

State of the Point of Care Marketing Industry 2022

A joint study by Point of Care Marketing Association and ZS Associates.

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Introduction

COVID-19 disrupted a vast number of physician offices throughout the US with many patient waiting rooms "closing" and patients being directed to wait in their cars before being rushed into exam rooms. Patients were also reluctant to visit pharmacies and urgent care centers opting instead for home delivery and telehealth visits. What did this upheaval mean for the point of care (POC) advertising industry? How were advertising investments impacted? And what is the trajectory for the industry as the country emerges from COVID-19 quarantines? The Point of Care Marketing Association commissioned ZS to study the industry to answer these questions and others.

IN THIS REPORT

This report seeks to estimate the size and growth rate of the point of care advertising industry as defined as:



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

Since many other firms regularly report on out-of-home spending and health plan communications investments are difficult to track and measure, this report focuses on those channels that are specific to health care and reach health care practitioners (HCPs), patients and caregivers as they access care. We have included sites beyond the physician's office such as pharmacies, hospitals and urgent care centers.

This report provides the following:

- Revised historical spending and growth rates of the POC advertising space
- Total projected advertising dollars to be spent on POC advertising for consumer and HCP campaigns
- Media planner and buyer perceptions of POC advertising impact both digital and analog channels
- Role of POC advertising in promotion of products based on product life cycle, brand type and therapeutic area

METHODOLOGY

For this study both secondary and primary data were used to arrive at the findings. A quantitative primary research study was conducted with 100 media planners and buyers to assess the amount of investment being placed and planned in POC.

This study also explored the projected growth rate of spend in the POC advertising channels. Some members of the POCMA voluntarily provided revenue information which was aggregated by OFW Law and used to inform growth rates. Primary survey data was used in combination with this information to determine the estimated growth rates in 2022. The forecasted growth rate by channel was used to calculate a projected size of the market through 2023. Finally, the analysis was compared against other industry studies, previous analyses and independent reports to pressure-test and validate the findings.

Past POC revenue voluntarily provided by some POCMA media company members, which was aggregated by OFW Law

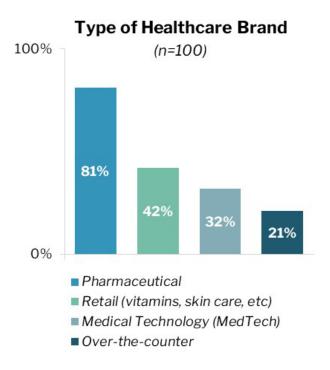
Primary research study targeting media planners and buyers for healthcare and pharma clients

Forecast analysis completed using current revenue by channel and projected revenue growth

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

The primary quantitative study was a 15-minute online survey targeted at media planners and buyers in the healthcare industry. The study was fielded between January 20, 2022 and February 28, 2022. One hundred participants were recruited from across the country who had at least 6 years of experience planning and buying media in the point of care space.

More than 70 percent were in media planning and buying agencies. Most of the respondents planned and purchased media for pharmaceutical brands. A significant number of media planners placed advertising for retail health products such as vitamins and skin care products; a little over thirty percent bought media for medical device brands and a little more than twenty percent placed media for over-the-counter health products. (NOTE: Respondents could select all types of products they worked with, thus the total adds up to more than 100 percent.)



Historical Spend, Growth Rates and Projected **Spend**

In 2017, advertising spending in the point of care space was estimated to be at \$556M or approximately 10 percent of the 2017 overall DTC advertising spending. In 2018, after the appearance of several disparaging media articles, spending dipped slightly, but was expected to rebound by 2022 to reach a total of \$869M in total ad spending.

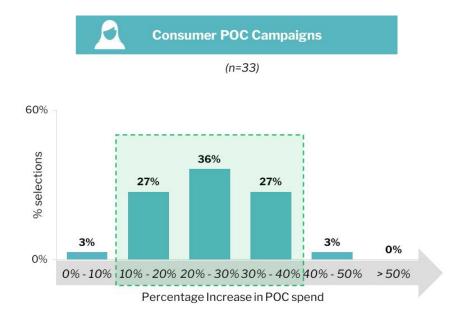
The current analysis takes into account the impact of COVID-19 disruption which caused a slight slowing of ad spending growth in the channel during 2020. The growth rate fell in 2020 due to COVID-19 - from 15 percent growth rate to 8 percent. The channel has rebounded, however, with spend levels in 2021 at 16 percent growth rate and 15 percent growth for 2022.

The impact of COVID-19 was minimal in the POC market for several reasons. First, many pharmaceutical brands continued to invest in POC to connect with patients and physicians while their rep access was restricted. Second, variances across the US in COVID-19 response meant that many practices and waiting rooms remained open and populated with patients who were able to see and engage with messages and content. These two factors mitigated the potential decrease in spend in 2020 and enabled the industry to continue to grow and achieve a projected total of \$823M spent in 2022. This was \$46M less than the forecast created in 2019, but still strong growth (see chart below).

