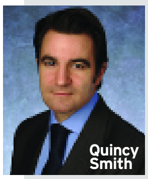
Media Wires

CEO Exits CBS Web Post; Ashe Remains

Quincy Smith will leave his post as CEO of CBS Interactive this coming January as he starts an independent advisory business. Smith will then advise the network on strategies and opportunities for growth across its interactive businesses.


Quincy Smith

"Quincy helped put CBS Interactive on the map, and we are now a top 10 presence in premium content," said CBS Corp. president and CEO Leslie Moonves.

Smith has led CBS Interactive since November 2006. A CBS representative said there are no plans to replace Smith, which leaves Neil Ashe as the unit's top exec.

Smith originally joined CBS Corp. as the interactive division's president. But when it acquired CNET, the company elevated Smith to CEO and made CNET boss Ashe president.

Previously, Smith was an executive with banking boutique firm Allen & Company, where he advised companies such as Comcast and Google, as well as CBS.

—Georg Szalai, THR
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FCC Taps Web Exec to Study 'State of Media'

The Federal Communications Commission is putting media policy under the microscope, appointing Internet entrepreneur and journalist Steven Waldman to "assess the state of the media."

As senior advisor to the chairman in the FCC's Office of Strategic Planning, Waldman is charged with studying the impact of new technologies and a weakened economy on the media and journalism, as well as to make policy recommendations.

The appointment comes just as the FCC is beginning the process of reviewing the quadrennial media-ownership rules. As newspapers and stations struggle to stay afloat, several organizations—including the Pew Project for Excellence in Journalism, Knight

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Magazines

RX Flex

Titles still court drug cos., despite lack of leverage

By Lucia Moses lmoses@mediaweek.com

Change is in the wind for the pharmaceutical industry and magazines, as a rash of potential curbs on pharma advertising spotlights one of the medium's most dependable categories.

With healthcare issues on the front burner, lawmakers are taking aim at the tax deduction on ad expenses for prescription drugs, while TV ads for sex aids like Viagra are coming under scrutiny. Even before President Obama took office, buyers and publishers noticed a tempering in pharma spending, which some interpreted as an anticipation of a less-friendly attitude toward the industry. Some drug marketers—including Pfizer, Johnson & Johnson and Merck—last year said they had voluntarily put a moratorium on advertising for new drugs.

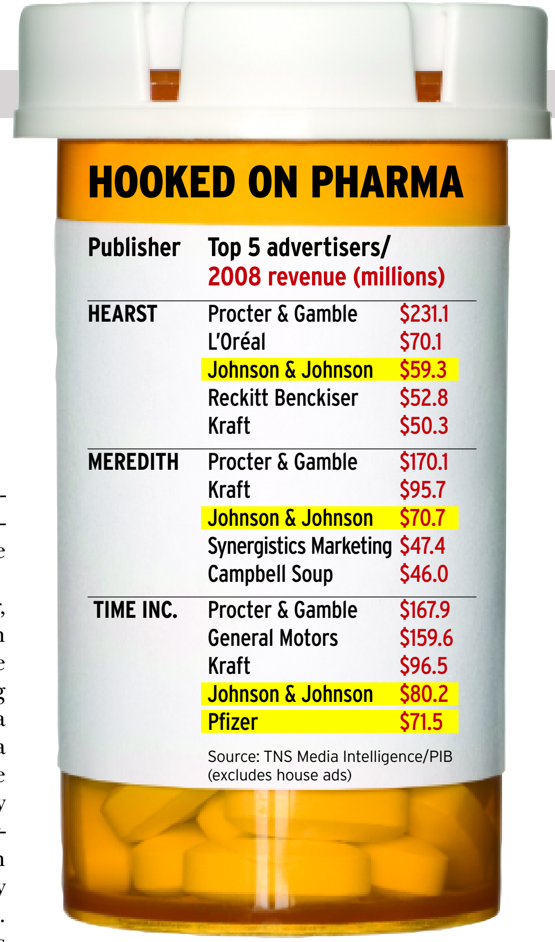
Direct-to-consumer drug advertising has long been politically sensitive, but since the Food & Drug Administration relaxed its rules for drug ads on TV in 1997, spending to reach healthcare consumers directly has ballooned. Magazines have shared in the wealth. From 2003-'08, drugs & remedies in consumer magazines soared 58 percent to $2.2 billion, ranking it No. 2 behind toiletries & cosmetics, according to Publishers Information Bureau.

And with mainstay print categories like financial, auto and travel tanking, pharma is one category that's been a bright spot.

"It's still a very robust category for us," said Stephanie George, president of Time Inc. ad sales and marketing, and executive vp, Time Inc. "Print is considered…educational. You can still tear out that page and bring it to your doctor. It's a top-of-funnel medium. And that's not going away. They definitely have stepped up their media spend in digital. But the reason why we haven't seen a fall off the cliff is, with patent windows closing, they have to spend."

But along with fighting potential ad restrictions, publishers have to fight for their share. Pharma's relative reliability has meant stiffer competition from other media, including those that once would have shunned ads for erectile dysfunction products and the like. The Web, with its search capabilities, has been fertile ground for drug ads. Total DTC ad spending declined 11.3 percent in first-half 2009, but the share that went to online, 4 percent, was unchanged, per data compiled by eMarketer.

FOR MORE INFORMATION
To read the latest print news, go to mediaweek.com/magazines



HOOKED ON PHARMA

Publisher	Top 5 advertisers/ 2008 revenue (millions)	
HEARST	Procter & Gamble	$231.1
	L'Oréal	$70.1
	Johnson & Johnson	$59.3
	Reckitt Benckiser	$52.8
	Kraft	$50.3
MEREDITH	Procter & Gamble	$170.1
	Kraft	$95.7
	Johnson & Johnson	$70.7
	Synergistics Marketing	$47.4
	Campbell Soup	$46.0
TIME INC.	Procter & Gamble	$167.9
	General Motors	$159.6
	Kraft	$96.5
	Johnson & Johnson	$80.2
	Pfizer	$71.5

Source: TNS Media Intelligence/PIB (excludes house ads)

istockphoto

"What I've seen is, DTC brands are more and more looking at how you can behaviorally target on the Web," noted one print media buyer for a major drugmaker. "Our DTC dollars haven't been what they were a few years ago. I think that's fairly common across DTC."

Added one highly placed media executive, who declined to speak for attribution: "In this kind of economy, any media type is willing to accept pharma, and pharma spending on the Web has been a major growth space. In terms of accountability, targetability and measurability, the medium that leads the league is digital. All of that's going to put pressure on the mass use of magazines."

The growth in pharma revenue in print also has come with a catch. As the ad category grew in importance, media agency negotiators dangled out the guarantee of huge numbers of pages through book-of-record deals to publishers. The effect was to drive pricing down to make pharma one of magazines' lowest-priced ad categories today, if not the lowest. "I think it's fair to say no one gets lower rates than pharma," the executive said. Part of the reason: The required disclaimer pages that list a drug's complications and interactions are deeply discounted, if not free, to the advertiser.

"The net revenue per page is typically lower than a display page," said Martin Walker, chairman of Walker Communications, a magazine consultancy. "You'll call any publisher, and he'll take any pharma page he can get. It's still a