GAINS ON PAPER

Medical/surgical journals are on the rebound, having posted a nascent recovery last year. **Marc Iskowitz** finds which categories and brands attracted the most ad dollars in 2010

First, the good news: professional advertising is moving in the right direction. The deep revenue slide occurring over 2009 and 2008 appears to have abated. The question now, as we look back at 2010, was how encouraging was this rebound in terms of ad revenue.

Medical/surgical dollars were up 9% to $376 million vs. $347 million the year before. That's quite promising, considering that most journal publishers were licking their wounds after a scary 21% dip in 2009.

JOURNAL AD REVIEW 2010
MEDICAL/SURGICAL FULL YEAR

Still, to put this growth in perspective, medical/surgical journals have clawed their way above 2009's $347 million. But revenue remains a good 30% shy of where it was during the halcyon days of '07, '06 and '05, when it hovered around half a billion dollars. And realistically, we may never see those days again.

Publishers are also seeing more ad pages within their covers, but just 3,400 more since 2009, a modest 5% uptick to 71,088. As they did in the first half of the year, multi-specialty titles led the upturn with 13% annual growth, translating into $14.6 million more in the market Twenty other markets, of 37 covered by Kantar Media, were also up. The top five performing markets in terms of dollar growth vs.

TOP 5 MEDICAL/SURGICAL JOURNALS RANKED BY AD REVENUE, 2010

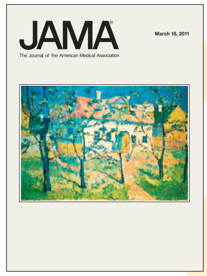
Total ad pages for top journals up 5% vs. 2009

Source: Kantar Media

1

New England Journal of Medicine — ad pages up 17.5% vs. 2009

2



Journal of the American Medical Association— ad pages up 18.5% vs. 2009

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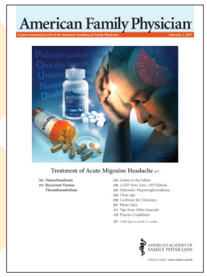

American Family Physician — ad pages up 21.3% vs. 2009

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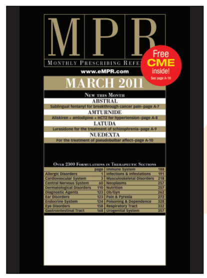


Monthly Prescribing Reference — ad pages down 0.2% vs. 2009

5

Family Practice News — ad pages up 11.9% vs. 2009

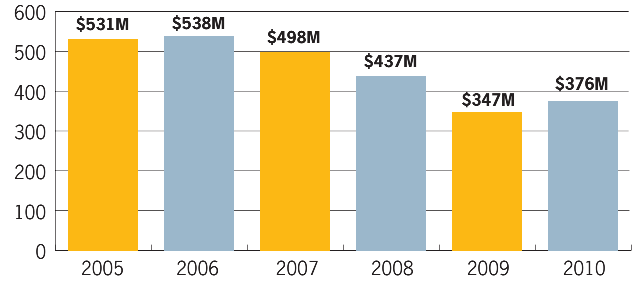
2009 were internal medicine, pediatrics, rheumatology and optometry. Nursing, again, had the biggest negative impact on dollars.

Publishers

The reigning top five medical-surgical journals posted double-digit ad page increases, except for *Monthly Prescribing Reference*, which kept its leaf count relatively flat compared to 2009. The best performer in this top-tier group was *American Family Physician*, which posted a 21% page increase, or nearly 22 pages per month, to 1,480 for the year. Also notching impressive gains—*Journal of the American Medical Association* swelled 19% to 1,979 pages; *The New England Journal of Medicine* saw an 18% increase to 3,782 pages; and *Family Practice News* grew 12% to 1,177 pages.

The rising tide didn't float all boats. Buys were more selective and concentrated in the leading multispecialty books. Specialty titles suffered in page count. Neurology was up 5% to 1,216 pages, but *Journal of Clinical Oncology* retreated 7% to 2,208 pages, *Journal of the American College of Cardiology* dropped 11% to 1,049 pages, *Oncology Times* grew by just a page (0.1%) to 928 pages and *HemOnc Today* slimmed 4% to 873 pages.

