

Medical Journal Advertising

A Must in the Promotional Mix

First-of-a-kind study compares return on the industry's big four promotional tools

By: Mary Anne Pankhurst, Concordia University Reporter

Nothing is more important than the marketing decisions made to support a brand; but that doesn't mean it's easy. Now there's a study that might help companies envision, fine tune and amplify a given plan's impact on the bottom line. It's called RAPP.

RAPP is the acronym for Dr. Scott Neslin's ROI Analysis of Pharmaceutical Promotion — the first and possibly landmark study that analyzes industry's big four promotional tools: sales representatives, medical journal advertising, medical meetings and DTC advertising — simultaneously.

Neslin has a Ph.D, and is professor of marketing at the respected Amos Tuck School of Business at Dartmouth College, New Hampshire. In a recent interview, he outlined the following potential benefits of using the study:

- Provide a useful benchmark for comparing ROI to industry "averages";
- Provide a counter-view or reinforcement of one's own "promotional-prejudices;"
- Help decision-makers determine an initial estimate of ROI, particularly if they do not have much experience with these types of measures;
- Provide reassurance that sales-representative detailing pays off;
- Act as a stimulus for investigating the potential of under-used tactics such as medical journal advertising (which demonstrated superior ROI); and

- Provide insight/understanding that the total effect of marketing may accrue in the months after a given expenditure.

At first read, (and possibly even the third) RAPP is not the easiest analysis to navigate. It combines multivariate data and employs sophisticated statistical analyses — such as ordinary least squares regression — and involving revenues generated for 391 prescription brands over five years. It also takes into account historical information, competitive activity, price, generics, external trends, aggregate data, and so forth.

Still, there are unique opportunities in being acutely aware of the study's complexities. It provides some parallel form of correlate insight (for marketers) on how-and-why physicians may not change their prescribing habits after being exposed to the findings of a landmark clinical trial. Such trials usually involve sophisticated methodologies and may, in the end, provide recommendations for clinicians to drop approach X and adopt approach Y. The front-line physicians, however, are not scientists and pharma marketers are not statisticians. Thinking along that vein, the question is: Will industry have confidence in, or use RAPP's findings?

No person contacted wanted to go "on record" about their reactions to the study or how it might affect near-term investment decisions. Fair enough. Opinions are personal and proprietary.

Journal Advertising

Comparative ROI for the overall "median brand"

Type of pharmaceutical promotion	ROI	Margin of Error (95% Confidence)
Detailing	\$1.72	± \$0.19
DTC Advertising	\$0.19	± \$0.52
Journal Advertising	\$5.00	± \$0.88
Meetings/Events	\$3.56	± \$1.92

The ROI for meetings/events has a larger margin of error because it is highly correlated with other marketing vehicles.

"The finding... suggests that journal advertising is under-utilized and an area where firms need to focus a little more attention."



SHEILA RIVEST JOINS INTEGRATED HEALTHCARE COMMUNICATIONS INC.

Sheila Rivest, formerly General Manager of IntraMed Health Services/Sudler & Hennessey Mississauga, joins Integrated Healthcare Communications Inc. (IHC) as Principal.



"What a tremendous opportunity," says Louise Huneault, the other Principal at Integrated Healthcare Communications Inc. "This will ultimately benefit our current and future clients. With Sheila on our team, we offer a combined experience and knowledge base that is unparalleled in the continuing health education (CHE) industry."

With more than 20 years of experience working for and with the pharmaceutical industry, Sheila is fluent in virtually every aspect of medical marketing, product management, and sales.

INTEGRATED HEALTHCARE COMMUNICATIONS INC.
555 RICHMOND STREET WEST, P.O. BOX 204, SUITE 918
TORONTO, ONTARIO, CANADA M5V 3B7
T 416 504 8733 F 416 504 8737 1 800 307 7062 www.ihcinc.com

But there were few Canadian marketers contacted who even had top-of-mind awareness of RAPP.

Completed in the spring of 2001, the study was presented, by Neslin, to industry executives at a meeting in New York City. The study was funded through an independent grant from the Association of Medical Publications. Neslin used data provided by Scott-Levin and PERQ/HCI.

RAPP reveals some interesting results when boiled-down to its comparative ROI analysis of the "median brand," (see Table 1).

In another interview, Neslin pointed out that his study measured DTC advertising across all brands over a five-year period, rather than one successful brand such as Claritin. He also addressed the poor payback of DTC advertising stating: "It's not statistically different from zero, but, that's just a statistic."

And in terms of medical journal advertising, which he dubbed "a bargain," he offered this: "The finding [ROI for medical journal advertising] plus its small share of the budget, suggests that journal advertising is under-utilized and an area where firms need to focus a little more attention."

For more information and clarification, including answers to the 74 most frequently asked questions on RAPP, check the study Web site at www.rappstudy.org [CPM](#)