medicx
An OptimizeRx Company

The Ultimate Guide to Omnichannel Audience Design for Healthcare Marketing

Connect patient and consumer journeys with multi-party data for the most brand impact.

Table of *Contents*

Introduction

Digital marketing has made it both easier and more complicated for pharmaceutical brands to reach their target audiences. The widespread adoption of digital media has allowed life sciences companies to communicate with more people in less time than ever before. Patients and healthcare providers (HCPs) spend so much of their day online, making it only natural for brands to use digital channels to disseminate healthcare education and information about existing and new treatments.

Delivering relevant, helpful and timely information to the right patients and HCPs increases the likelihood that they can improve health outcomes. **Digital advertising provides more opportunities to reach, educate, and convert the people who will benefit most from their products and optimize for brand impact at every stage of a campaign.**

But those opportunities come at a cost.

While the primary goal is finding and engaging with the right audience — at the right time — brand managers and agencies can't and shouldn't spend endlessly on advertising in the hopes of reaching every potential patient. That's not a sustainable solution, and life sciences organizations are under immense pressure to become more efficient and more productive.

At their essence, audience profiles and segments built with digital marketing tools bring greater value and impact on the business when performance can be meaningfully measured.

Ultimately, pharmaceutical brands need to build digital audiences that can reliably help them:

- **Increase script lift.** Target brand-eligible patients and the HCPs that treat them to get more patients on brand.
- **Spend advertising budgets efficiently.** Reach more brand-eligible patients and HCPs without having to break your budget.
- **Reduce risk.** Eliminate compliance risks – avoiding reputational damage and the legal or financial consequences (e.g., $25,000 fine per HIPAA violation category).

The only way to achieve all three is true omnichannel marketing built and executed on a foundation of high-fidelity data – ensuring that the audience you're targeting is actually the one you're reaching, optimizing engagement across channels.

Why Relying on Consumer Marketing Doesn't Work for Life Sciences

In recent years, life science brands have adopted the consumer marketing model, using consumer data to personalize campaign execution across digital channels.

This approach requires creating profiles for brand-eligible patients using real-world data. To turn these profiles into audience segments ready for targeting, they'd then use probabilistic modeling to generate lookalike audiences built with consumer data.

Finally, third-party cookies – a technology that's gradually being phased out – would be used to target (and retarget) these lookalike audiences across paid search, paid social, display advertising, and other channels.

At first, adopting this approach delivered promising results for pharmaceutical brands. From the late-2010s into 2021, for example, spending on digital advertising increased by as much as 27.6% in the healthcare and pharmaceuticals industry.

Soon, however, many brands found that there was a limit to how much they could improve the return on investment (ROI) of advertising campaigns that targeted lookalike audiences. **According to Google Ads, most advertisers are only able to achieve audience match rates (i.e., the percentage of your audience segment whose identities you can resolve between targeting and media buying data sets) between 29% and 62%.**

As a result, we've seen a corresponding slowdown in spending on digital advertising in the industry over the last two years.

Most advertisers are only able to achieve audience match rates between 29% and 62%. And the reality is that cookie-based targeting and traditional consumer marketing don't help pharma brands use their ad dollars as efficiently as they could.

The reality is that the technology behind the traditional consumer marketing approach often doesn't help pharma brands teams to use their advertising dollars as efficiently as they could.

What many don't realize, however, is that the problem is twofold:

- Relying on lookalike audiences means brands are often paying to deliver ads to individuals that don't necessarily fall within their true clinical audience.
- Cookie-based targeting is not only a solution with an expiration date, but it's also expensive to scale and unable to reach all channels (e.g., connected and over-the-top TV, or CTV and OTT).

Brand Impact Checklist for Life Sciences

Is your advertising struggling to...

- → Achieve audience match rates over 60%?
- → Resolve patient identities more than 30% of the time?
- → Maintain large databases of first-party consumer data?
- → Optimize campaigns as they're running — in real time?

