



**medicx**

# Achieve the Pharma Audience Quality That Cookies Never Could

**The Countdown to Cookieless  
Marketing Has Begun**



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## Introduction

# Cookieless Marketing... An Obstacle or an Opportunity?

*It's time to move on from cookie-based marketing.*

That's not something that a lot of people in life sciences want to hear right now. Not only does the topic feel like it's been done to death, but many agencies and life sciences marketers see the transition to cookieless marketing as a logistical headache with little intrinsic value.

Already constrained by limited budgets, in-house teams and agencies view the shift to cookieless marketing as an operational obstacle. As Google delays cookie deprecation<sup>1</sup> for Chrome yet again, these teams are more than willing to follow suit and push off their tracking transition as well.

By sticking with cookie-based marketing, pharmaceutical marketing teams, publishers, and agencies are missing out on valuable opportunities to plan, execute, and measure campaigns with more precision than ever before. Rather than an obstacle, cookie deprecation can

and should be an opportunity to identify and adopt targeting solutions that deliver better audience quality and campaign performance.

In this ebook, we'll show you how your organization can turn cookie deprecation into an opportunity for growth rather than an obstacle to maintaining the status quo. With increased audience quality, you'll see how highly precise, privacy-safe targeting can transform your targeting, measurement, and media execution capabilities for direct-to-consumer (DTC) and healthcare provider (HCP) campaigns.

<sup>1</sup> CNBC - Google delays cookie-cutting to 2024 - July 27, 2022

# Cookie Deprecation Is Already Limiting Your Targeting Capabilities

According to research from AdForm, 78% of brands<sup>1</sup> entered 2022 with no solution in place to transition away from cookie-based targeting. Many digital marketers and advertisers are struggling to identify a new approach that meets their technical needs and data standards, but remaining in this state of decision paralysis isn't the answer.

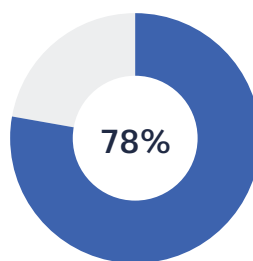
As both patients and healthcare providers (HCPs) spend more time online, programmatic advertising has become an essential tool for brand activation and audience engagement for companies across pharmaceuticals and healthcare.

Today, these organizations rely on third-party cookies to:

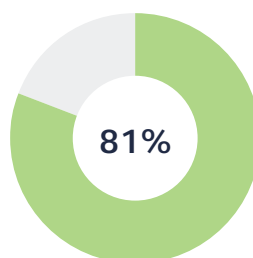
- Profile and segment consumer and HCP audiences
- Retarget audiences across channels, platforms, and devices.
- Measure campaign performance.
- Derive audience insights for campaign optimization.

Continuing to rely on third-party cookies is preventing life sciences organizations from increasing the return on investment (ROI) of their digital advertising efforts. This problem is hardly unique to the life sciences industry – Twilio reports that 81% of marketers<sup>2</sup> still depend on cookies for their current marketing strategies, and 55% aren't ready for cookie deprecation.

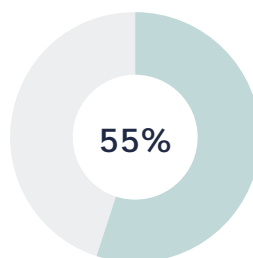
The reality is, however, that cookie-based marketing is delivering diminishing returns every day. While Google Chrome isn't set to deprecate third-party cookies until 2024, other popular browsers like Safari, Firefox, and Microsoft Edge already block third-party tracking by default. Combined, these three browsers represent more than 26% of internet users as of November 2022<sup>3</sup>.



of brands entered 2022 with no solution in place to transition away from cookie-based targeting.



of marketers still depend on cookies for their current marketing strategies



of marketers aren't ready for cookie deprecation

<sup>1</sup> AdForm - March 09, 2021

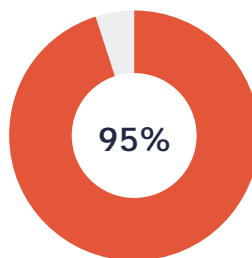
<sup>2</sup> Twilio - State of Customer Engagement Report 2022