Medical/Surgical Journals Ad Revenue 2005-2010



Source: Kantar Media

According to Dave Emery, VP/general manager, professional health, for Kantar Media, those medical/surgical journal publishers that have best weathered the volatility are those have embraced a multiplatform approach, with content available in print and online.

MOST ADVERTISED COMPANY

Pfizer returned to the top position as the number one advertiser, boosting spend 9.3% to $39.8 million, after losing the mantle last year to Forest, which nudged spend up just 1.7%. But Forest's $37.8 million outlay easily overshadowed the next nearest firm, Eli Lilly, which posted a 26% increase to $19.9 million. While 90% of the companies in the Top 10 increased outlays, plenty of the next 15 staunched the rally, like Takeda (down 30% to $7.1 million). GlaxoSmithKline increased outlays just over 50% to make the top 10, up five spots from the previous year

TOP 25 ADVERTISED COMPANIES, 2010

Rank 2010	Rank 2009	Company	$ ad spending 2010	$ ad spending 2009	% change 2010 vs 2009
1	2	Pfizer	39,813	36,413	9.3
2	1	Forest	37,818	37,184	1.7
3	4	Eli Lilly	19,898	15,791	26.0
4	12	Sanofi-Aventis	19,289	5,973	223.0
5	5	Novartis	17,670	12,457	41.9
6	3	Johnson & Johnson	16,054	16,982	-5.5
7	10	Novo Nordisk	12,967	9,345	38.8
8	8	Roche	12,219	10,203	19.8
9	6	Merck	10,895	10,500	3.8
10	15	GlaxoSmithKline	8,032	5,334	50.6
11	16	Amgen	7,628	4,988	52.9
12	7	Takeda	7,146	10,216	-30.1
13	11	AstraZeneca	6,551	6,011	9.0
14	14	Bayer	6,226	5,406	15.2
15	9	Abbott	4,979	9,740	-48.9
16	38	Otsuka America	4,408	2,298	91.8
17	21	Allergan	4,389	4,007	9.5
18	28	Alcon	4,328	3,224	34.3
19	68	Daiichi Sankyo/Lilly	4,128	724	469.8
20	43	Boehringer Ingelheim	3,943	1,899	107.6
21	13	Shire	3,848	5,752	-33.1
22	25	Genentech/Biogen Idec	3,730	3,523	5.9
23	27	Mylan	3,615	3,401	6.3
24	22	Bristol-Myers Squibb	3,579	3,909	-8.5
25	23	Endo Pharmaceuticals	3,485	3,803	-8.4

In addition to websites, some have launched mobile apps for smartphone and tablets and offer an integrated ad package.

"We were able to take market share…because we were able to deliver multispecialty options and targeted options both in print and online," says Tom Easley, publisher and managing director of the *NEJM*. The journal's two apps, which have been downloaded 100,000 times, provide another ad vehicle for clients.

While physician app development has taken off, Emery says only about a dozen publishers have developed professional apps. "It doesn't mean they are not thinking about it," he says of those on the sidelines. "They're just waiting for the technology to settle in a bit and to come up with a strategy."

Pharma companies

Pfizer and Forest have vied for the number one advertiser spot the last three years and together account for 20% of pharmaceutical ad spending. Which company placed the most advertisements last year and for which products?

Pfizer reclaimed poll position from its rival, a spot it last held in 2008, boosting spend 9% to $39.8 million. Products Lyrica, Pristiq, Lipitor, Sutent and Aricept (co-marketed with Eisai) accounted for about half the firm's buys. Number two Forest ceded ground by upping spend just 2% to $37.8 million, riding product placements for Savella, Lexapro, Bystolic and Namenda.

Ninety percent of the top 10 increased spend. Perennial names padding outlays included Eli Lilly (up 26% to $19.9 million), Novartis (up 42% to $17.7 million), Novo Nordisk (up 39% to $13.0 million) and GlaxoSmithKline (up 51% to $8.0 million). Notably, Sanofi-Aventis tripled spend to $19.3 million promoting brands like its Lantus long-acting insulin franchise, helping make it the top-selling brand in the diabetes space. Beyond the top 25, it's easy to see which companies stunted that would-be surge: Takeda (down 30% to $7.1 million), Abbott (down 49% to $5.0 million) and Shire (down 33% to $3.8 million).

