

Survey Results Reprint # 53-04

Paid Inclusion: Too Hot for Pharma Marketing?

By John Mack

I recently participated in a search engine marketing panel discussion at CBI's *5th Annual eMarketing for the Pharmaceutical Industry* conference in Philadelphia. I am not a search engine expert and practically all I know about search engine marketing comes from reading the PMN article "[Searching for Answers on Search Engine Marketing?](#)" and from being a user as well as a client of Google. So, when I was asked to sit in on the panel, I racked my brains on what I could contribute to the discussion.

Luckily for me the topic "paid inclusion" came up during a conference call with other panel members. The experts gave me the 411 on the subject after which I knew that it was something I could talk about, especially if I could survey PMN subscribers and present the results at the conference. This article summarizes what I have learned since then from a variety of sources, including results of the online *Pharma Search Engine Marketing Survey*, which was conducted between March 2, 2006 and March 25, 2006.

First of all, what is "paid inclusion" (also known as "paid placement")? Most consumers, and even a significant number of pharmaceutical marketers, may not know anything about paid inclusion. In fact, a small, but significant percentage of PMN survey respondents (18% overall and 27% of pharmaceutical company respondents) indicated that they were not aware of the practice before reading about it in *Pharma Marketing Blog*.

Simply stated, paid inclusion is an option offered by some search engines whereby a Web site client pays to guarantee that its site is included in the natural search results, which usually appear in the center of the search screen (see Box). In addition,

paid inclusion may ensure that the search engine "spider" or "crawler" software visits the client's site more frequently than it would otherwise. Clients may also have the option to submit specific keywords that describe their pages.

Paid inclusion should be distinguished from paid search results, which are ads listed in separate, well-labeled areas of the screen and where placement strictly depends upon fees paid. Often, Web sites bid to get the highest listing.

Importance of Search Marketing

Before further discussing the issues surrounding paid inclusion and the results of the PMN survey, it's important to understand the significance of search marketing in the overall pharmaceutical marketing mix.

A number of surveys and studies show that search engines play a major role in health information research. A recent Google survey, for example, found 93% of respondents used search engines to research medications, conditions and treatment options (see pg. 14). Consequently, search is one of the fastest-growing categories of online advertising and pharmaceutical marketers need to have a good search

strategy. The question is, should paid inclusion be part of that strategy?

Given that consumers place a great deal of trust in the Internet and search engine results, it is important that this trust not be squandered. According to results of a PEW Internet & American Life Search Engine Survey published in 2005 (http://www.pewinternet.org/pdfs/PIP_Searchengine_users.pdf), nearly "half of all search engine users

Natural/Organic Listings vs. Paid Search

Organic Listings: Listings that search engines do not sell (unlike paid listings). Instead, sites appear solely because a search engine has deemed it editorially important for them to be included, regardless of payment. Paid inclusion content is also often considered "organic" even though it is paid for. This is because that content usually appears intermixed with unpaid organic results. -- [Search Engine Optimization & Marketing Glossary](#)

Paid search marketing consists of placing ads for products or services on search engines and on content sites across the Internet. These ads are typically small snippets of text linked to merchandise pages. Payment is made when users click through to the site from the ad. - [Search Term Glossary](#)

Online Health-Related Stats Cited by Google

Healthcare consumers and physicians are searching for health information online.

- 80% of Internet users go online to find health-related information (Pew Internet and American Life Project, May 2005.) and 81% of online healthcare consumers use a search engine to find the information they need (Pew Internet and American Life Project, May 2002).
- The Internet is considered the most trusted source for health information behind physicians (Nielsen//NetRatings, 2005, as reported by eMarketer).
- 49% of U.S. consumers use the Internet to learn about pharmaceutical brands (IMS Health Publications, 2002, as reported by eMarketer).
- Increasingly, doctors are online: 95% of surveyed physicians said they use the Internet to find information about diseases, and 86% find information on drugs (PSL Group Global Survey of Physicians).
- Over 65% of consumers said they use the Internet to research important health topics before and after they visit a doctor (Nielsen//NetRatings, 2005, as reported by eMarketer).
- Visitors to Direct-to-Consumer brand sites are three times more likely to have found the URL via a search engine than by television (JZM, Inc. National Drug Website Benchmark Study, 2002).
- 81% of healthcare professionals discuss healthcare information with their patients, who have found it on the Internet (JZM, Inc. National Drug Website Benchmark Study, 2002).
- 75% of healthcare professionals recommend websites to their patients (JZM, Inc. National Drug Website Benchmark Study, 2002).

