

2022 POINT OF CARE NOW

Evolution | Impact | Innovation

March 30, 2022

State of the POC Industry: Spend Analysis



Victoria Summers
Associate Principal
ZS

Agenda

» Executive Summary

Background and Methodology

Key Insights

Detailed Results

An increase in demand and favorable view of POC advertising has led to encouraging outlooks for 2022 and 2023



Executive Summary

- POC is regarded as an essential part of media plans, by media planners across health care advertising - particularly for products in launch and growth phases
- POC spending slowed in 2020, likely due to the pandemic, but has rebounded because of increased demand and reached ~\$823M in 2022
- Device and Mobile is one of the most promising POC channels with high interest among media planners and buyers

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Our research sought to understand the current size and expected growth of point-of-care advertising



RESEARCH OBJECTIVES

- Determine the **historical spending and growth rate** of POC advertising
- Understand the **total advertising dollars projected** to be spent on point-of-care advertising for consumer and HCP campaigns
- Determine the role of point-of-care advertising in **product life cycle and therapeutic area**
- Understand **media planner and buyer perceived impact** of different point-of-care digital and print channels

POC Advertising is a term that has many different interpretations, for our study we used the following definition



Point-of-care advertising includes:

- Messages placed anywhere and everywhere a consumer is receiving care via an interaction with a healthcare professional
- Channels to reach HCPs, patients and caregivers throughout their healthcare journey in doctor offices, pharmacies, hospitals, other healthcare facilities and office-related telehealth



Does not include...

- Out-of-home display boards and transit posters
- Telehealth apps such as Cove, HIMS, Plushcare and others associated to virtual practices or virtual-only consultation
- Health plan communications and emails
- Adherence communications from the pharmacy

We combined our research with actual growth rates from a sample of members to estimate historical POC spend

Historical POC revenue was voluntarily provided by most POCMA media company members to OFW Law who then aggregated the data to determine actual growth rates for '20 + '21

Primary research study targeted media planners and buyers for healthcare and pharma clients

Forecast analysis was completed using actual revenue growth rates for 2020 – 2021 and projected revenue growth rates using survey data for 2022 - 2023

Analysis of findings in comparison with other studies, previous analyses and industry reports

Our primary research study methodology targeted 100 media planners and buyers

Quantitative Scope and Key Screening Criteria



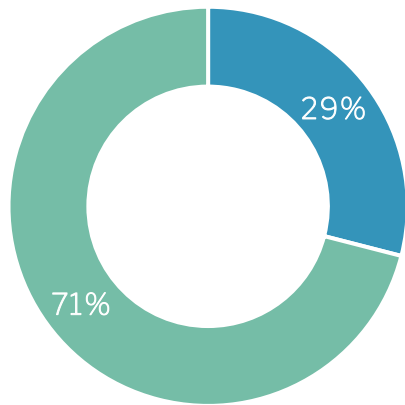
15-Minute Online Survey



Fielded 01/20 – 02/28

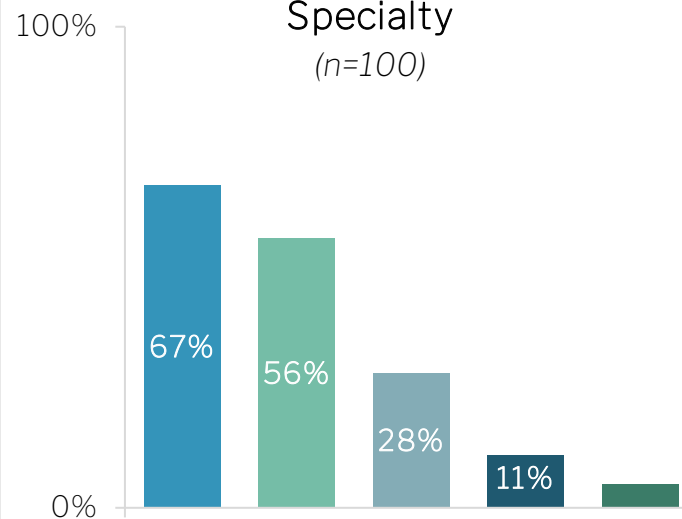
- Directly involved in planning and buying health care advertising – including POC
- Working at a senior level in a media planning and buying (70%) or an advertising and PR agency (30%)
- Focuses on media planning and buying for consumers (60%) and HCPs
- Working with pharma brands (75%), or medical device / OTC / retail brands

Industry
(n=100)



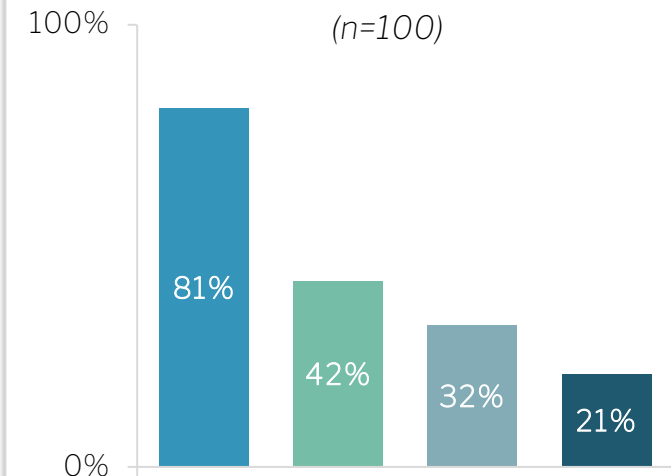
- Advertising and Public Relations Agency
- Media Planning and Buying Agency