Kantar recently started tracking online advertising but not amounts spent. By number of ad occurrences, the top online advertisers in the professional space were Lilly, AstraZeneca, Pfizer, Sanofi-Aventis, GlaxoSmithKline and Novartis.

Pharma overall isn't spending a big chunk of money on web ads, says Emery. Industry spends more for site development. At the same time, leading publishers are selling out of online inventory. "We

TOP 25 ADVERTISED BRANDS, 2010

Rank 2010	Rank 2009	Product	Company	$ ad spending 2010	$ ad spending 2009	% change 2010 vs 2009
1	2	Savella Tablets	Forest	13,889	9,960	39.4
2	1	Lexapro	Forest	13,050	13,485	-3.2
3	3	Bystolic	Forest	6,382	8,889	-28.2
4	94	Lantus Injection	Sanofi-Aventis	5,352	871	514.6
5	62	Lyrica Capsules	Pfizer	4,971	1,283	287.5
6	18	Humalog KwikPen	Eli Lilly	4,905	2,798	75.3
7	4	Pristiq	Pfizer	4,900	7,400	-33.8
8	7	Levemir Injection	Novo Nordisk	4,692	4,747	-1.2
9	5	Lipitor Tablets	Pfizer	4,602	6,635	-30.6
10	-	Victoza Injection	Novo Nordisk	4,601	0	N/A
11	9	Cymbalta	Eli Lilly	4,472	3,778	18.4
12	43	Nucynta	PriCara	4,392	1,744	151.8
13	6	Namenda	Forest	4,265	4,850	-12.0
14	33	Samsca Tablet	Otsuka	4,107	2,018	103.5
15	209	Lantis Non-Branded	Sanofi-Aventis	4,032	350	1,052.2
16	118	Effient	Daiichi Sankyo/Lilly	3,933	716	449.0
17	-	Dexilant	Takeda	3,861	0	N/A
18	-	Lantus SoloStar	Sanofi-Aventis	3,695	0	N/A
19	14	Rituxan	Genentech/Biogen	3,688	3,345	10.3
20	11	Avastin	Genentech/Biogen	3,435	3,465	-0.9
21	38	OxyContin Tablets	Purdue Pharma	3,248	1,831	77.4
22	10	Byetta	Amylin/Lilly	3,234	3,589	-9.9
23	-	Saphris	Merck	3,179	0	N/A
24	51	Onglyza	Bristol-Myers/AstraZeneca	3,060	1,543	98.4
25	28	Afinitor Tablets	Novartis	3,028	2,064	46.7

 Source: Kantar Media, Journal Ad Review™ Data, Report: I4 still generate more revenue for print than from online, but the gap between the two is really closing," reports Easley.

Categories

Diabetes drugs, in dramatic fashion, seized the distinction of being the most advertised therapeutic category, with a 101% push spread among four or five products. Conceding the number-one spot was Cytostatic Drugs, which eased spend 4% to $26.4 million.

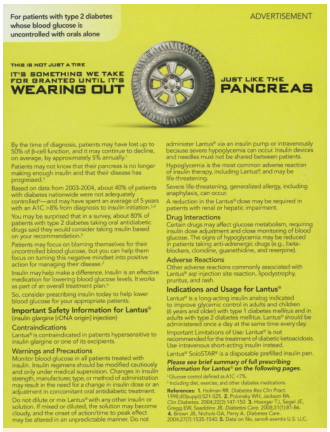
As one would guess, among the rest of the categories there was more black ink than red: Cancer Therapy Products rose 24% to $20.4 million, Antidepressants grew 44% to $14.4 million, Antipsychotics—Other was up 42% to $9.4 million, Seizure Disorders advanced 55% to $8.7 million and Transplant/Immunosuppressives climbed 52% to $6.8 million. Categories curbing spend were SSRI/SNRI (down 12% to $23.3 million), Beta-Blocking Agents (down 15% to $7.8 million), Alzheimer-Type Dementia (down 13% to $7.2 million) and Cholesterol Reducer Rx Statins (down 37% to $6.9 million).

