PERQ/HCI MID-YEAR AD REVIEW REVIEW 2003

A 2 percent rise in journal ad spending is hardly cause to celebrate the end of the downturn, but it is a welcome relief from the decreases of the past two years. **Eugene May** reports on the companies and products that have steadied the ship.

STEADYING THE SHIP

The PERQ/HCI Journal Ad Review™ (JAR™) for the first half of 2003 recorded a 2 percent gain in spending in medical/surgical journals over the same period in 2002. And although this increase is marginal at best, it represents a welcome change from the declines of 4 percent and 13 percent in the respective 2002 and 2001 periods. The total number of ad pages, however, fell by 2 percent.

Six new products introduced during the first half of 2003, and the last quarter of 2002, spent at a rate sufficient to move them into the top 25. Also, a renewed interest in journal advertising for certain major products not advertised in the prior year, such as Cozaar and Singulair, contributed to the first half 2003 increase in print promotion.

Biggest advertiser

Once again, Pfizer was the heaviest advertiser with a 9 percent share. Pfizer has held the top spot since 1998 and has done so in large part by continuing to advertise products obtained through acquisitions such as Parke-Davis. When ad spending by Pharmacia is included, Pfizer's total share exceeds 10 percent.

A 110 percent boost in spending, all attributed to Lexapro, advanced Forest Pharmaceuticals from 8th to 2nd, while GlaxoSmithKline (GSK) retained 3rd place, even as ad outlays were reduced by 10 percent. AstraZeneca moved up two spots to 4th following a 24 percent increase in expenditures, and, after an absence of more than two years, Merck (up from 9th to 5th) is back advertising Cozaar and Singulair, both of which recently gained new indications. Merck's renewed advertising support for Cozaar may also be due to the advances being made by Novartis' Diovan in the angiotensin II receptor blocker market, while a new claim for Singulair in allergic rhinitis most likely prompted the company to advertise it again.

Novartis slipped from 5th to 6th, Ortho-McNeil was unchanged in 7th place, even though spending was cut by 23 percent, and Abbott advanced from 10th to 8th on an 11 percent increase in ad expenditures. In the year-ago period, Wyeth was 2nd and Aventis held 4th place. These two companies are now 9th and 10th, respectively, following spending cuts in the 50-60 percent range. Wyeth's drop in rank can be attributed to lower ad budgets for Effexor XR and Protonix, while Aventis' decline in position can be traced to lower ad outlays for Allegra, Amaryl, Lantus, and especially Lovenox.

The Pharmacia/Pfizer partnership, which was formed to promote Bextra and Celebrex, repeated in 11th place. Among the advertisers new to the top 25 are Sanofi-Synthelabo, up from 30th to 12th, and the Merck/Schering-Plough joint venture (13th) which was formed to promote Zetia. Other companies new to the top 25 include Eli Lilly, up from 28th to 18th following a 52 percent boost in spending to support the promotion of Strattera and Zyprexa, and the Aventis/Procter & Gamble partnership, up from 32nd to 19th as ad outlays increased by 82 percent in support of Actonel.

Most advertised category

SSRI/SNRIs continued to be the most heavily advertised therapeutic category with an 8.8 percent share of ad spending. In fact, this class increased its hold on the number one spot as ad outlays climbed by 32 percent, due in large part to Forest's new entry, Lexapro. Cytostatic drugs-other advanced from 3rd to 2nd even though there was only

KEY TRENDS

- Ad spending in medical/surgical journals up 2 percent.
- Total number of ad pages down 2 percent.
- Pfizer the biggest advertiser.
- SSRI/SNRI's the most heavily advertised drug category.
- Lexapro by Forest Pharmaceuticals the most heavily advertised product.