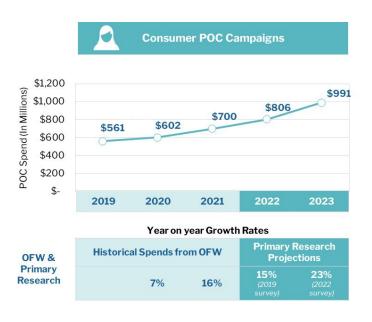
POC Growth Projections: Overall (Using POC growth rates from OFW and original spend estimates)



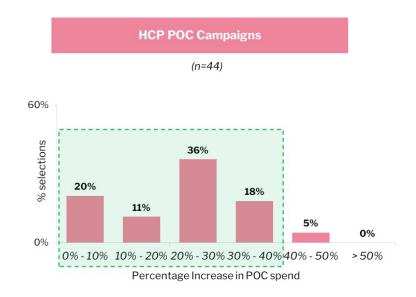
Results from the media planner and buyer survey indicates strong interest in the POC channel and continued growth. Media planners project growth in POC for 2023 of approximately 22 percent across HCP and Consumer campaigns.



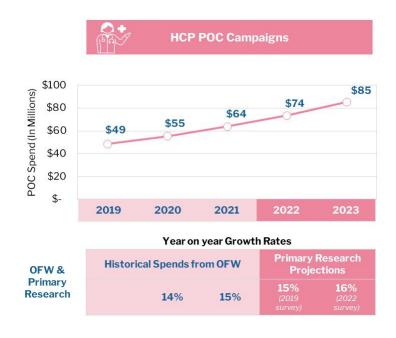
Media planners and buyers of consumer-targeted campaigns reported a more consistent expected increase in spend in POC with a clear bell curve from 10 percent to 40 percent. Thirty-six percent of media planners expect POC media spend to increase between 20 and 30 percent in the coming year. The strong expected growth in this channel could push investment in POC past the \$1B mark for the first time in 2023.



There was less consensus in the projected growth rate for POC spend targeting physicians. A node at 0 - 10 percent growth and another at 20 to 30 percent growth could be reflective of the varying types of physicians media planners are targeting – both primary care and specialists.



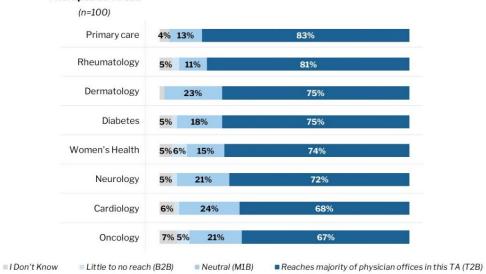
The projections for HCP-focused campaign investment in POC are at a consistent 15% YoY growth rate across the historic spend levels for both the 2019 and 2022 survey results.



One factor affecting HCP investment is a shift toward targeting specialists vs. primary care practices. POC companies have made inroads over the past several years and increased the number of physician offices that can be reached by POC, but media planners report that specialty offices still lag primary care offices in terms of POC coverage.

Strength of POC Digital Networks Reach by Therapeutic Areas

Therapeutic Areas



Media Planner and Buyer Perceptions of POC

Part of the strong growth in the POC channel is due to confidence in the impact of POC messaging by media planners and buyers. Results of the survey indicate that POC advertising is viewed as an effective way to target both HCPs and Consumers. Furthermore, the metrics and results of POC messaging are seen as high-quality, easy to analyze, and provide a simple and consistent view of the customer.

In terms of effectiveness and ability to reach targets, media planners and buyers rank POC channels high. Printed condition guides, in-office WIFI and pharmacy messages are ranked in the top three in terms of effectiveness.

Effectiveness, Ability to Reach and Accuracy of POC Channels

(Top 8 of 14 - Based on Effectiveness Ratings) Effectiveness of point-of-care Ability to reach targeted Accuracy in reaching target **Point of Care Channels** channels (i.e., ROI) audience through this channel audience (n=73-79) (n=67-75)(n=66-74) 21% 25% 55% 23% 24% 54% 19% 29% 53% Condition Guide 25% 21% 54% 24% 20% 22% In-Office Wi-Fi 37% 15% 24% Pharmacy Tactics 24% Device / Mobile 26% 23% 26% 15% Back office TV 15% 23% 19% 22% 29% 32% Posters and wall boards Patient Check-in 24% 28% Cover Wraps 26% 31% 17% 29%

(B2B)

(B2B)

(M1B)

(T2B)

Not Effective ■ Neutral ■ Highly Effective ■ Difficult to reach ■ Neutral ■ Easy to reach ■ Very Inaccurate ■ Neutral ■ Very Accurate

(M1B)

(T2B)

(B2B)

(M1B)

(T2B)

Effectiveness, Ability to Reach and Accuracy of POC Channels

(Bottom 6 of 14 - Based on Effectiveness Ratings)