Many pharma brand teams recognize that these challenges are what's holding back their campaign ROI but don't know how to move forward. **Solving these challenges and implementing iterative audience design is key to effective omnichannel execution in life sciences. And it all starts with deterministic ID resolution.**

Precision Medicine Requires Precision Marketing

Pharma brands are often indicated or suitable for very precise groups of patients with specific combinations of characteristics (e.g., disease, progression, age, gender, comorbidities, family history, or lifestyle). The more that pharmaceutical drugs are tailored to treat specific indications and patient histories, the more brands will need to hone in on patients' disease severity, stage, comorbidities, and contraindications.

To reach such precise audiences with the right message via the right channels at the right times, brands need to — figuratively speaking — understand patients as well as their doctors do. The key is achieving that understanding *without* compromising patient privacy or HIPAA compliance. The point is clear — solid actionable and privacy safe data is key to audience design.

Brands haven't had a scalable way to do that in the past because of the challenges of first-party data management and the lack of precision in targeting lookalike audiences. Now, cookie deprecation has forced these companies to reconsider their approach to targeting.

In response, many companies are hearing a first-party data approach is the best option moving forward. While first-party data such as email addresses can be a valuable tool for cost-effective outreach to prospects and customers, this approach has many drawbacks. **For example, most first-party approaches rely on email addresses. This is a rather unreliable way for reaching and resolving identities for patients, considering that 86% of U.S. consumers use multiple email addresses and 28% use four or more.**

Brands that primarily rely on first-party data for targeting will not only have to contend with costly advertising operations, but will also miss innumerable opportunities to reach brand-eligible patients and healthcare providers.

Most first-party approaches rely on email addresses to identify consumers. Considering that 86% of U.S. consumers use multiple email addresses – and 28% use four or more, brands that primarily rely on this data for targeting will have a difficult time increasing audience match rates, and maximizing campaign ROI.