<sup>3</sup> Statcounter

Further limiting the utility of third-party cookies, privacy laws like the European Union's General Data Protection Regulation (GDPR) require websites to obtain consent to track users. Recent consumer research has shown that 95% of users opt out of cookie-based tracking when given the option.<sup>4</sup>

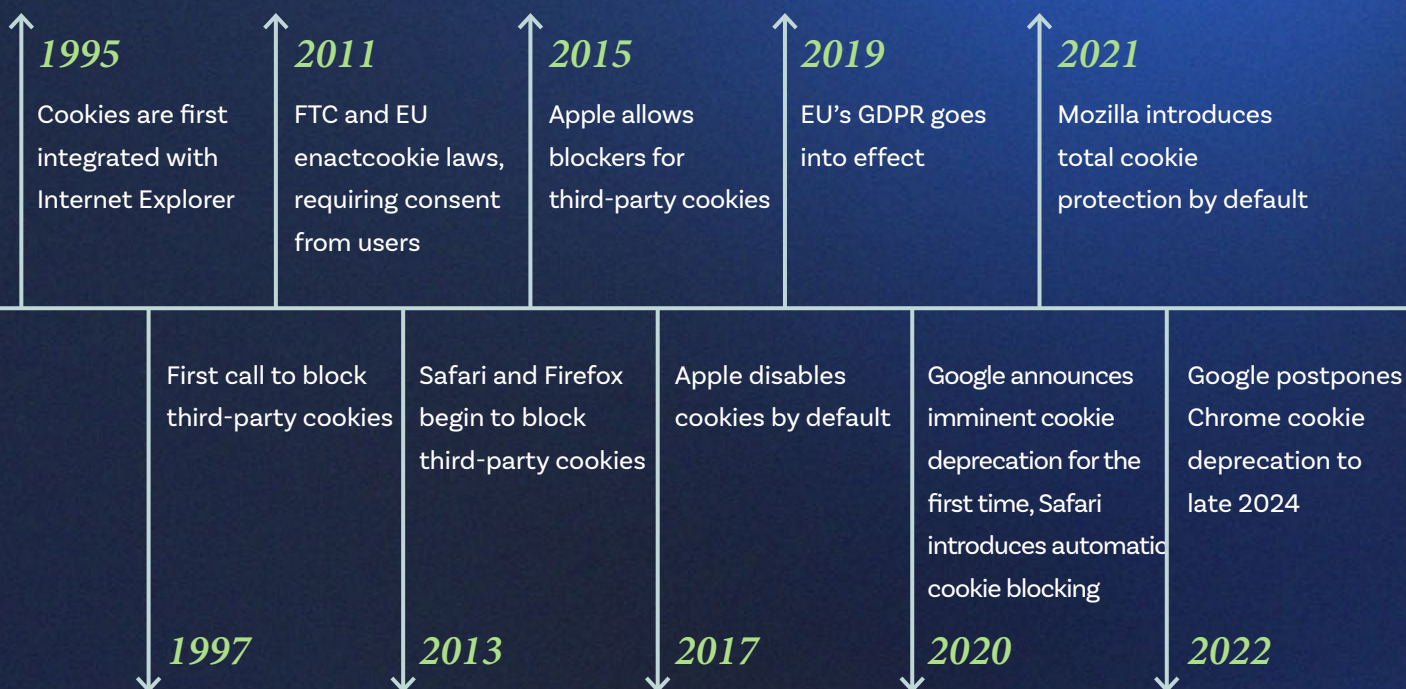
As a result, many life sciences campaigns already fail to reach significant segments of brand-eligible patients. To be strategic about advertising spending and achieve greater ROI, pharmaceutical marketers need more reliable, consistent methods for targeting audiences and measuring campaign performance.

That's not an easy thing to achieve. Stakeholders will need to find solutions that deliver high audience quality while maintaining compliance with industry privacy regulations and interoperability with various data sources and advertising platforms. In the end, investing in these efforts today will pay off for years to come.



of users opt out of cookie-based tracking when given the option.