Google conducted its own [survey in March 2005 of 300 consumers](#) that use the web to research and/or purchase healthcare products and information (see). The results are summarized below:

- Search engines play a major role in health information research – used by 93% to research medications, conditions, and treatment options
- Users consider the Internet a highly-trustworthy source (70%) for health information trailing only doctors and pharmacists
- Users go online to fulfill a wide variety of health-related needs; the most popular are: researching a medical condition (86%) and researching potential drug side effects (79%)
- Users turn to search engines to research a wide variety of medical conditions; the most popular are: allergies (41%), depression (37%), cholesterol (29%), pain (27%), and arthritis (24%)
- More than any other online resource, users go to search engines first (38%) for health information
- The vast majority of users (94%) find search engines very important or somewhat important for health-related research and purchase
- Online health information has strong offline effects – nearly one-half (47%) of Google users have approached a doctor about a medication or treatment after learning about it online.
- Almost one-third (30%) of Google users have filled a prescription online, while 70% have not.

say they would stop using search engines if they thought engines were not being clear about how they present their paid results.”

According to the PEW survey:

While most consumers could easily identify the difference between TV’s regular programming and its infomercials, or newspapers’ or magazines’ reported stories and their advertorials, only a little more than a third of search engine users are aware of the analogous sets of content commonly presented by search engines, the paid or sponsored results and the unpaid or “organic” results. Overall, only about 1 in 6 searchers say they can consistently distinguish between paid and unpaid results.

Users do not object in principle to the idea that search engines will include paid results, but they would like them to be upfront and clear about the practice of presenting paid results.

Some specific results from the PEW survey include:

- Sixty-two percent (62%) of searchers are not aware of a distinction between paid and unpaid results;
- Forty-five percent (45%) of searchers would stop using search engines if they thought the engines weren’t being clear about offering some results for pay.

Getting back to paid inclusion...paying a fee gets you in the game, but does not, in itself, guarantee a high position in the natural search list. Search engines that offer paid inclusion, which includes Yahoo! but not Google or MSN, insist that paid inclusion does not alter the position of a listing in the list of natural results. However, some features of paid inclusion blur the distinction between it and outright paid results. For example, in some cases marketers are able to supply key words as part of the paid inclusion option and thereby influence the results. Other Web sites must rely strictly on search engine optimization techniques such as placing keywords within the copy of their pages and these techniques may be discounted by search engine crawlers. In other cases, search engines may receive additional income based on the number of clicks received by their paid inclusion clients.

These practices, if more widely known by the public, could cast suspicion on the validity of search as an unbiased source of information. The problem is that someday a pharmaceutical company using paid inclusion to ensure its product Web site is included in the natural search results might be criticized in a Wall Street Journal or New York

Times article. Is it worth the risk? Is there even much of a risk? Time to turn to our survey respondents.

Can Paid Inclusion be Misleading?

Survey respondents were divided on whether or not they believed paid inclusion misleads consumers by confusing natural search results with paid results (see FIGURE 1). Pharmaceutical company respondents, however, were much more likely to believe this to be true than were non-pharma respondents (73% of pharma respondents said paid inclusion misleads consumers whereas only 49% of non-pharma respondents thought so).

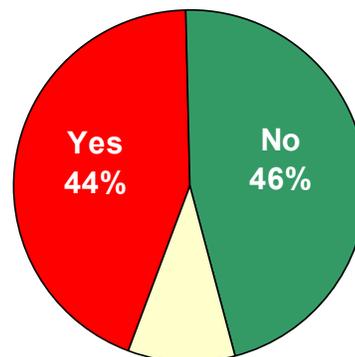


FIGURE 1: Do you believe that paid inclusion misleads consumers by confusing natural search results with paid results? Chart shows results based on ALL respondents. [Pharma Only: 73% Yes; Non-Pharma: 48% Yes]

The survey also asked respondents to rate how strongly they agreed or disagreed with the following statements:

- Pharma marketers should NOT use paid inclusion under any circumstances (“Never”)
- Pharma marketers should use paid inclusion only in certain cases (“Sometimes”)
- It’s appropriate for pharma marketers to use paid inclusion whenever desired (“Always”)

The results are presented in Figure 2 (next page).