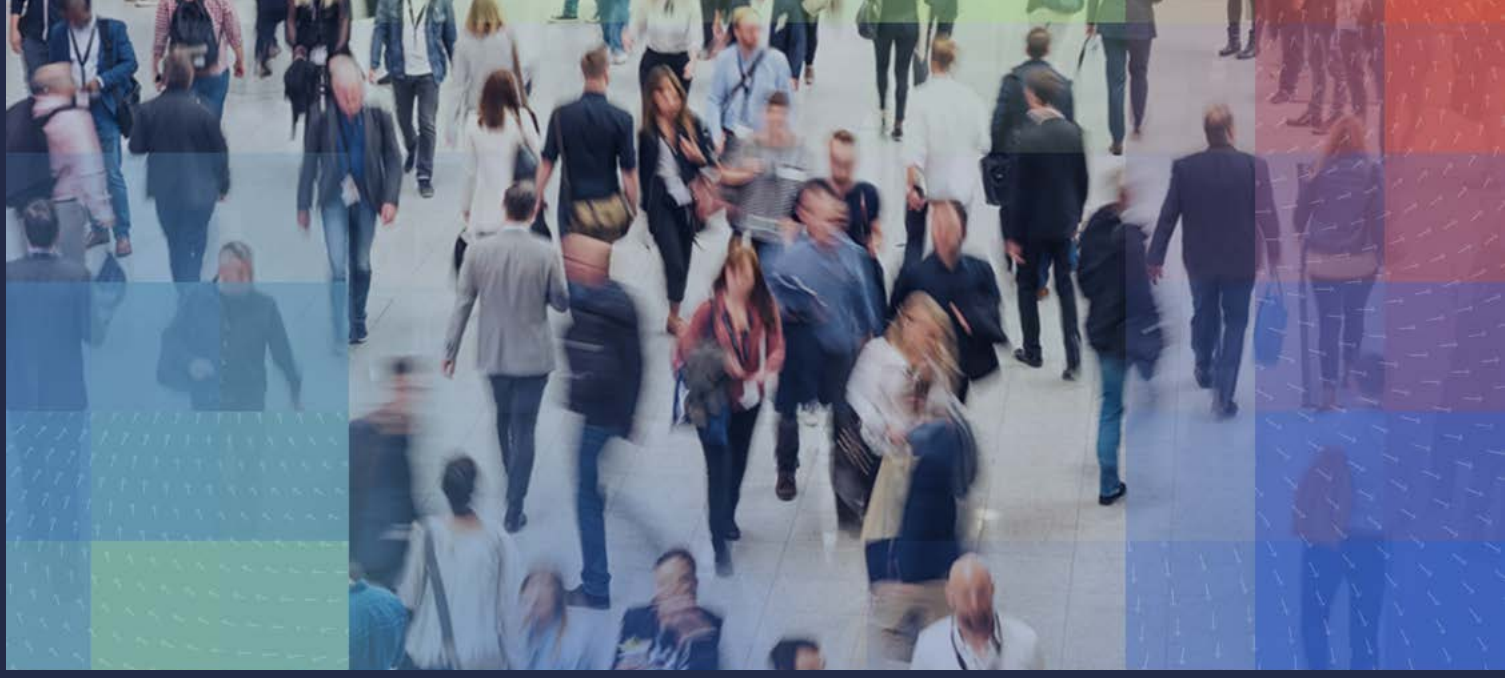
Addressing the Privacy Problem

How can life sciences organizations and the agencies who serve them ensure they aren't compromising patient privacy when targeting consumers for advertising?

Here are the three methods used today:

- **Targeting lookalike audiences built from patient profiles.** This is the most common approach used today. While it's become an industry standard over the years, lookalike audiences are inherently disconnected from the medical data used during profiling.
- **Pharma companies individually working with Safe Harbor partners to resolve consumer identities.** This approach is rarely seen among today's life sciences organizations because it comes with high costs and can be risky when done alone, especially if combined with real-world data (RWD) that contains personally identifiable information (PII).
- **Targeting with first-party data and consumer opt-ins.** This is typically done using email addresses, and more companies are exploring this option in light of cookie deprecation. But while this may seem like a viable option, in reality, this time-consuming option is taking companies back in time, limiting brands' ability to implement true omnichannel marketing. A first-party data strategy is also just as difficult and expensive to scale as cookie-based targeting and forces behavior changes on all stakeholders involved – including customers, internal teams, demand-side platforms, and publishers.

There's a better way forward: deterministic ID resolution managed by Medicx, linking real-world with consumer data in a privacy-safe way that's ready for omnichannel marketing at scale.



The Consequences of Imprecise Profiling and Audience Building

Across industries, programmatic advertising is expected to take up 90% of spending on digital display ads in 2023. In pharmaceutical marketing today, that number is much closer to 30%.

It's important to note: although the vast majority of businesses are still dependent on cookie-based marketing, according to a Twilio survey, 43% of business leaders are already focusing on first-party data as their next targeting solution.

So the life science industry's low utilization of programmatic advertising isn't because programmatic doesn't provide value – it's because targeting with lookalike audiences or first-party data doesn't scale.

The life science industry's low utilization of programmatic advertising isn't because programmatic doesn't provide value – it's because targeting with lookalike audiences or first-party data doesn't scale.

Life sciences organizations using lookalike audiences for targeting rely on data aggregators, especially on the marketing side, because managing these databases is an expensive proposition. What that means, however, is that most pharmaceutical brands are building these lookalike audiences off of one of two available databases of consumer preference data.

As a result, brands are getting a view of consumers that is likely out of sync with who they really need to target today. The databases themselves may not even include enough people with the same medical history or demographics as the cohort of interest to provide valuable segments for targeting – a problem that brands will also see with first-party data.

Omnichannel marketing has become the gold standard for more effectively engaging patients and HCPs because it creates a connected experience across channels. But the value of omnichannel marketing is only realized when you've built and targeted the right audience from the start. Otherwise, brands are simply spending more to engage the wrong people multiple times over.

Capturing What Makes a Patient "Brand-Eligible"

Who do you really want to target?

- → People **likely** to get the disease
- → People **with** the disease
- → People **at different stages** of the disease
- → People with the disease **with different comorbidities**

Let's use Type 2 diabetes as an example.