TABLE 1: THE 25 LEADING ADVERTISERS BY COMPANY, FIRST HALF 2003

		Rank	% of Ad Market		% Change
Rank	Company	2002	2003	2002	2003 vs. 2002
1	Pfizer	1	9.01	8.73	4.93
2	Forest Pharmaceuticals	8	6.39	3.10	109.94
3	GlaxoSmithKline	3	5.45	6.17	-10.16
4	AstraZeneca	6	3.96	3.25	24.05
5	Merck	9	3.26	2.04	62.16
6	Novartis	5	3.25	3.33	-0.57
7	Ortho-McNeil	7	2.36	3.12	-23.09
8	Abbott Laboratories	10	2.21	2.03	10.59
9	Wyeth Pharmaceuticals	2	2.15	6.66	-67.14
10	Aventis	4	2.07	4.42	-52.41
11	Pharmacia and Pfizer	11	1.94	1.79	10.35
12	Sanofi-Synthelabo	30	1.79	0.71	155.07
13	Merck/Schering-Plough	—	1.51	—	—
14	Roche Laboratories	15	1.50	1.16	31.11
15	Ortho Biotech	23	1.45	0.94	56.20
16	Braintree Laboratories	12	1.41	1.50	-4.07
17	Tap Pharmaceuticals	14	1.36	1.29	6.91
18	Eli Lilly	28	1.27	0.85	51.87
19	Aventis/Procter & Gamble	32	1.20	0.67	82.23
20	Pharmacia/Upjohn & Searle	20	1.17	1.01	18.07
21	Biovail and Solvay	46	1.09	0.40	175.55
22	Endo Pharmaceuticals	33	1.08	0.65	69.62
23	Bristol-Myers Squibb and Oysuka	115	0.99	0.08	1081.83
24	Takeda and Lilly	17	0.98	1.13	-11.88
25	Bristol-Myers Squibb	105	0.88	0.11	725.23

Source: PERQ/HCI Journal Ad Review™ (JAR™)

TOP COMPANY ADVERTISER

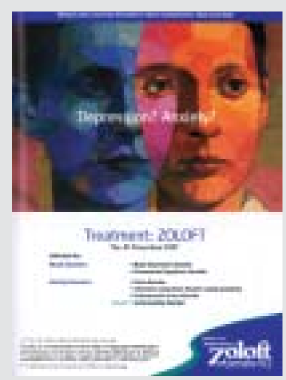
Pfizer retained its spot as the number one journal advertiser — a position it has held since 1998 — with a 9 percent share of the ad market.Pfizer's dominance is due in large part to the company continuing to advertise products obtained through acquisitions, such as Lipitor, which came on board with Parke-Davis.

TABLE 2: THE 25 MOST ADVERTISED DRUG CATEGORIES, FIRST HALF 2003

		Rank	% of Ad Market		% Change
Rank	Category	2002	2003	2002	2003 vs. 2002
1	SSRI/SNRI	1	8.83	6.78	32.44
2	Cytostatic drugs - other	3	3.72	3.56	6.33
3	Proton pump inhibitors	2	3.70	5.21	-27.69
4	Antipsychotics - other	10	3.28	2.04	63.15
5	Cox-2 Inhibitors	7	2.84	2.37	22.09
6	Ethical drugs misc - other	6	2.61	2.42	9.63
7	Seizure Disorders	13	2.56	1.53	70.06
8	"Angio II Antag, Alone"	15	2.48	1.48	70.64
9	Combinations	—	2.07	—	—
10	Calcium Blockers	8	2.03	2.37	-12.96
11	Non-Barb Sed Others	31	1.87	0.81	136.10
12	Dermatological Other	11	1.80	2.02	-9.28
13	Insulin Sensitizer	5	1.79	2.80	-34.90
14	Anti-Migraine	38	1.76	0.71	152.55
15	Erythropoietin	17	1.68	1.35	26.53
16	Chol Red Rx Statins	4	1.54	3.45	-54.64
17	Chol Red Rx Others	211	1.51	0.03	5660.65
18	Biological Response Modifier	47	1.44	0.58	150.99
19	Bisphosphonates	34	1.26	0.73	74.29
20	Diabetes Insulin	18	1.22	1.33	-5.98
21	Contraceptive Preps - Other	46	1.19	0.60	101.33
22	Ext Spec Macrolide	14	1.13	1.51	-24.09
23	Fungic Alon/CMB SY	147	1.10	0.08	1327.93
24	Interferon	45	1.06	0.62	74.95
25	Alzheimer - Type Dementia	39	1.04	0.71	49.81

Source: PERQ/HCI Journal Ad Review™ (JAR™)

MOST ADVERTISED DRUG CATEGORY



The SSRI/SNRI drug class increased its hold as the most heavily advertised category with a market share of 8.8 percent. Advertising outlays climbed by 32 percent, thanks largely to Forest Pharmaceutical's new entry, Lexapro.