Brands

Forest continues to dominate when it comes to the most advertised brands, owning the top three spots with products Savella (up 39% to $13.9 million), Lexapro (down 3% to $13.1 million) and Bystolic (down 28% to $6.4 million). Beyond that, diabetes drugs surged, led by Lantus Injection (up a whopping 514% to $5.4 million), Humalog KwikPen (up 75% to $4.9 million) and Novo Nordisk's newly launched Victoza Injection (debuting at $4.6 million). Some anti-diabetics scaled back—Merck's Janumet/Januvia franchise, Novo's Levemir Injection and Lilly/Amylin's Byetta.

And while there were fewer NDAs in 2010 than in 2009, new products—or new formulations—fueled the market, like Victoza and Lantus SoloStar, as well as Takeda's heartburn drug Dexilant, Merck's Saphris for bipolar disorder and AstraZeneca's antiarthritic Vimovo.

The fact that medical/surgical journal revenue came out of the doldrums last year was a ray of hope for publishers. Not necessarily for those who want to make bets on markets and launch new pubs. For those struggling to stay viable, the 9% increase provides some leeway as they wrestle with the proliferation of promotional opportunities, whether digital or elsewhere, and products going off patent. "The future is bright," says Easley, "but it is more complicated." ■



MOST ADVERTISED CATEGORY

Thanks to a 101% push, Diabetes products took top category honors, on the back of ad outlays for products like Humalog KwikPen and Novo Nordisk's Victoza Injection. 2009's leader, Cytostatic Drugs, relaxed spend 3.5% to $26.4 million, and advertising for SSRI/SNRI products, number two in 2009, eased 12% to $23.3 million in 2010. Overall, six of the top 10 categories saw revenue boosts, highlighted by Cancer Therapy Products, Antidepressants, Antipsychotics-Other and Seizure Disorders. Transplant/Immunosuppressives rose eight spots to crack the top 15

TOP 25 ADVERTISED CATEGORIES, 2010

Rank 2010	Rank 2009	Company	$ ad spending 2010	$ ad spending 2009	% change 2010 vs 2009
1	4	Diabetes Insulin	36,573	18,214	100.8
2	3	Ethical Drugs Misc–Other	28,134	20,970	34.2
3	1	Cytostatic Drugs–Other	26,357	27,305	-3.5
4	2	SSRI/SNRI	23,264	26,456	-12.1
5	5	Cancer Therapy Products	20,410	16,441	24.1
6	7	Antidepressants	14,437	10,016	44.1
7	12	Antipsychotics–Other	9,399	6,620	42.0
8	13	Seizure Disorders	8,715	5,613	55.3
9	11	Non-specific Promotion Insititutional Advert	7,918	6,992	13.2
10	8	Beta-blocking Agents	7,809	9,196	-15.1
11	9	Alzheimer-type Dementia	7,260	8,326	-12.8
12	6	Cholesterol Reducers–Rx Statins	6,862	10,846	-36.7
13	18	Transplant/Immunosuppressives	6,841	4,511	51.7
14	10	Proton Pump Inhibitors	6,539	7,442	-12.1
15	46	Analgesics	5,441	1,773	206.8
16	17	Dermatological Other	4,694	4,724	-0.6
17	54	Diabetes Therapy	3,717	1,570	136.8
18	23	Hematinics–Iron Alone	3,632	3,578	1.5
19	14	Morphine & Opium Non-inject	3,592	5,480	-34.5
20	21	Estrogens Oral	3,363	3,769	-10.8
21	22	Interferon	3,326	3,673	-9.4
22	43	Codeine & Combination Non-inject	3,248	2,006	61.9
23	27	General Promotion	3,089	2,879	7.3
24	89	Antiarthritics	3,047	755	303.6
25	52	Antiarthritics Systemic DMARDs	3,022	1,590	90.0

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