Specialty
(n=100)



- Media Planning and Buying - for HCPs
- Media Planning and Buying - for Consumers
- PR Agency
- Creative Agency
- Consulting Firm

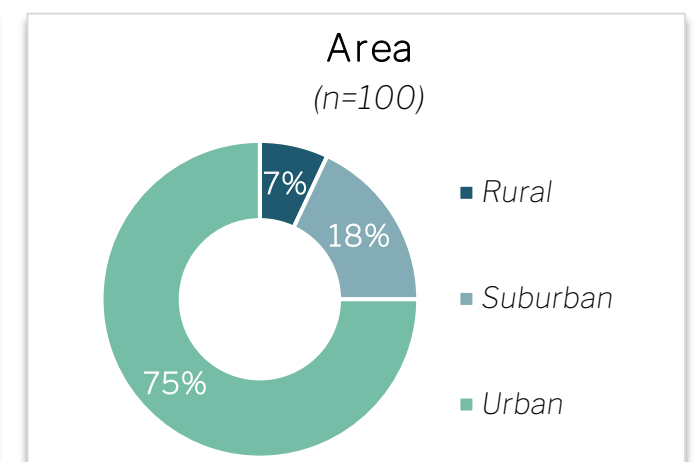
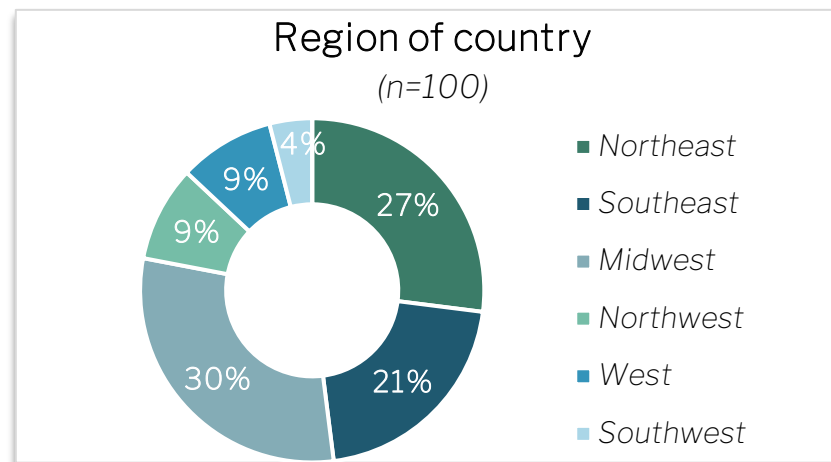
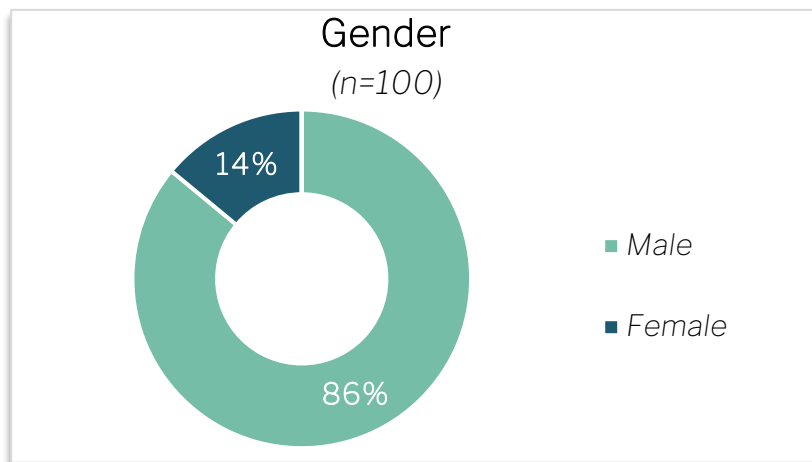
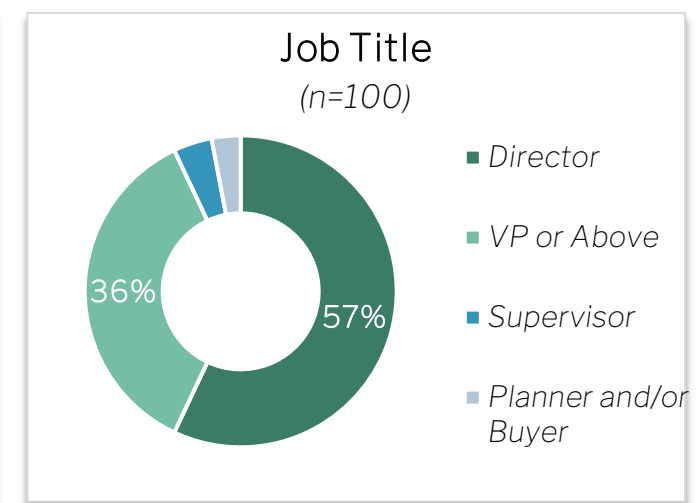
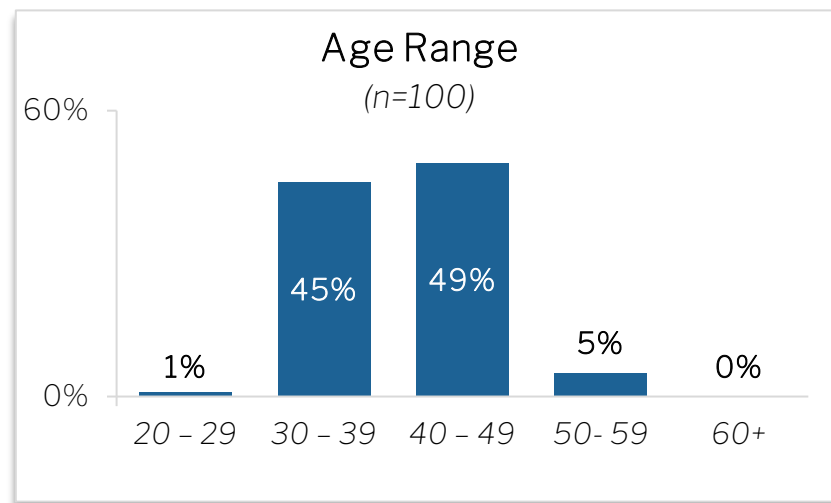
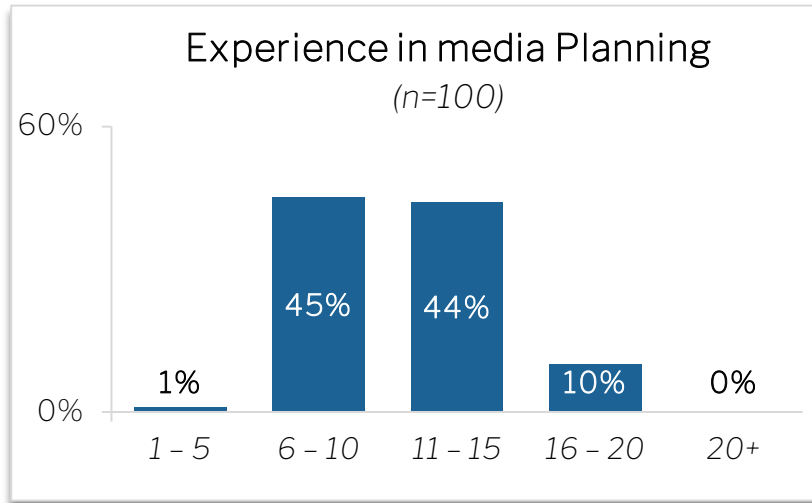
Type of Healthcare Brand
(n=100)