## Cookie deprecation has been a long time coming:



<sup>4</sup> ICPEN - News - May 10, 2022

<sup>5</sup> Privacy Policies - Ultimate Guide to EU Cookie Laws - July 1, 2022

<sup>6</sup> distilled - Firefox rolls out Total Cookie Protection by default to all users worldwide

<sup>7</sup> CNBC - Google delays cookie-cutting to 2024 - July 27, 2022

## Where Do Life Sciences Organizations Go Next?

Switching strategies in the face of technological change is always challenging and requires careful consideration. In the case of cookieless marketing, the need for careful planning should be balanced with competitive urgency.

When adopting any new digital marketing technology, timing is essential. Not only do marketing teams, publishers and agencies need to obtain buy-in from critical stakeholders, influencers, and partners, but they also need time to fill knowledge gaps and run test campaigns.

Many digital marketers in life sciences have a limited appetite for risk – and for good reason. In the pharmaceutical industry, digital advertising spending is expected to jump from \$15.84 billion in 2022 to almost \$20 billion in 2024.<sup>8</sup>

From in-house teams to the agencies that life sciences brands rely on, the modern marketer needs to make every dollar count in this incredibly competitive space.

The challenges involved in transitioning from existing marketing technology to a new solution can make it difficult to rationalize the effort required.

The average enterprise marketing department has invested thousands if not millions into setting up an ecosystem of technology that supports cookie-based marketing. The investment is often significant – from training users on their customer relationship management (CRM) solution to integrating it with the company's web properties, analytics and reporting tools, and advertising platforms.

### Digital marketing spending in the pharmaceutical industry



The burden of this technical debt is exactly why life sciences organizations should begin transitioning to a cookieless solution sooner rather than later. At the end of the day, the utility and value of digital marketing wholly depends on data quality. Audience quality with cookie-based targeting will only continue to erode until this outdated approach becomes completely unworkable.

To ensure that this inevitable transition is successful, technical teams and campaign managers need time to experiment with and learn new solutions and measurement strategies. That can be a lengthy, nonlinear process – not something that any organization's marketing or advertising team should be starting in the final phases of cookie deprecation.

The longer that life sciences organizations delay this transition, the further behind they'll fall compared to forward-thinking peers, and the longer it will take them to bolster advertising ROI as more internet traffic goes cookieless in 2024.

As of November 2022, Google Chrome represents more than 65% of browser market share globally.<sup>9</sup> Pharmaceutical marketers that still depend on third-party cookies will have lost the ability to target and track and reach a large portion of their target audiences. On the other hand, those that have taken a proactive approach to transition to cookieless marketing will be well on their way to eliminating guesswork and wasted spending in their programmatic advertising.

<sup>8</sup> Insider Intelligence - US Healthcare and Pharma Digital Ad Spending 2022 - Aug 24, 2022  
<sup>9</sup> Statcounter



# Cookies Have Become Integral Tools but They're Not the Only Option

Without cookies, marketers still have several paths forward, but they need to understand the pros and cons of each:

## **Blanket advertising**

Think of blanket advertising as the opposite of targeted ads. Rather than focusing on a specific segment, ads are served to virtually everyone – or at least a very wide range of segments or audiences.

Organizations that are overly dependent on cookies may already be starting to turn to this approach. Consumers are increasingly privacy conscious and more likely to turn to browsers that block third-party

cookies by default or engage those capabilities manually when available.

With little insight into these portions of their audience, organizations that rely on cookie-based marketing will have no other option than to broaden or abandon their targeting criteria. The problem with this approach is that it's not strategic or scalable, likely leading to significant wasted impressions and lower campaign ROI.

## **First-party data strategies**

For obvious reasons, defaulting to blanket advertising holds little appeal to many life sciences organizations. Retaining the ability to reach specific audiences with tailored messaging is essential for successful pharmaceutical campaigns.

As a result, many are looking to first-party data as the solution to the cookieless marketing question. Unlike third-party cookies, first-party data offers higher-quality data. Because organizations have collected data directly from consumers or HCPs, they can put the steps in place to ensure they have consent to use that data for targeted advertising, that the information is accurate, and that they maintain compliance with regulations like the Health Insurance Portability and Accountability Act (HIPAA).