Today, there are dozens of non-insulin medications that the Food and Drug Administration (FDA) has approved to treat patients with Type 2 diabetes. Despite treating the same condition, each brand would have a unique profile for brand-eligible patients.

Imagine a pharmaceutical company has developed and brought to market a new drug for patients diagnosed with Type 2 diabetes without complications and no history of cardiovascular disease.

Consider these three siblings: John, Jane, and Parker. Despite having the same family history of Type 2 diabetes and being of similar ages, not all would be eligible to be prescribed the drug based on data from their medical claims.

Patient 1: John
Age: 48
Diagnostic code: Type 2 diabetes
Comorbidities: Arthritis
Current medications: None

Patient 2: Jane
Age: 41
Diagnostic code: Diabetes mellitus due to underlying condition
Comorbidities: Currently pregnant
Current medications: None

Patient 3: Parker
Age: 45
Diagnostic code: Type 2 diabetes with other specified complications
Comorbidities: Diabetic retinopathy, Hypertension, Atherosclerosis
Current medications: Calcium channel blockers

Based on their medical history, only John would match the patient profile today, while Jane could become a brand-eligible patient in the future. The company marketing this drug could leverage RWD through deterministic ID resolution – precisely linking data between patient and consumer identities – to strategically target patients like John and Jane without compromising patient privacy.

RWD Is Key to Unlocking Inclusive Life Sciences Outreach

Because lookalike audiences are built with limited sets of consumer data, they often fail to include the diversity of patients brands need to reach. Patients with poor access to healthcare and health information are often the same individuals that are likely to be underrepresented in traditional consumer databases and even databases of first-party contact information managed by the brands themselves.

Without precise segmentation and targeting capabilities, pharmaceutical brands and their marketing teams will have to deal with an unsustainable, spend-more-to-reach-more advertising model.

At the same time, they'll lack the audience quality to connect campaign performance to audience behaviors, limiting their ability to effectively optimize ongoing and future campaigns.

Pharma brands already utilize RWD throughout their product life cycle, but it's valuable for more than that. Not only can brands use RWD to first understand consumers as patients – as is done in the consumer marketing model – now, with deterministic ID resolution, brands can also connect the patient journey to the omnichannel consumer experience they deliver.

Why Diversity in Your Data Matters in Life Sciences

Increasingly, life sciences organizations have begun implementing diversity, equity, and inclusion (DEI) initiatives to reconsider biases in their business operations. To that end, pharmaceutical brands are looking for ways to ensure that their products and services are going toward groups with poor access to healthcare.

This can be challenging, as the traditional approach to DTC targeting relies on consumer data sets that don't make DEI a priority. To ensure market access and inclusive outreach for these underrepresented groups, brands need precise segmentation and targeting capabilities.

Medicx's solution for targeting – the Micro-Neighborhood® platform – provides an ideal alternative to these approaches because it delivers geo-specificity. Rather than targeting patients based on potentially exclusive lookalike audiences, brands can leverage both Micro-Neighborhood targeting and MX# – our solution for deterministic ID resolution. Together, these solutions will help brands reach the diversity of patients who will benefit from their products – not just the ones represented in lookalike models or email outreach campaigns.

Graduating from Consumer Marketing to Real-world Targeting

Omnichannel marketing executed well can be an incredibly valuable strategy for life sciences organizations. Achieving high-quality execution requires the orchestration of finely tuned digital outreach in real time.

Campaigns built with lookalike audiences or first-party data simply can't give pharmaceutical brands what they need to succeed at scale.

Brands can use deterministic ID resolution to connect the patient journey and customer experience and more effectively execute omnichannel campaigns. Deterministic ID resolution means exactly matching or linking data between records from different databases to create unified identities.

Applied to life sciences marketing, this means matching RWD from medical and prescription claims – as well as other patient records – with consumer data.

Resolving identities this way not only widens the top of a life sciences brand's marketing "funnel," but it also ensures that prospects being fed into that funnel are known to match – rather than likely to match – the precise patient profile. That certainty gives brands more opportunities to reach, engage, and convert brand-eligible patients and HCPs throughout the lifecycle of a campaign.