- Pharmaceutical
- Retail (vitamins, skin care, etc)
- Medical Technology (MedTech)
- Over-the-counter

Most survey respondents hold Director/ VP and above positions carrying 6-15 years of experience in media planning

Sample Demographics (2/2)



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POC advertising is seen as critical, but was somewhat impacted by COVID



1

POC is universally considered to be a critical component in multi-channel media plans



2

POC YoY growth slowed in 2020 to 8% YoY due to the pandemic, but has since rebounded to ~15% YoY



3

In 2020, the pandemic had a much greater impact on consumer campaigns (fell to 7% YoY growth) than HCP campaigns (14% YoY growth)

The demand for POC advertising is growing, leading to budget increases



1

POC spending is expected to grow by ~22% in 2023 to reach ~\$950M - \$1B



2

Increasing demand and effectiveness of the channel are cited as the most common reasons for POC budget increases



3

Furthermore, increased importance of social media was a leading factor for POC budget increases

Device & Mobile is an area of opportunity – especially for consumer campaigns



1

Device & Mobile was rated as the **fourth most effective POC channel**, yet it was the **rated least accurate channel** in terms of **reaching target audience**

2

Consumer campaigns are **most popular in pharma** while **HCP campaigns** are most popular in **MedTech**

3

Consumer campaigns account for **nearly 90% of POC advertising dollars**

Note: The Device/Mobile channel includes smartphones and smart watches

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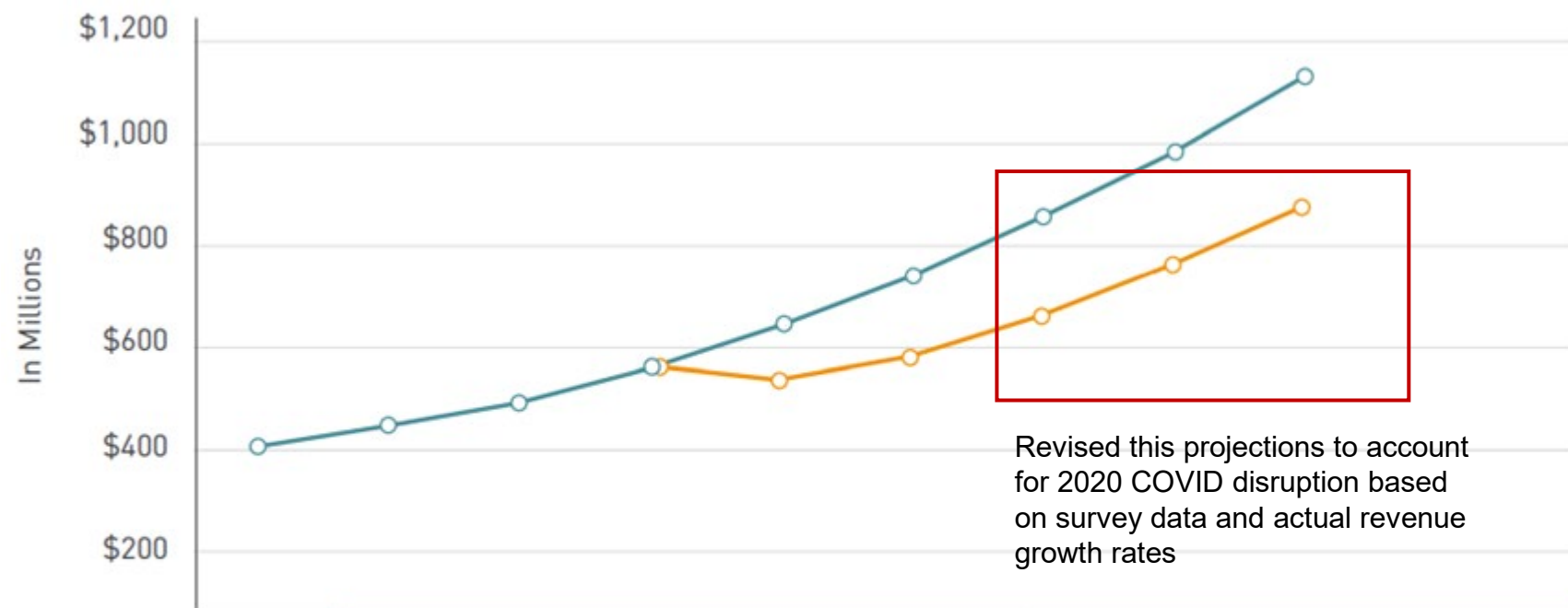
» Detailed Results

Our 2018 update tempered expectations for POC spending

Previous Takeaways

- In 2017, POC spending was reported to be \$556 million
- POC spending was projected to dip in 2018 but rebound within 1-2 years, reaching \$869 in 2022

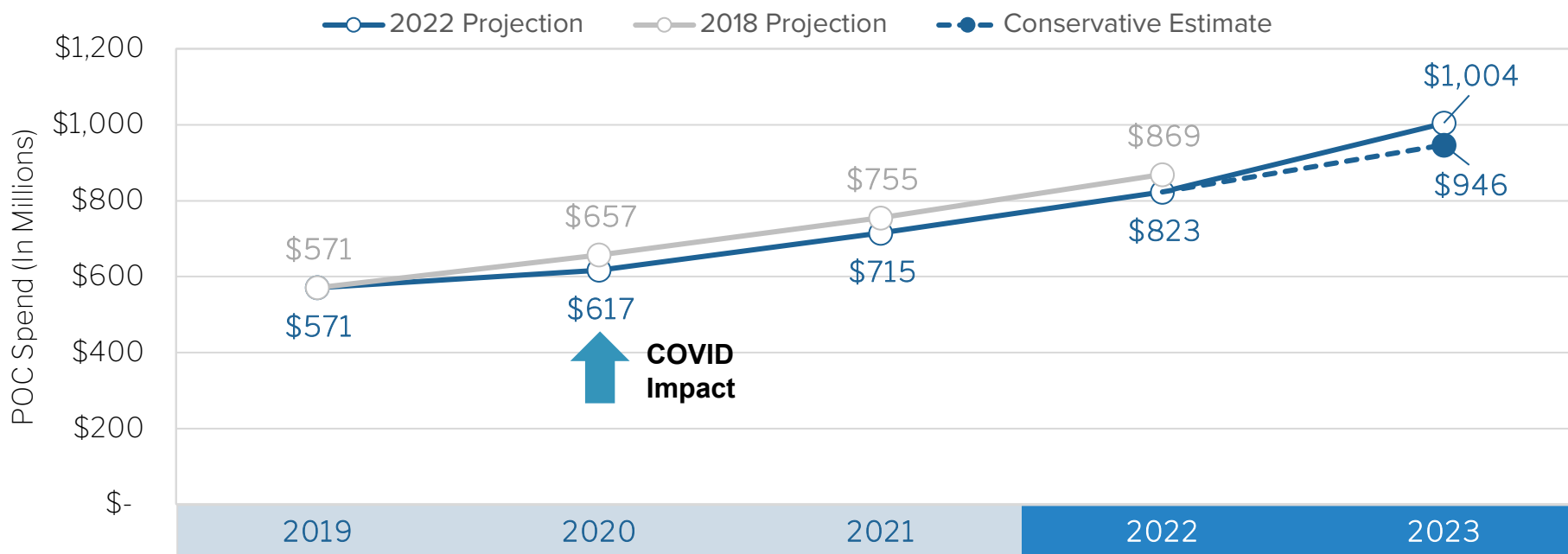
REVENUE TRENDS FOR POC



	10% CAGR		15% CAGR		-5% CAGR		15% CAGR		
	2014	2015	2016	2017	2018	2019	2020	2021	2022
—○— 2018 Updated	\$400	\$440	\$484	\$556	\$528	\$571	\$657	\$755	\$869
—○— 2017 Projection	\$400	\$440	\$484	\$556	\$640	\$736	\$847	\$973	\$1,120