Respondents were also asked to explain why they agreed or did not agree. The remainder of this article presents a few representative responses.

A Higher Standard?

Several survey responses indicate that many respondents are not aware of the distinction between paid search and paid inclusion. This naturally led them to ask why pharmaceutical marketers should be held to a higher standard.

Continued on next page...

This is a capitalist society. Pharmaceutical companies are out to make a profit, and there's nothing wrong with that. If paid search is open to anyone, it should be open to pharma companies. – a non-pharma respondent

My mother used to say, “Would you jump off the Brooklyn Bridge just because someone else did?” or something to that effect. I think she was implying that I should have different standards than other people and not simply follow the herd. The same could and is often said of the pharmaceutical industry, which, in fact, is not allowed to do some things that are perfectly allowable in other industries.

Other respondents, citing the lack of any regulations or guidelines, considered the practice fair game.

For this type of online marketing, there is no reason (OIG, PhRMA, AMA, ACP, other guidelines and regulations) why this powerful and proven tool can not be used. Why hold pharma marketers to a different standard than other marketers? – a non-pharma respondent

This is a common marketing practice. Having your website come up first on a search engine does not create bias. If a person is researching a medication or condition on the internet, I find it hard to believe that they would only click on the first item that pops up on their search. – a pharma respondent

Again, this response indicates confusion between paid search and paid inclusion. With paid search, your goal is quite correctly to put your Web site at or close to the top of the paid search list (usually

the well-labeled column on the right or at the top of the screen). The more you pay, the better the chance that this will happen.

With paid inclusion, on the other hand, payment just gets you in the list of natural search results; it doesn't guarantee you top position.

Pharma marketers need to advertise their products just like any other manufacturer. The Internet is actually the ideal educational venue because consumers have access to a wide variety of informational resources on which to base their decisions. Most consumers now recognize paid inclusion ads when they see them in search results. – a non-pharma respondent

The PEW survey shows that consumers are not even aware of what are paid vs. unpaid results on search engines; it can hardly be believed, therefore, that they would be able to recognize paid inclusion sites listed anonymously among the natural search results.

Paid inclusion is a marketing tactic when implemented successfully, can help increase awareness of certain diseases and the products that treat those diseases. I would think that is a good thing. If a Rx product has been approved by the FDA, then the general public should be able to learn more about it and since paid inclusion is a marketing tactic (like journal advertising and direct mail), then why should it be excluded. What are consumers really being misled on? Consumers type in key words and they get a response that matches those key words. There is nothing wrong or unethical about paying to have your ad appear in a search engine result. If the consumer gets results they don't like, then they will keep searching until they do. – a non-pharma respondent