Implementing deterministic ID resolution can sound like a challenging and potentially risky prospect for life sciences marketers, who must always consider and prioritize HIPAA compliance in their digital marketing approach.

That's why Medicx has patented a truly unique approach to audience design that allows pharma brands to turn clinical profiles – created using RWD – into precise audience segments built with consumer data. These segments can then be used to successfully geo-target and optimize campaigns at scale for consumers and HCPs – all without risking patient reidentification or compromising on HIPAA compliance.

Targeting Consumers vs Patients

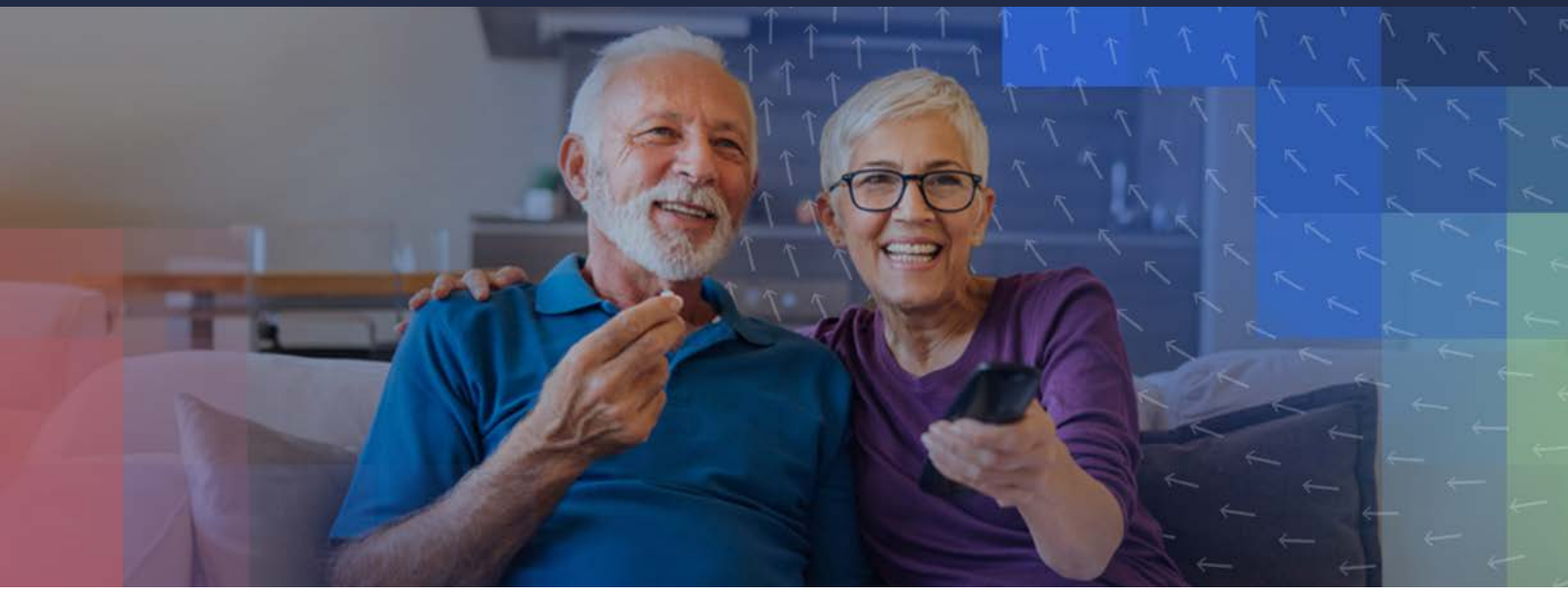
With audience building based on probabilistic ID resolution, brands can't precisely target patients and instead have to build lookalike audiences of consumers. What do life sciences organizations potentially miss when they target patients using tactics designed for consumer marketing?