Total POC Spending is projected to exceed \$1 billion by 2023

POC Growth Projections: Overall
(Using POC growth rates from OFW and original spend estimates)



Note: Historical growth rates were derived from OFW data

Year on year Growth Rates

2022 Growth Rates & Future Projections (from survey insights)

2018 Projection

	Estimated POC Spending - Historical			Estimated POC Spending - Future	
	8%	16%		15%	22%
	8%	15%	15%	15%	-

COVID Impact slowed the growth – but the industry still grew, likely due to:

- Reduction in field force access drove demand for POC to HCPs
- Variance in COVID response across country – some areas not as impacted
- DTC still in place including POC due to pre-COVID plans

The increase in POC spending is due to greater demand, better effectiveness of POC channels, and clients looking to utilize new technology

Reasons for Increasing POC Budget in 2023 (Open ended)



Media planners have cited an **increase in customer demand** as the number one reason for POC budget increases. Some respondents pointed out that this is a **direct cause** of the rapidly growing pharmaceutical industry.

POC advertising is viewed as an **effective** way to **target customers**. Furthermore, the results are **high-quality, easy to analyze**, and provide a simple and consistent view of the customer

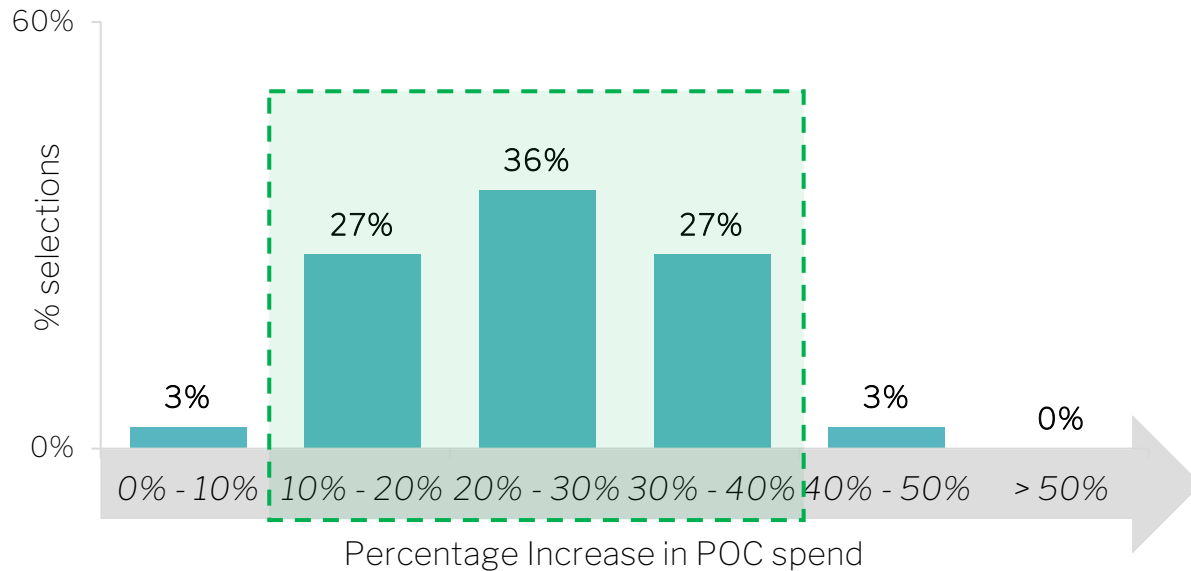
Clients are particularly interested in **adopting the latest technologies**. They are especially interested in combining point-of-care messaging with **social media campaigns** and the **amount of time** that customers spend on their phone at the point-of-care

~40% of respondents expect POC spending for HCPs and Consumers to grow by 20-30%

Distribution of Stated Growth Percentages for POC Spend in 2023
(% of consumer and HCP media planners)