**The downside of having all of that control is that maintaining first-party data records is often time-consuming and expensive.**

*Additionally, the data a life sciences organization can collect to target consumers and HCPs may not always be usable across all publishers, increasing the cost-to-benefit ratio of standing up a new first-party data strategy and limiting the scalability and reusability of campaigns across platforms.*

## **Third-party identifiers and ID resolution**

While third-party cookies are on their way out, there are still other third-party identifiers that can be used to target and reach audiences across various advertising platforms. Alone, many third-party identifiers don't provide enough context to precisely target brand-eligible patients and HCPs.

Fortunately, options like device IDs, IP addresses, and geofencing<sup>1</sup> can all be combined with other data – including first-party and second-party data – to create audience profiles that can be used for ad targeting. This process is known as identity resolution<sup>2</sup>, and it's an approach that many feel is the solution to not only survive but thrive through the transition to cookieless marketing.



## **Pharma can't afford to waste advertising budgets**

- Life sciences organizations operating in a highly competitive market, as their massive advertising budgets reflect<sup>3</sup>
- During Q3 2022 alone, digital ad spending represented around two-thirds of ad dollars – roughly \$13.2 billion
- In Sept 2022, pharma spent 12% of gross revenue in media channels

## **What types of data can marketers use to target HCPs and consumers?**

- First-party data: Data an organization collects directly from its customers or audience (e.g., contact data collected via a marketing form fill)
- Second-party data: Data shared between partners with a mutual audience or customer base (e.g. first-party data shared with another entity)
- Third-party data: Data collected by a party unknown to the customer, often sold on data marketplaces

<sup>1</sup> AccuData IP Targeting: Understanding This Essential Marketing Tool

<sup>2</sup> Martech.org What is identity resolution and how are platforms adapting to privacy changes? June 1, 2022

<sup>3</sup> Standard Media index - September 2022



# Making the Case for Advanced ID Resolution

Continuing to cling to cookies isn't the answer – but neither is a wholesale shift to first-party data<sup>1</sup>. A first-party data approach has definite pros when compared to third-party, cookie-based marketing. Here's where it falls short:

- **Scalability and cost:** Maintaining accurate, up-to-date first-party data requires significant resources, especially at the volumes needed to scale programmatic advertising and omnichannel campaigns nationally or globally.
- **Interoperability:** Today's marketers are leveraging ads across multiple digital platforms, devices, and touchpoints. Having to potentially input different data sets into different platforms isn't efficient, scalable, or sustainable.
- **Balancing the need for precision and privacy:** It can be very difficult to use first-party data and even second-party data while maintaining privacy and compliance with HIPAA. At the same time, fully anonymized data can make it harder to precisely target brand-eligible patients and HCPs, reducing the ROI of your advertising efforts.

Life sciences marketing teams need a solution that balances their need for higher audience quality and privacy compliance. The need to give up third-party cookies doesn't mean that third-party data as a whole holds no value for life sciences marketers.

With an ID resolution approach, life sciences brands can combine third-party consumer data – such as demographics, device types, topics, interest categories – and first-party publisher and patient data shared by trusted partners to enable precise targeting. But to work effectively for life sciences marketers, all of that data needs to be combined and managed in a way that works at scale and maintains privacy.

<sup>1</sup> Adweek - First-Party Data Is Great, But It's Not Enough

## *Pharmaceutical Marketers Need Deterministic ID Resolution*

**Done correctly, ID resolution can deliver the precise targeting life sciences marketers need to improve campaign ROI. The challenge in applying this approach to life sciences marketing is two-fold:**

→ ID attribution that creates individual profiles has significant risk of re-identification that violates privacy mandates like HIPAA.

→ ID attribution can be based on inaccurate or imprecise data, which limits the value of the profiles that result. Poor audience quality results in imprecise targeting and measurement and lower advertising ROI – all things life sciences marketers need to avoid.

So what does it take to use ID attribution to enhance programmatic advertising and omnichannel campaign performance?

For life sciences organizations, targeting based on either third-party or first-party data won't be sufficient if it doesn't allow marketers to:

- Develop precise audience segments based on reliable real-world data.
- Maintain compliance with privacy regulations like HIPAA
- Ensure exceptional audience quality for higher ROI.