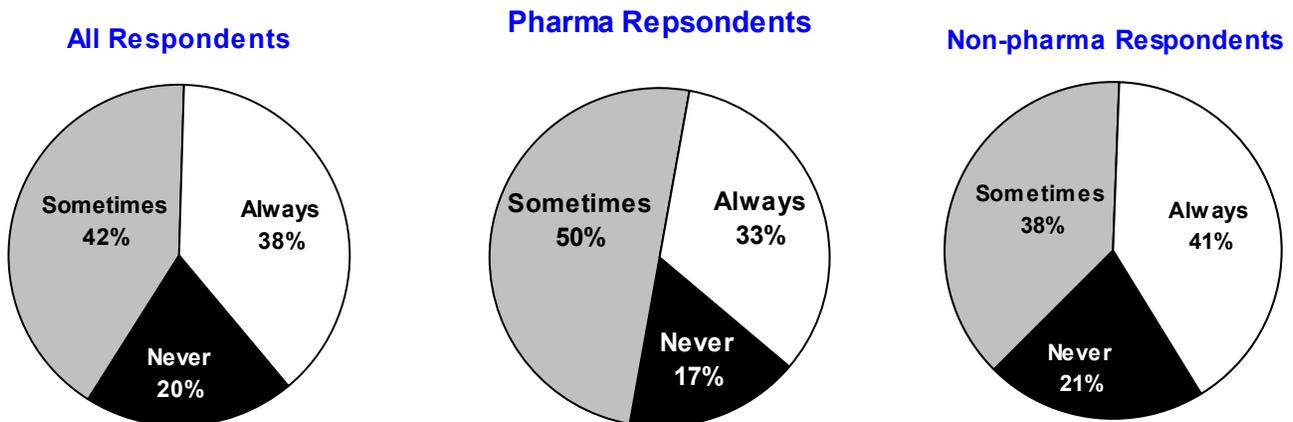


FIGURE 2: Charts show percentage of respondents who “Strongly Agreed/Agreed” with each statement on page 15 PMN Chart

No one is saying that pharmaceutical companies should not advertise on search engines. They definitely should advertise. However, ads should be clearly distinguished from non-ad or editorial content. A search engine's editorial content is its list of natural search results. Paid inclusion, according to search engines that employ the technique, is not advertising. But is it editorial?

It's Not Rocket Science

At least one respondent hinted that paid inclusion is perhaps a way to make up for the fact that your Web site does not contain information relevant to what consumers are searching for.

I think paid search engine advertising in the traditional sense (ads are designated as such) is perfectly acceptable. Furthermore it can provide a lot of utility for users by making them aware of products and services that may be valuable to them. However, paying to be included in a 'natural' search is misleading (unless the search engine discloses the practice). If you want your website to show up in the natural search listing, then make your website relevant. For the most part, getting included in the natural search results is not rocket science. Good marketers can ensure that they will receive coverage in the natural listings. – a pharma respondent

Another argument against paid inclusion is based on its supposed lack of effectiveness:

If paid inclusion results are differentiated from native search as in some engines, I see no problem at all. If not, I think marketers should play by the rules as laid out by the media and test results. I think paid inclusion is more detrimental potentially to the medium than the advertiser. If suboptimal search results are obtained, users will defect to better, less biased search engines, which in part accounts for Google's dominance. My company does not utilize paid inclusion based on ROI concerns. We have found that SEO works better on a cost-effectiveness basis. – a non-pharma respondent

In my experience, paid inclusion doesn't directly influence natural 'organic' search rankings. Consequently, for us the question is more a matter of marketing ROI and in this area PFI programs such as Yahoo's Search Submit Express are only rarely worth the expense. In most cases the identical results can be achieved at no cost through natural spidering of the site. – a non-pharma respondent

Level the Playing Field

ROI or no ROI, pharmaceutical marketers often are influenced by other factors as the following response illustrates:

If my competitors use paid inclusion, then that forces me to use it so as to level the playing field. – a pharma respondent

As one lemming said to another on the way down: "At least we've leveled the playing field."

A more rationale argument, however, can be made that paid inclusion levels the playing field between credible information and not-so-credible information. Pharmaceutical marketers, of course, believe what they have to say falls into the former and not the latter category.

It's really very simple. Pharma Marketing is essentially communications-driven and it is our right to use all possible avenues and media vehicles to communicate the merits of your brand. Of course within the ethical framework. A lot of search results are conflicting e.g. one may find published studies that proclaim a drug's safety and will also find studies that say it's unsafe, or effective or not effective, or better than another or as good as another or useless ... Anybody who has tried to find some information through search engines will have experienced this. As a pharma marketer I will strongly want to scientifically convey my product's strengths, and to avoid getting lost in the maze and glut of conflicting opinions, Paid Inclusions are very appropriate and rightful. It's a free world on the Internet. The amount of information available is mind-boggling and confusing even to experts. Why should I risk my product being labeled as unsafe, useless, worse than or even dangerous when I can show the world studies that say it's better than, safe and efficacious. – a non-pharma respondent

Do the Right Thing

Other pharmaceutical marketers, however, have a different view of how the playing field should be leveled:

My rationale is if the listing is 'correct' and NOT 's-t-r-e-t-c-h-i-n-g' the point, then it is OK. But it seems as though some are taking advantage of the practice and as you said, are likely to pointed out, expose style, in the press and bring additional, un-needed shame on the industry!!! Do the RIGHT thing!!!! – a non-pharma respondent

[I favor] full disclosure of paid inclusion so consumers/patients know the business practice being used. – a non-pharma respondent

The potential to misuse organic search engine positioning is as great as the potential to misuse paid results. Ethical companies will not misuse either, and unethical companies will misuse both. – a non-pharma respondent

Continued on next page...