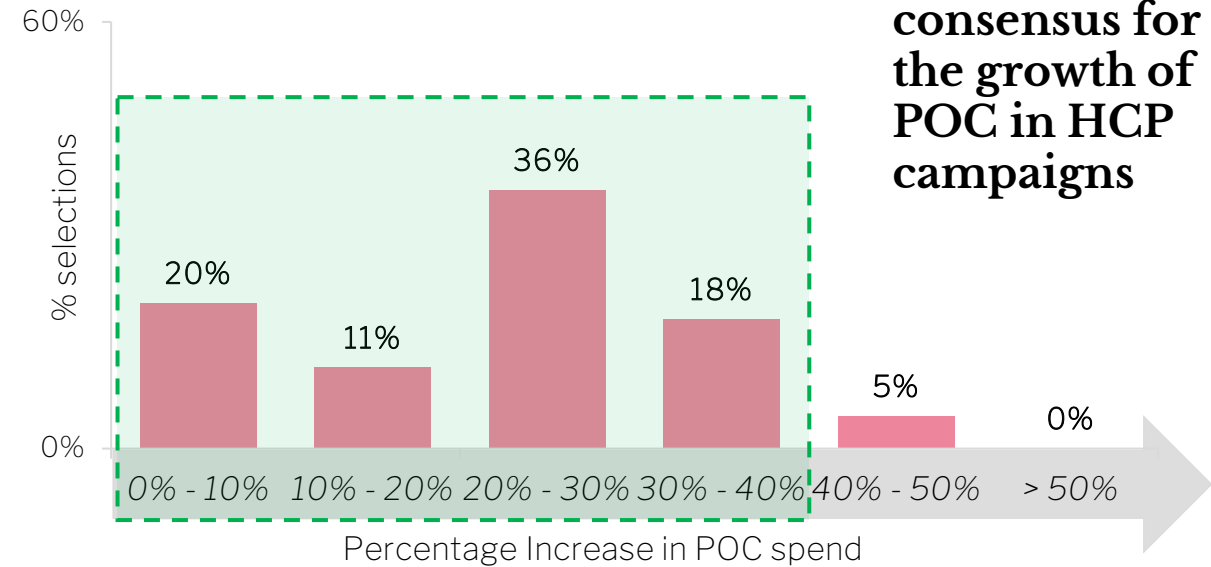
Consumer POC Campaigns

(n=33)



HCP POC Campaigns

(n=44)

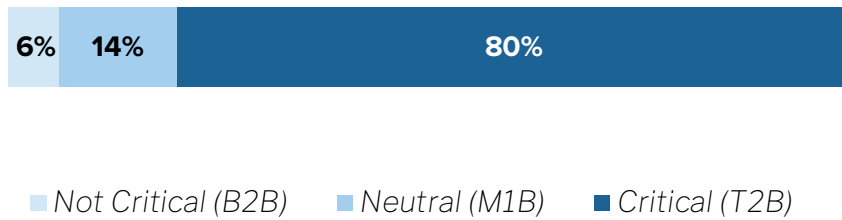


There is not a consensus for the growth of POC in HCP campaigns

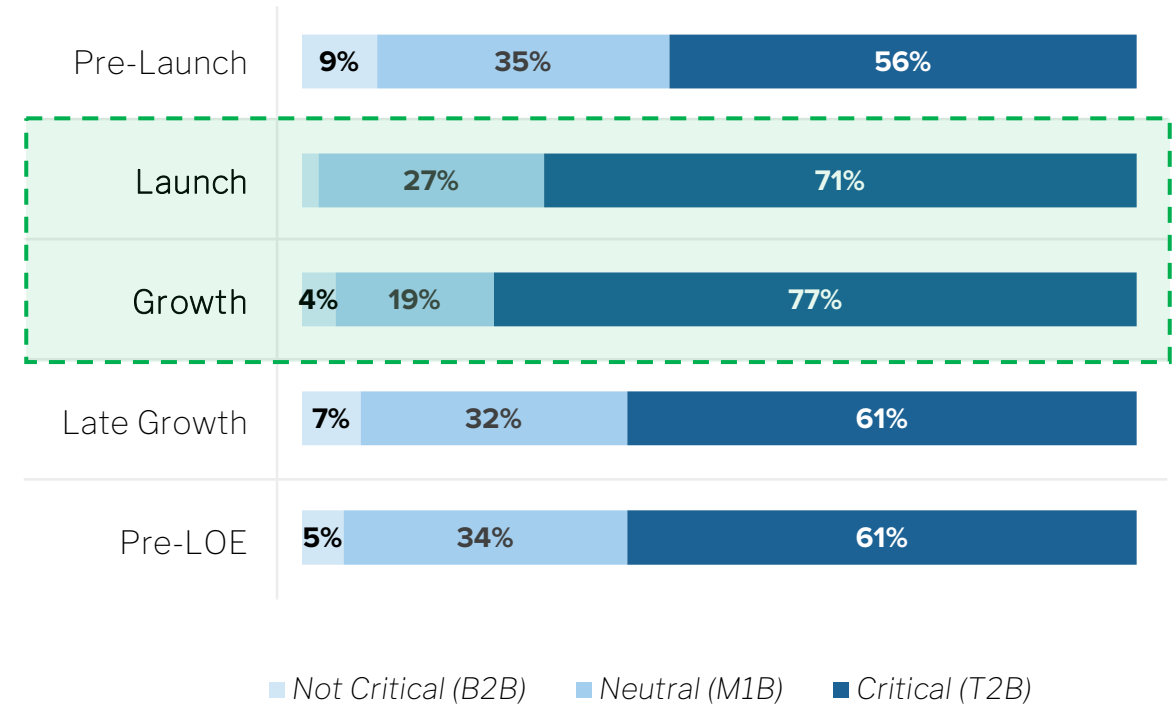
POC is universally considered to be a critical part of multi-channel media plans

Importance of Point-Of-Care: Overall and by Product Life Cycle

Overall Importance of POC
(n=100)