**ID resolution can achieve all of the above – given that the underlying data undergoes deterministic analysis and eliminates the risk of re-identification.**

Most vendors talking about this type of technology are talking about probabilistic ID resolution rather than deterministic.

That distinction has a huge impact on the potential ROI of an organization's targeting capabilities and campaign performance.

## What's the Difference Between Probabilistic and Deterministic ID Resolution?



Whether done with probabilistic or deterministic modeling, ID resolution helps organizations create connections between what's happening in the digital and physical world. Pharmaceutical brands can leverage information from medical and prescription claims, along with other evidence-based data, and then target based on third-party identifiers that help track online behavior.

The difference lies in the fidelity of each type of analysis. Probabilistic modeling assesses the likelihood that data matched from different sources belong to the same individual or group. Often based on look-alike modeling, this approach is then used to identify people who (potentially) look and act like individuals in your target segment. Then those “look-alikes” behavior is used to approximate and reach the target audience.

In contrast, deterministic modeling uses data that is known to be true so that the output is fully tied to the initial input. The resulting profiles are tied to groups of people that meet specific inclusion requirements rather than look-alikes grouped based on their probability of similarity to the target audience.

### What does this difference mean for life sciences marketers?

#### Guesswork vs certainty.

Knowing that you are targeting precisely the right audience means you have more control over campaign performance, spending, and optimization over time.

Higher ROI, better ability to pivot in response to new data, and improved reach & performance in market. You'll be able to precisely reach the patients who need your brand's products most, as well as the HCPs who treat those patients.

Medicx Health has a new model for ID resolution that uses deterministic ID resolution to help you leave cookie-based marketing – and low ROI – far behind, all while maintaining compliance with HIPAA regulations for managing personally identifiable information (PII) properly and securely.

While others may say that deterministic ID resolution isn't realistic<sup>3</sup> or even isn't possible<sup>4</sup>, that's no longer the case. Medicx ID Resolution combines a patented Micro-Neighborhoods® targeting approach powered by MX#, a new solution for deterministic ID resolution that delivers the audience quality you need.

Instead of relying on outdated third-party cookies or an unmanageable estate of first-party data, you can depend on reliable, precise audience targeting enabled by multi-party data linking.

<sup>3</sup> iDimension - Digital advertising: deterministic, probabilistic or something in between

<sup>4</sup> Adstra - All Identity Resolution Is Probabilistic – And That's Okay If It's Done Right



# Enter MX#

## *Enabling ID Resolution at Scale with Multi-party Data Linking*

With MX#, Medicx has developed multi-party data linking, a new approach to advanced ID resolution that combines the fidelity of first-party data with the privacy of hashed, third-party identifiers. MX# creates digital identities by encrypting and linking first-, second-, and third-party data from reliable sources, maintaining data privacy while maximizing precision.

This solution for advanced ID resolution works in combination with our patented targeting approach. Medicx uses real-world evidence aggregated from medical and prescription claims to help life science organizations find and reach brand-eligible patients located in hyperlocal areas, known as Micro-Neighborhoods.<sup>1</sup>

### Here's how it all works:

- > Our Safe Harbor partners maintain first- and second-party, evidence-based patient data from medical and prescription claims, among other records – which includes diagnoses, treatments, and prescriptions.
- > Using these data points as inclusion and exclusion criteria, MX# users can create custom audience segments to use for precise targeting at scale without risking patient reidentification.
- > Then, MX# uses hashed identifiers to anonymously link multi-party patient and consumer data, associating IP addresses and device IDs with these hyper-local groups of brand-eligible patients.
- > This allows life sciences marketers to implement precise targeting across programmatic advertising channels, including digital ads, direct mail, email, connected TV, addressable TV, and social media ads.

<sup>1</sup> Medicx Health - Medicx Micro-Neighborhood® Targeting Platform

The data Safe Harbor partners provide us is encrypted and then input into MX# identities, allowing us to safely use this information to build Micro-Neighborhoods that meet minimum thresholds of our data privacy framework (i.e., include a large enough population of brand-eligible patients to avoid re-identification). And throughout this process, individual Safe Harbor partners never have access to more than one element of the audience's PII, preventing the re-identification of patients and maintaining compliance with HIPAA standards. Of the data managed by Medicx directly, only the minimum data required is maintained.