Consumers:

- → Demographics
- → Psychographic data
- → Location
- → Online behaviors
- → Life style preferences

Patients:

- → Demographics
- → Psychographic data
- → Diagnoses
- → Disease stage
- → Comorbidities
- → Prescriptions
- → Insurance Payer
- → Provider / HCO
- → Location / Geo
- → DEI attributes
- → Online behaviors



Iterative Audience Design Starts with High-Fidelity Segmentation

When brands rely on lookalike audiences as the foundation of their digital advertising campaigns, the consumer audience they're targeting is disconnected from the RWD used to build patient profiles.

For life sciences marketing, the only way to be truly confident that someone visiting a brand's site or clicking on an ad is from the target audience is if they are deterministically linked with specific clinical parameters.

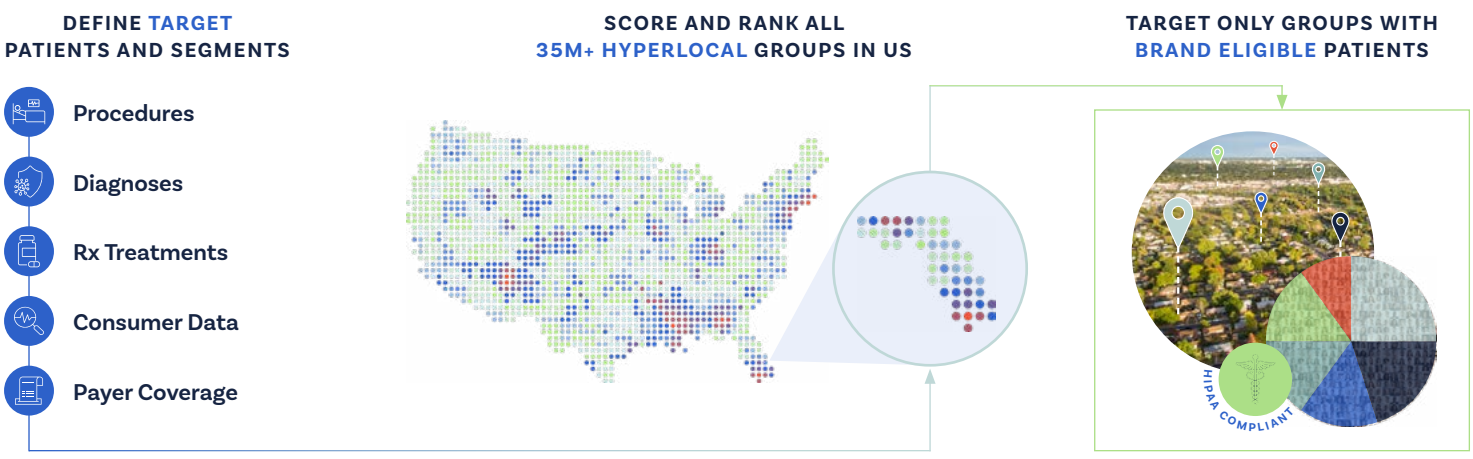
At the same time, brands end up treating profiling, segmentation, and targeting as static steps in a linear campaign execution process. That linearity runs counter to the way world-class marketing is supposed to work today.

Life sciences brands are never done building patient profiles and audience segments to target.

Deterministic ID resolution solves both of these challenges. With this approach, not only can brands use RWD to reach a higher-quality audience, but they can also implement continuous real-time optimization to meaningfully improve campaign performance.

Brands that can turn patient profiles into targetable audience segments can then:

- → Reliably track audience behavior post-campaign exposure.
- → Further break down clinically defined audience segments into smaller groups based on their online behavior.
- → Understand how a specific segment responds to different creative assets, channels, or time of day.



EVERY AUDIENCE IS CUSTOM-BUILT BASED ON THE MARKET OPPORTUNITY FOR YOUR BRAND

Why Life Sciences Brands Need Deterministic ID Resolution to Target Patients-as-Consumers

Brands need to be able to take campaigns from planning to execution without sacrificing audience quality or scalability in the process. When brands rely on lookalike audiences or first-party data, brands miss out on the high-fidelity foundation that RWD and deterministic ID resolution can provide.