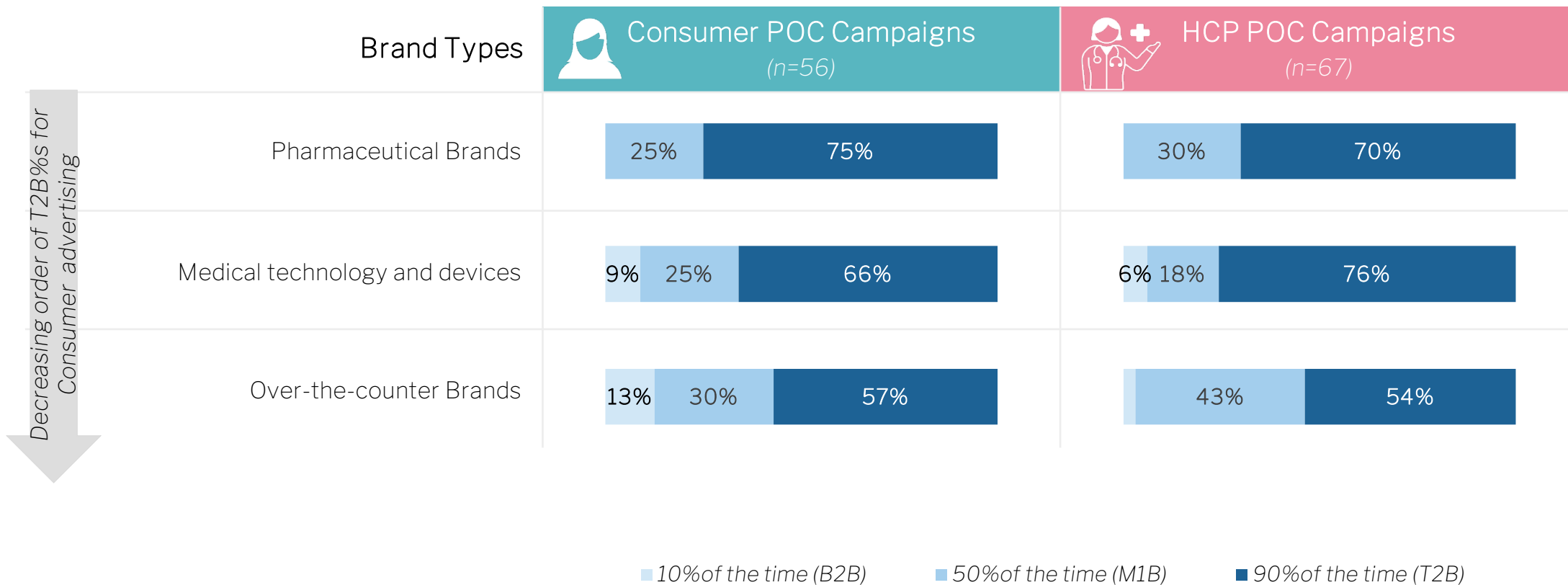
Importance of POC by Product Life Cycle
(n=100)



Please see speaker notes for question text.

Consumer targeted campaigns are most commonly used by pharma clients while HCP targeted campaigns are more commonly used by MedTech clients

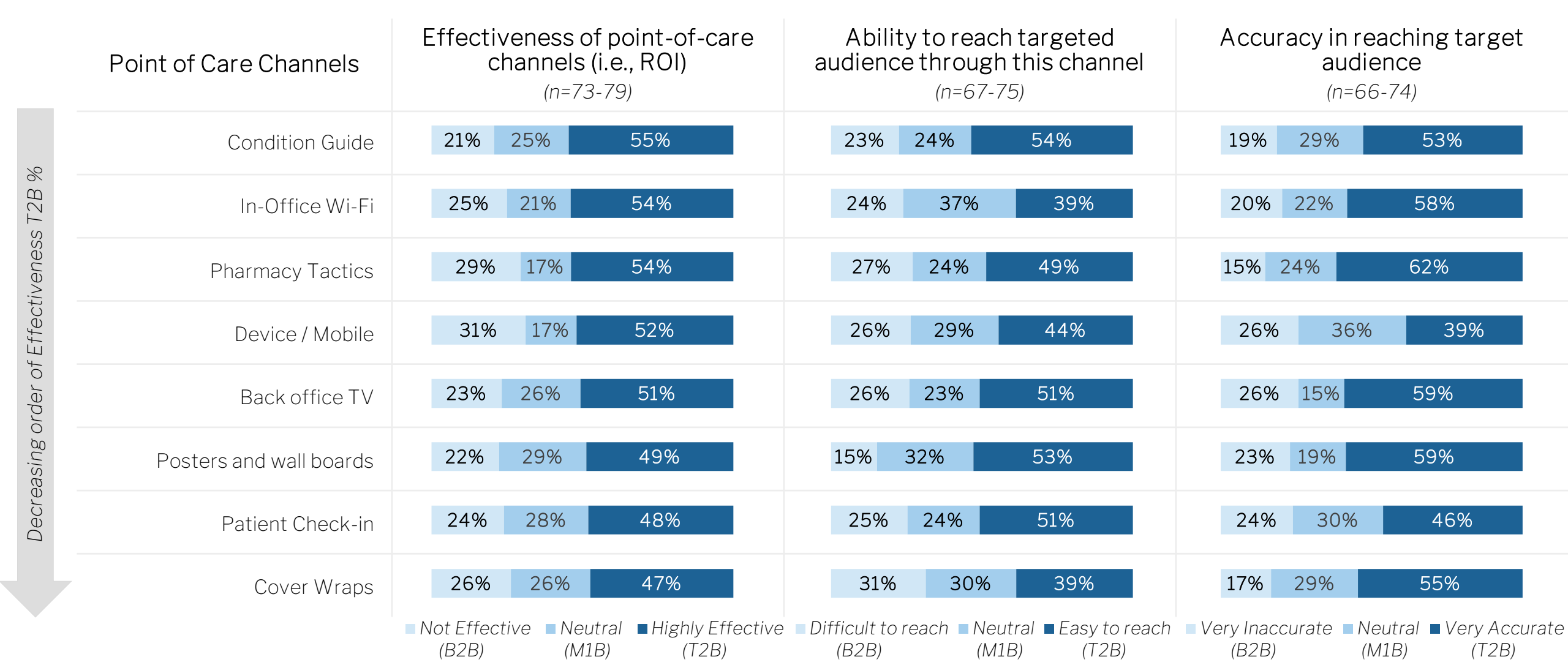
Use of POC Advertising: By Healthcare Brand Type