MOST ADVERTISED PRODUCT

Forest's Lexapro was streets ahead as the most heavily advertised product. Previously ranked 16th, Lexapro now accounts for 6.3 percent of ad spending — more than three times the share of the number two, Pfizer's Norvasc. Almost 80 percent of Lexapro's print spend was for nine-page ads.

a marginal increase in spending (6 percent), while proton pump inhibitors slipped one spot to 3rd as spending cuts were implemented by Aciphex and Protonix. The antipsychotic-other drug class, which jumped from 10th to 4th, was driven largely by BMS/Otsuka's new entry, Abilify, while COX-2 inhibitors moved up from 7th to 5th as Bextra, Celebrex and Vioxx all boosted ad outlays. Ethical drugs miscellaneous-other repeated in 6th place, seizure disorders jumped from 13th to 7th following a 70 percent increase in spending which can be attributed largely to higher expenditures for Neurontin, while angiotensin II receptor blockers-alone climbed from 15th to 8th as Benicar, Cozaar and Teveten all contributed to the 71 percent gain in this class. Diabetes-combinations, a new class which includes products such as Avandamet, Glucovance and Metaglip, ranked 9th with a 2.1 percent share. Calcium blockers dropped two spots to 10th.

Most advertised product

By far the most heavily advertised product was Lexapro. This Forest brand, which previously ranked 16th, now accounts for 6.3 percent of all spending in medical/surgical journals. Of note is that almost 80 percent of Lexapro's print spend was for nine-page ads. Norvasc repeated in the number two spot, while Pfizer boosted expenditures for Neurontin by 265 percent, thereby driving the brand from 58th to 3rd. Zetia, a new cholesterol reducer marketed by Merck/Schering-Plough, ranked 4th. The introduction of this brand was supported primarily by four-page ads. Ambien, marketed by Sanofi-Synthelabo, climbed from 31st to 5th as ad outlays advanced by 111 percent. A new diabetes combination from GSK, Advandamet, was 6th, while Nexium climbed from 22nd to 7th following a 57 percent boost in spending. Prevacid moved up one spot to 8th and Bextra slipped one place to 9th.

The next three products, all previously marketed, are new to the top 25 list. Actonel climbed from 29th to 10th, Ortho Evra jumped from 34th to 11th, and Procrit moved up from 27th to 12th. Pfizer's new anti-migraine product, Relpax, ranked 13th while the company's Lipitor advanced from 26th to 14th as ad outlays increased by 59 percent. A 176 percent boost in spending advanced the Teveten family of products from 60th to 15th, while Effexor XR, the most heavily advertised product in the year-ago period, now ranks 16th following a 65 percent cut in ad outlays. ■

TABLE 3: THE 25 MOST ADVERTISED PRODUCTS, FIRST HALF 2003

			Rank	% of Ad Market		% Change
Rank	Product	Company	2002	2003	2002	2003 vs. 2002
1	Lexapro	Forest Pharmaceuticals	16	6.32	0.99	545.97
2	Norvasc	Pfizer	2	1.9	2.37	-18.20
3	Neurontin oral	Pfizer	58	1.53	0.43	264.58
4	Zetia Tablets	Merck/Schering-Plough	—	1.51	—	—
5	Ambien Tablets	Sanofi-Synthelabo	31	1.36	0.65	110.78
6	Avandamet Tablets	GlaxoSmithKline	—	1.35	—	—
7	Nexium	AstraZeneca	22	1.33	0.86	56.80
8	Prevacid/Proton Pump Inhibitor	Tap Pharmaceuticals	9	1.24	1.11	13.61
9	Bextra Valdecoxib Tablets	Pharmacia and Pfizer	8	1.24	1.12	12.21
10	Actonel Tablets	Aventis/Procter & Gamble	29	1.2	0.67	82.23
11	Ortho Evra	Ortho-McNeil	34	1.19	0.60	101.33
12	Procrit	Ortho Biotech	27	1.18	0.71	68.93
13	Relpax for Migraines	Pfizer	—	1.16	—	—
14	Lipitor Tablets	Pfizer	26	1.14	0.73	58.92
15	Teveten and Teveten HCT	Biovail and Solvay	60	1.09	0.40	175.55
16	Effexor XR	Wyeth Pharmaceuticals	1	1.00	2.91	-64.92
17	Abilify (Aripiprazole)	Bristol-Myers Squibb and Oysuka	—	0.98	—	—
18	Actos Oral Insulin	Takeda and Lilly	7	0.98	1.13	-11.88
19	Humira (Adalimumab)	Abbott Laboratories	—	0.91	—	—
20	Singulair Tablets	Merck	—	0.90	—	—
21	Lantus Insulin Glargine	Aventis	11	0.85	1.07	-18.88
22	Plavix Tablets	Bristol-Myers Squibb/Sanofi	36	0.85	0.58	49.63
23	Vfend IV/Oral	Pfizer Laboratories	—	0.85	—	—
24	Toprol XL	AstraZeneca	19	0.85	0.96	-10.40
25	Vioxx	Merck	37	0.83	0.58	45.62

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