

Pharmaceutical Executive

Marketing to Professionals

Reach for the Radio

New XM Radio station puts physicians on call and on the airwaves

In August, eMarketer reported that Internet ad sales had officially displaced radio ad sales, nabbing the slot of fourth-largest ad medium. That was a huge blow to radio, which receives a sizable chunk of ad dollars from the pharma industry. Now pharma marketers have a new option—ReachMD, a 24-hour satellite radio station that plays content targeted at doctors.

With pharma companies such as Eli Lilly and Amgen on board as advertisers, satellite radio is looking to become the hotbed of custom-tailored information and a great place to drop some ad spend. *Pharm Exec* talked to Gary Epstein—a former executive at the American Medical Association, now CEO of ReachMD—about the changing face of radio.

Who created ReachMD, and how was it conceived?

The station was founded by a physician, Dr. David Preskill, a practicing ob-gyn in the Chicago area. The concept that Dr. Preskill had goes back to 2005, when he was going back and forth to the hospital to deliver babies and hated the fact that he was in his car so much. He felt that he could use his time in the car to be more productive, more educated and informed about this profession and, in fact, possibly even to get some kind of CME credits for using his car time to listen to important content. Preskill realized that in order to be really successful, you had to get the content in the hands of the doctor.

So when did XM enter the picture?

Preskill cut a deal in early 2007 with XM satellite radio to launch a 24-hour, seven-days-a-week, first-ever radio channel created by medical professionals for medical professionals that is just really interesting and informative for medical professionals and doctors to

listen to—and includes CME content for some of our programming. The channel went live on a 24/7 basis in April of this year.

Can you give me an example of the content that you have on the station?

Eli Lilly is sponsoring a series right now called “Advances in Women’s Health.” For 26 weeks, they will be airing original new programming that we’ve created and that they are sponsoring, covering topics ranging from osteoporosis to breast cancer to postpartum depression. The show is hosted by two very prominent physicians, Dr. Lisa Mazzullo and Dr. Lauren Streicher.

We have an Amgen-sponsored series called “Innovation in Medicine.” That has a lot of content on oncology, new breakthroughs in cancer and cancer research and drug therapies. It also has a lot of content on biotech and things that obviously would be worthwhile for a company like Amgen to sponsor.

Does ReachMD have traditional advertising on the site? How does it handle advertising and sponsorships?

Advertisers have the opportunity to sponsor content or a series, not unlike the way that you might sponsor a public TV show, and have no impact on

the content itself. There is also an opportunity to run advertising—we do sell advertising packages on the programming. We have kind of a unique opportunity, because of the way that satellite radio and our programming is done, to actually sell two-minute ads. Because we’re talking to healthcare professionals and because our content is more clinical in nature, a lot of the pharmaceutical companies and medical device manufacturers are finding they can have a longer messaging and a more technical advertising sale in this format.

What benefits does satellite radio offer as compared with traditional radio?

From a benefits standpoint, I like to call this segmentation radio. I think it’s ex-



PHARM EXEC
Q+A

I like to call it segmentation radio. The people who opt in to listen to a channel on satellite radio do that because they want to, because they’re interested in a specific subject.



with the message exactly the way that you want to deliver it. One of the things that a lot of pharma struggle with is that they can't get the drugs out as fast because they can't get enough participation in clinical trials, and this is a great way to educate and inform physicians as to the benefits of having a terminally ill or critically ill patient participate in a unique trial of some kind. That's the kind of message that you wouldn't deliver in mainstream radio.

Is advertising on a physician-oriented radio station considered DTC advertising, or is it considered professional advertising?

Technically, it is professional advertising. Some of the clients are making their own determination about how far they want to go with respect to the specific branded messaging. Some of their medical-regulation groups are more conservative than others about that. But from a technical standpoint, it is considered to be professional advertising. If you were to listen to the channel as a patient, unless you were really into science, you wouldn't be listening for very long.

But since consumers can listen to it, doesn't it make it a grey area?

Some of the customers do wrestle with that because nobody wants to get into hot water with respect to med-reg departments and things of that nature. But we've had a very positive response, even from FDA, which has been interested in putting some of its content on the channel. **DE**

tremely targeted. You have the ability to make a very unique and detailed sale to a very specific target audience. The people who opt in to listen to a channel on satellite radio or to stream it online do that because they want to, because they're interested in a specific subject matter, whether it's a channel that's designed around the

or AM radio. It's an easier way for doctors to access this information than going to a convention. We talk a lot about the fact that, currently, the sales forces for pharmaceutical companies are out there spending a lot of money—\$200 plus—to knock on the door of a doctor's office and not even get past the receptionist.

Every CEO is talking about the sales force model. This is a much more cost-efficient way to get an in-depth sale to the people who are writing prescriptions.

medical profession or gardening. That's what's so unique from an advertiser or marketer standpoint: You know that you are reaching your audience very directly. I think it's very beneficial.

Are you in competition with traditional radio?

I kind of consider the two separate beasts, because I think the unique nature of satellite or subscription radio is really different. You're opting in. If anything, it's a lot more like the Internet, where someone has to click in and then click through the content, than traditional FM

Every CEO of all the major pharma is talking about how the sales force model just isn't working anymore. This is a much more cost-efficient way to get an in-depth sale to the people who are writing prescriptions. And it's done on their terms: They can turn it on, turn it off, they can come back to programming because our programming airs on a 24/7 basis and rotates all week long.

What are the pros of advertising on satellite radio as opposed to terrestrial radio?

Advertising on satellite radio gives you the opportunity to reach the audience



Awards The general membership of the Medical Advertising Hall of Fame voted to bring in three new inductees at its awards ceremony to be held on February 12. The 2008 inductees into the MAHF are: **Robert Baldini, John Corcoran, and Richard Cliggott**. At the ceremony, the MAHF also will honor medical-advertising pioneer **Audrey Girard** with a lifetime achievement award and **M. James Dougherty** with the service to industry award.