Please see speaker notes for question text.

There is little difference between the effectiveness of different POC channels

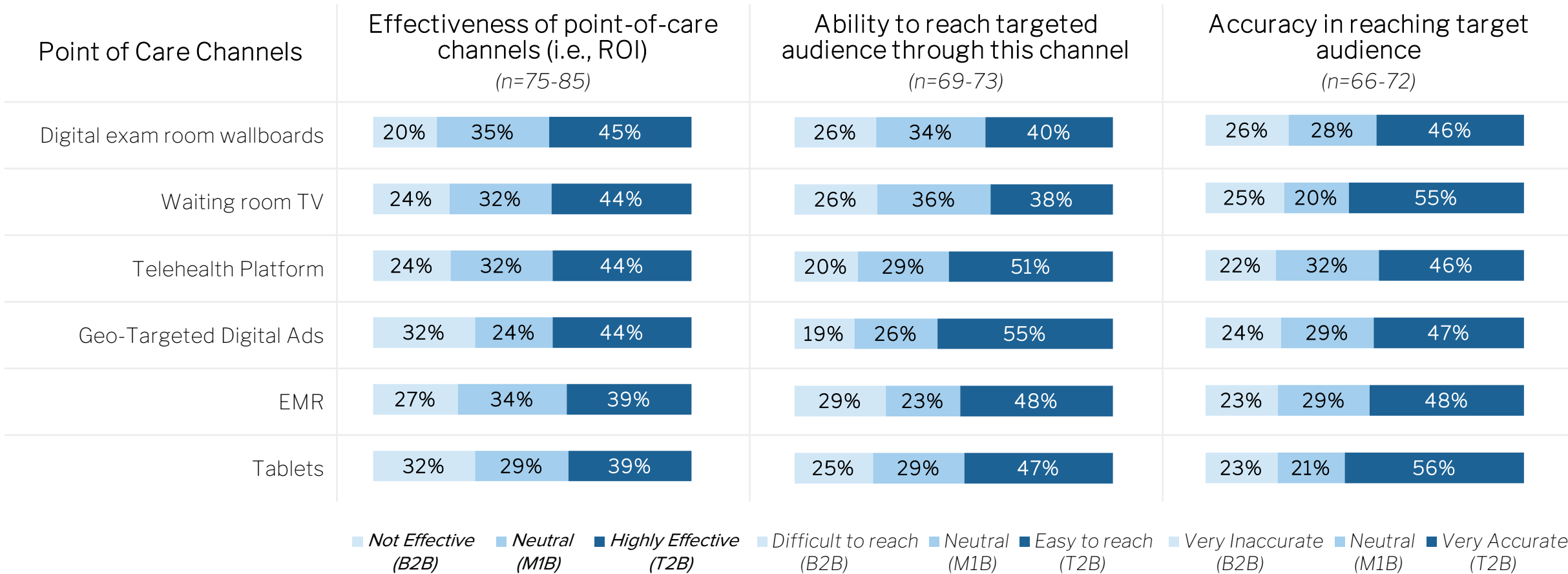
Effectiveness, Ability to Reach and Accuracy of POC Channels
(Top 8 of 14 - Based on Effectiveness Ratings)



There is little difference between the effectiveness of different POC channels

Effectiveness, Ability to Reach and Accuracy of POC Channels
(Bottom 6 of 14 - Based on Effectiveness Ratings)

Decreasing order of Effectiveness T2B %



Please see speaker notes for question text.

In summary, the point-of-care advertising market is expected to grow at a rate of 15% in 2023 driven by increased demand for its ability to reach consumers



POC Growth Remains Strong

- POC growth faltered slightly in 2020, likely due to the pandemic, but has since rebounded to its normal rate of ~15%
- The key reason for POC growth has been an increase in demand from pharmaceutical clients



More is Spent on POC Advertising for Consumers

- The majority of POC advertising targets consumers, which constitutes approximately 90% of all POC spending
- Growth rates in consumer POC is expected to outpace HCP growth rates in 2023



Device and Mobile Shows High Potential

- Media companies can leverage this channel to stay technologically 'up-to-date' and target consumers who are spending more time on social-media while in office

Thank you!

Victoria Summers

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