333	-24.3
17	44	Evista	Lilly	3,202	1,949	64.3
18	73	Trilipix	Abbott	3,188	1,295	146.2
19	23	Symbicort	AstraZeneca	2,847	3,202	-11.1
20	598	Ranexa Ranolazine XR Tabs	Gilead Sciences	2,740	93	2846.2
21	17	Aricept	Pfizer/Eisai	2,707	3,952	-31.5
22	48	Enbrel	Wyeth/Amgen	2,554	1,838	39.0
23	65	Flector Patch	King Pharmaceuticals	2,373	1,392	70.5
24	36	Novolog	Novo Nordisk	2243	2290	-2.1
25	100	Amrix	Cephlon	2,189	1,035	111.5

Among the big gainers were Antidepressants (up from $0.3 million to $10 million), Proton Pump Inhibitors (up 68% to $7.4 million), Urinary Tract Antispasmodics (up 58% to $5 million) and Transplant/Immunosuppressives (up 134% to $4.5 million). Faring less well were Statins (down 24% to $10.8 million), Beta-Blocking Agents (down 33% to $9.2 million), Antipsychotics—Other (down70% to $6.6 million) and Dermatological—Other (down 43 to $4.7 million).

The most advertised brands

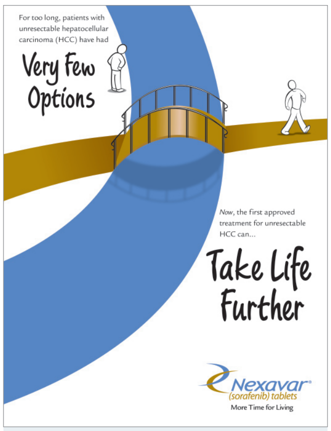
It's all about Forest Laboratories when it comes to the most advertised brands. Forest manufactured the three most advertised brands in medical/surgical journals in 2009, and four of the top eight. Topping the list with a huge additional outlay last year is Lexapro for anxiety and major depressive disorder (up 41% to $13.5 million).

In second place, but some distance behind, is Forest's newly launched Savella Tablets for the treatment of fibromyalgia (debuted at $10 million), followed closely by the company's beta-blocker Bystolic, which was launched in 2008 to treat hypertension. Forest's other product is its staple Alzheimer's treatment Namenda (flat at $4.9 million).

The most advertised non-Forest product was the antidepressant Pristiq from Wyeth (now Pfizer, down 20% to $7.4 million). Still doing the rounds is Pfizer's Lipitor (down 19% to $6.6 million) and Merck's Type 2 diabetes treatment Janumet/Januvia (up 38 % to $6.1 milllion).

Outside of the top six, ad expenditures tail off sharply, with a clutch of products all accounting for between $3.5 million and $5 million in outlays. These include: Eli Lilly's Humalog for Type 1 diabetes (up 39% to $4.9 million); Novo Nordisk's Levemir for Type 1 and Type 2 diabetes (down 11% to $4.8 million); Tap Pharmaceutical's newly launched Kapidex to treat heartburn ($4.4 million) Eli Lilly's Cymbalta for serious depression (down 73% to $3.8 million); Amylin/Lilly's Byetta for Type 2 diabetes (down 27% to $3.6 million); and Genentech's oncology drug Avastin (up 61% to $3.5 million).

As medical/surgical journal publishers continue their quests to both survive and to develop new and supplementary revenue channels (read: digital) it remains to be seen whether they can recover from the latest round of red ink. But there are some encouraging signs at the start of 2010, with sizable gains reported, particularly in the primary care space. ■



MOST ADVERTISED CATEGORY

A 1.8% increase in spend on Cytostatic Drugs—Other, such as Bayer HealthCare's Nexavar for the treatment of liver and kidney cancer, helped push the category to the top spot, barely inching past the reigning number one category SSRI/SNRI. Spend on SSRI/SNRI fell a whopping 30.9% in 2009, with dollars for the category dropping dramatically. Ethical Drugs Misc.—Other held onto the number three spot for the second year because of a 5.9% increase in outlays. Diabetes Insulin moved up a spot even with a slight decrease in spend (down 1.3%)

TOP 25 ADVERTISED CATEGORIES, 2009

Rank 2009	Rank 2008	Company	$ ad spending 2009	$ ad spending 2008	% change 2009 vs 2008
1	2	Cytostatic Drugs—Other	26,849	26,384	1.8
2	1	SSRI/SNRI	26,475	38,317	-30.9
3	3	Ethical Drugs Misc—Other	24,121	22,769	5.9
4	5	Diabetes Insulin	18,153	18,400	-1.3
5	6	Cancer Therapy Products	16,268	15,793	3.0
6	7	Cholesterol Reducers—Rx Statins	10,846	14,327	-24.3
7	153	Antidepressants	10,016	255	3827.8
8	8	Beta-Blocking Agents	9,196	13,688	-32.8
9	9	Alzheimer—Type Dementia	8,322	10,571	-21.3
10	22	Proton Pump Inhibitors	7,442	4,433	67.9
11	11	Non-specific Promotion Institutional Advert	6,735	6,875	-2.0
12	4	Antipsychotics—Other	6,620	22,134	-70.1
13	14	Morphine & Opium Non-inject	5,464	6,195	-11.8
14	15	Cholesterol Reducers—Rx Others	5,021	6,175	-18.7
15	31	Urinary Tract Antispasmodics	4,999	3,165	57.9
16	10	Dermatological Other	4,693	8,231	-43.0
17	49	Transplant/Immunosupressives	4,503	1,926	133.8
18	12	Seizure Disorders	4,021	6,838	-41.2
19	23	Beta Agonists, Aerosol	3,926	4,185	-6.2
20	37	Diabetes Oral	3,852	2,628	46.6
21	38	Estrogens Oral	3,769	2,522	49.4
22	26	Interferon	3,673	3,811	-3.6
23	57	Hematinics—Iron Alone	3,578	1,730	106.8
24	13	GI Anti-Inflammatory	3,544	6,336	-44.1
25	19	Extended Spectrum Macrolides	3,296	5,432	-39.3

 Source: Kantar Media, Journal Ad Review(TM) Data, Report: I4