With full disclosure by the search engine that they have received compensation for upping the list rank of the pharma marketer's link and with the pharma marketer's full disclosure that they paid to be included, I'm OK with this. But as a sub rosa deal, no way! – a pharma respondent

FTC Weighs In

Sometimes, however, doing the right thing means staying out of the public limelight. And nothing can get you into that limelight quicker than a letter from the FTC.

In 2002, the FTC responded to a complaint filed by Commercial Alert requesting that the agency investigate whether certain search engines violated Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a)(1),(1) by failing to disclose that advertisements are inserted into search engine results lists.

Commercial Alert's complaint alleged that when search engines include Web sites in search results lists on the basis of "paid placement" and "paid inclusion," such search results are advertisements. Commercial Alert further contended that "without clear and conspicuous disclosure that the ads are ads," such "concealment may mislead search engine users to believe that search results are based on relevancy alone, not marketing ploys."

The FTC responded by issuing a [commercial alert to search engines](#), in which it stated:

"Because search engines historically displayed search results based on relevancy to the search query, as determined by algorithms or other objective criteria, the [FTC] staff believes that consumers may reasonably expect that the search results displayed by individual search engines are ranked in accordance with this standard industry practice - that is, based on a set of impartial factors. Thus, a departure from the standard practice, such as a search engine's insertion of paid-for placements in the search list, may need to be disclosed clearly and conspicuously to avoid the potential for deception."

"Accordingly, the staff recommends that if your search engine uses paid placement, you make any

changes to the presentation of your paid-ranking search results that would be necessary to clearly delineate them as such, whether they are segregated from, or inserted into, non-paid listings. Factors to be considered in making such a disclosure clear and conspicuous are prominence, placement, presentation (i.e., it uses terms and a format that are easy for consumers to understand, and that do not contradict other statements made), and proximity to a claim that it explains or qualifies."

Conclusion

Way back in 1999 when the commercial Internet was young, the Web site DrKoop.com was criticized in a *New York Times* article for disguising paid content (ads) as editorial content (the site listed recommended hospitals and did not reveal that the hospitals paid to be listed). This "pay-to-play" arrangement is similar to the paid inclusion technique. The morale of the story is that the credibility of the Dr. Koop brand – representing the man as well as the Web site – suffered a blow from which it never fully recovered.

I believe that paid inclusion also disguises paid content as editorial content. Whether or not it is an issue that someday may blow up and negatively affect a pharmaceutical brand remains to be seen.

Consumers understand that search engines are not hallowed ground - they understand that nothing is these days. They are looking for information and don't really care how they get it - whatever they find they will look at it with a skeptical eye before believing it. People are smarter than we think about information and advertising. There are many studies that prove this point. – a non-pharma Respondent

If there is any key caveat to be used with internet searches it is caveat emptor. Information can be unbiased or biased, and although we'd like to think that unbiased is always the best, sometimes paid-for information can lead us to new sources of data that are extremely helpful. The trick? Take all with a grain of salt. – a non-pharma Respondent

Pharma Marketing News

Pharma Marketing News

Pharma Marketing News is an independent, free monthly electronic newsletter focused on issues of importance to pharmaceutical marketing executives. It is a service of the **Pharma Marketing Network** – The First Forum for Pharmaceutical Marketing Experts – which brings together pharmaceutical marketing professionals from manufacturers, communications companies, and marketing service providers for wide ranging discussions and education on a multitude of current topics.

Pharma Marketing Network & *Pharma Marketing News* provide executive-level content, professional networking & business development with permission-based e-market-ing opportunities.

Publisher & Executive Editor

John Mack
VirSci Corporation
www.virsci.com
PO Box 760
Newtown, PA 18940
215-504-4164, 215-504-5739 FAX
<mailto:editor@pharmamarketingnews.com>

Advisory Board

Harry Sweeney
Chairman, CEO, Dorland Global Health
Communications

Richard Vanderveer, PhD
Chairman & CEO, V2 GfK

[Subscribe Online](#) • [Download Media Kit](#) • [Request a Rate Card](#)