Together, the data input and linked through MX#—including IP addresses, device IDs, street addresses, and patient data—resolves disparate data into unified identities. MX# identities enable consistent targeting across media, devices, and other touchpoints and are never used to create profiles at the individual level, which means users have access to secure, reliable insights from media exposure to consumer behavior and patient insights.

## With MX#, life sciences organizations benefit from:

- Reliable, privacy-safe consumer, patient, and HCP data
- Industry-leading match rates across touchpoints to improve performance measurement
- High-fidelity deterministic data that increases campaign scalability and confidence
- Breadth and depth of patient and HCP insights for brand optimization
- Proven performance for cookieless media
- Increased access to patients and HCPs using iOS Safari and Firefox

[See How](#)

## 62% higher match rates in post-campaign exposure – that's the power of MX#

- MX# IP Targeting platform
- MX# Strategic TV buying platform
- MX# Programmatic advertising platform
- MX# Guided Analytics™ with AdLift or another third-party measurement platform

[Contact Us](#)



# What Can Your Organization Achieve with Deterministic ID Resolution?

With MX#, Medicx has taken its deterministic approach to audience building to the next level.

Marketers can easily and precisely connect online behavior to any of the 35 million Micro-Neighborhood segments—combining relevant consumer data with reliable real-world data like diagnosis, prescription, or treatment—that fits their brand requirements best.

By enabling consistent identity across platforms and devices, Medicx ID Resolution allows life sciences marketers and agencies to gain confidence in and increase the ROI of their programmatic advertising and omnichannel campaigns, from targeting and execution to measurement.

MX# significantly improves measurement capabilities, and we've already seen the number of resolved impressions increase by more than 60%, ultimately

doubling the pool of brand-eligible patients available for further analysis. We're also seeing incredible impact with traditionally cookieless channels like over-the-top (OTT) and connected TV (CTV) media. Organizations using MX# have had their match rates increase by more than 100% for execution and more than 400% for measurement.

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## 400%

Organizations using MX# have had their match rates increase by more than 100% for execution and more than 400% for measurement.

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And with MX#, life sciences organizations can resolve 94% of their audience across 85% of the digital ecosphere. Today, third-party cookies exist in about 60% of display media, and marketers can only resolve about 58% of impressions. In comparison, MX# delivers impressions that are resolved 2.75x more than the leading cookie-based identity solutions.

With double or triple the number of biddable impressions, your organization could:

- > Increase unique reach, ultimately decreasing frequency and cost per acquisition
- > Use more refined audiences to scale campaigns cost-effectively
- > Drives brand incremental revenue and ROI even while reducing bids

As leading pharmaceutical companies race to adapt to the cookieless marketing world, early adopters of the most effective alternatives will have a long-term advantage. Medicx is ready to provide the precision, scale, and privacy you need to reach brand-eligible patients and HCPs, today and tomorrow.

## Benefits of ID Resolution with MX#:



High-fidelity matching



Privacy-safe and HIPAA compliant



Audience quality



Consistency and scalability



AdLift integration for measurement

## Ready to learn more?

Find out how MX# improves brand performance.

Learn More



## *About Medicx Health*

Medicx Health has more than 15 years of experience delivering the data life sciences brands need to achieve the best possible return on investment for their marketing strategy and execution. We provide a simplified analytics experience, using SaaS capabilities that leverage real-world evidence for actionable insights that deliver improved measurement and performance.

Our patented Micro-Neighborhood targeting platform allows brands and agencies to reach brand-eligible patients and healthcare providers across nearly 35 million hyperlocal areas. Combined with these Micro-Neighborhoods, MX#, our advanced ID resolution solution, allows your organization to effectively target, execute and measure programmatic and all other omnichannel engagements - all in a HIPAA-compliant environment.

Precise, privacy-safe targeting at scale, powered by MX#, means higher audience quality and a greater return for your advertising and marketing spending. Learn more about Medicx Health, our Micro-Neighborhood platform, and our unique identity resolution solution, MX#.

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**(480) 614-0060**  
**info@medicxhealth.com**  
**medicxhealth.com**