Accuracy in reaching target audience (n=66-72)			Ability to reach targeted audience through this channel (n=69-73)			Effectiveness of point-of-care channels (i.e., ROI) (n=75-85)			Point of Care Channels
28% 46%	28%	26%	40%	% 34%	26	45%	1 %)%	Digital exam room wallboards
0% 55%	20%	25%	38%	% 36%	26	44%	2%	4%	Waiting room TV
32% 46%	32%	22%	51%	6 29%	20%	44%	2%	4%	Telehealth Platform
29% 47%	29%	24%	55%	26%	19%	44%	24%	32%	Geo-Targeted Digital Ads
29% 48%	29%	23%	48%	9% 23%	29	39%	34%	27%	EMR
56%	21%	23%	47%	% 29%	25	39%	29%	32%	Tablets
			47% eutral ■Easy to reach				29% Neutral	32% Effective	

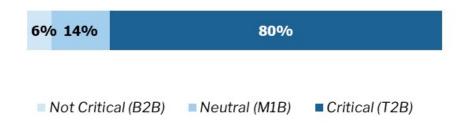
Media planners and buyers reported their clients were most interested in the way POC companies were improving their technology. This is especially true with the rising importance of social media. Media planners provided comments in the survey about being interested in more mobile channels to connect with patients and physicians as they spend time on their phone when in the office or pharmacy.

Campaign Type, Product Life Cycle and Target **Focus For POC Campaigns**

Media planners and buyers agree that POC is an important part of the overall advertising campaign with 80 percent of planners classifying POC as critical.

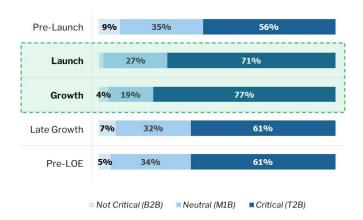
Overall Importance of POC

(n=100)



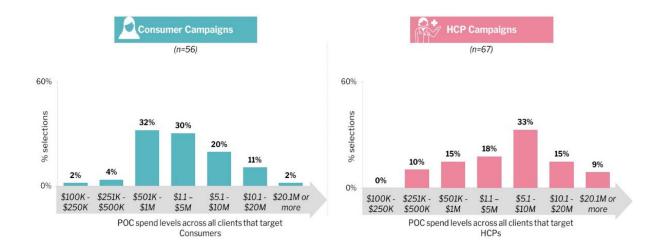
When asked about the role of POC in promotion of a brand at different stages of the lifecycle, media planners and buyers responded that launch was important, but the growth phase of the brand is when POC becomes most critical - possibly due to the increased competition during the growth phase and the need to keep the brand top-of-mind when at the point of care.





Even in late growth stage and pre-LOE, POC is viewed as an important channel to continue to promote awareness and preference. POC advertising is seen as a flexible channel able to drive growth across the product life cycle.

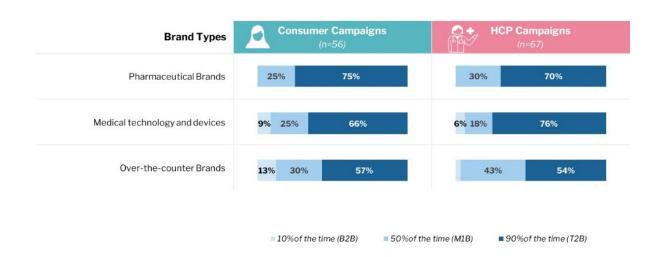
Current campaign spend levels vary between consumer-targeted campaigns with HCP-targeted campaigns reporting more spend in POC.



Media planners estimate they spend more on HCP campaigns in total per year than on consumer. Annual consumer POC spend per campaign most often falls between \$501K and \$1M while HCP-targeted POC campaigns most often fall between \$5.1M and \$10M.

This spend is driven by different types of brand clients. Medical device companies are spending more to raise awareness among HCPs while more pharmaceutical brands are focused on consumer-targeted campaigns.

Use of POC Advertising: By Healthcare Brand Type



Conclusion

POC advertising has enjoyed continued growth even amid a global pandemic indicating the strength of the channel as a promotional vehicle and a critical media tactic for reaching patients and HCPs. As the nature of point of care continues to evolve - expanding to more locations, such as pharmacy health centers, and including new tactics, like telehealth messaging and mobiletargeted advertising, it is expected POC advertising spend will continue to grow as an important part of the overall health advertising media mix.

About ZS

ZS is a management consulting and technology firm focused on transforming global healthcare and beyond. We leverage our leading-edge analytics, plus the power of data, science and products, to help our clients make more intelligent decisions, deliver innovative solutions and improve outcomes for all. Founded in 1983, ZS has more than 12,000 employees in 35 offices worldwide.

Learn more at www.zs.com



About POCMA

The Point of Care Marketing Association (formerly known as the Point of Care Communication Council, or PoC3) was founded in 2013 by forward-thinking industry leaders seeking to gain strength and scale through collaboration.

Learn more at www.pocmarketing.org



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