

(The Fond du Lac Study: An intensive study of the marketing of five new ethical pharmaceutical products in a single market, resulting in some theory of scientific marketing and service programs for action—A basic marketing study made for the American Medical Association by Ben Gaffin & Associates (full text).)

FOREWORD

The Fond du Lac Study has been sponsored and financed by the American Medical Association as the second in its series of basic studies in pharmaceutical marketing undertaken as a service to the pharmaceutical industry.

The first study, also undertaken as a service to the pharmaceutical industry, was titled "Advertising and the American Physician". Completed in 1953 by Ben Gaffin & Associates, it was made available as a series of twenty mailing pieces sent to pharmaceutical companies by the American Medical Association.

The earlier study emphasized, if it did not discover, the importance in physician education of pharmaceutical advertising and promotion to the medical profession. It revealed that physicians receive a large proportion of their post-graduate medical education from the advertising and detailing which are paid for by pharmaceutical companies.

The present study, through intensive investigation of the marketing of five new ethical pharmaceutical products in a single market, attempts further to help pharmaceutical companies develop more efficient methods of promoting their products.

Is Distribution Still Too Costly?

The 1939 Twentieth Century Fund study titled "Does Distribution Cost Too Much?" indicated that distribution cost paid by drug manufacturers was the highest of any class of products and that three-fourths or more of the retail price of a drug was going for costs and profits in the various stages of distribution.

If one asks today, "Does pharmaceutical advertising still cost too much?", the answer must be that any unnecessary cost, any waste of money spent for promotion and distribution of pharmaceutical products is "too much". What part of the \$130,000,000 spent on medical advertising this year will be wasted is another question, but it must run into 8 figures.

The American Medical Association, as the most important single influence in the field of medicine, is recognizing its leadership responsibilities to the public, to the physician and to the pharmaceutical industry in sponsoring this series of basic marketing research studies. By helping the pharmaceutical industry do a more effective promotion job at decreasing costs, it helps make the promotional efforts more useful to the physician with less waste of his time and it helps the public obtain better drugs at lower cost.