

it be the one to do so. But the AMA must make an effort to maintain this leadership.

The first part of this report will present, from the advertisers' point of view, the problems facing the manufacturer. In it we will attempt to give the manufacturers' point of view on the promotion of his products.

The second part of the report will give the advertisers' views on how the AMA can strengthen its leadership in maintaining high standards in medical products, and can raise and maintain higher standards in medical advertising, and increase its usefulness to the physician.

PART I. PROBLEMS FACING THE MEDICAL MANUFACTURER

The medical manufacturer, like any business man in the U.S. today, operates under what is called the "free enterprise system." As an individual, he is in the business of manufacturing medical supplies to gain financial profit and to gain the personal satisfaction which comes from doing a good job.

He is usually satisfied with an overall profit from his operations. Quite often, he will manufacture one or more items knowingly at a loss as a "service", or for prestige, or for some other reason which will in the long run work for the long-term profitability of his operations.

He is generally much more interested in long-term than in short-term profit. He realizes that shoddy products on which he might make an excessive profit during the short time it would take for his buyers to catch on, would hurt him in the long run much more than it would help him. As a result, he conscientiously tries to turn out only products of unquestionable value.

Because he is interested in the long term, he plows back a good proportion of his profits each year for research and for the development of new products.

After he has developed and started manufacturing a new product, he must find someone who will buy it. In the medical field, he is faced with the unique problem of having his products bought to a large extent by people who do not make the decision themselves on buying, but have this decision usually made for them by their physicians or druggists.

Accordingly, the reputable medical manufacturer puts the emphasis in his efforts to make known and "sell" his product, not on the ultimate consumer, but on the druggist, and to a greater degree, the physician.

1. Purpose of advertising

The medical manufacturer, then, is faced with the problem of informing the physician that there is in existence such a firm as his own, that there is in existence such a product as he has to offer, that his product is useful for certain purposes, and that his product is better, or at least as good, as any product offered for the same purpose by any other firm.

Many advertisers have never formally thought this through. Many of them operate only on precedents, and do what they do merely because all their competitors do it. Some of them are entirely selfish in their viewpoint, some are much more far-sighted.

In our interviews with advertisers, one of the topics on which we tried to get them to express an opinion was on what they considered to be the purpose of their advertising. An eastern advertising agency man offered the following:

"The sole end use of advertising is the promotion and sale of products, and the establishment of the good name of the manufacturer before the audience he seeks to impress."

An X-ray manufacturer offered this:

"The purpose of advertising is to make the selling job easier for the salesman, to keep our name in front of the doctor, to do the selling job on the doctor on an institutional basis. We must put out excellent equipment and service continuously, because our good name is very important. We are consciously aiming our advertising at this point."

A small east-coast chemical manufacturer put it this way:

"The purpose of advertising is two-fold—educating the physician and selling our drugs."

The head of one of the large ethical drug manufacturers expressed it as follows:

"The doctor has problems in the form of patients. Our job is to assist him in the solution of these problems by providing useful medicine which he can use. In order to get him to use our product, we must tell him what it is, what it will do, where and how it is to be used and how it is available."