With deterministic audience building, pharma marketers can have the confidence that they're:

- Reaching the right audience across all channels and not missing out on cord-cutters by targeting cookieless channels like CTV and OTT.
- Relying on a unified identity that can be easily leveraged across digital channels, unlike first-party data like email addresses, which consumers often lose access to or switch between when using different devices.
- Using advertising resources efficiently at scale, instead of paying for the sake of more, low-value impressions.
- Making informed decisions when optimizing their targeting strategy to increase brand impact via advertising ROI and script lift.

Medicx makes iterative audience design achievable for life sciences brands with MX#, our solution for deterministic ID resolution, and our Micro-Neighborhood targeting platform.

MX# leverages Medicx's vast warehouse of RWD, and compared to cookie-based targeting, this tool produces more than double the exposure match rates. MX# links RWD with advertising IDs and resolves 95% of audience identities.

With deterministic ID resolution and Micro-Neighborhood targeting as the foundation of campaign execution, Medicx makes iterative audience design achievable for life sciences brands. Medicx allows pharma brands to achieve double the exposure match rates of cookie-based targeting and resolves 95% of audience identities.

These identities are targeted through our Micro-Neighborhood targeting platform, which allows brands to target patients and providers of interest based on where they are located, among the 35 million Micro-Neighborhoods across the United States.

MX# uses Datavant tokenization and Safe Harbor partners (El Toro) to protect patient privacy, while the Micro-Neighborhood platform aggregates data in compliance with HIPAA thresholds.

Together with our solutions for profiling and campaign measurement, Medicx solutions bridge the gap between patient profiling and audience targeting, resulting in better campaign execution – and providing a foundation for better predictive patient profiling.

By carrying high-fidelity data throughout every phase of the campaign lifecycle, Medicx allows targeting to be as granular as possible, helping brands deliver an engaged omnichannel experience throughout the customer journey.

How Medicx Audience Design Enables Predictive Patient Profiling

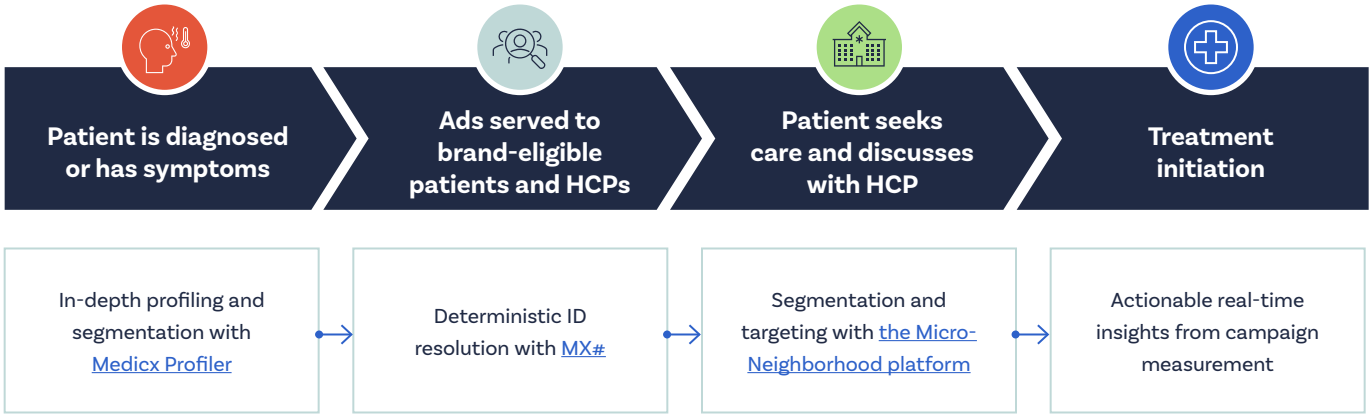
Machine learning (ML) has become an important tool for pharmaceutical brands to identify new potential patients.

Often, the predictive models used for predicting who will become a brand-eligible patient are built using consumer variables instead of RWD. As a result, the fidelity of the model's outputs suffers, leading brands to identify future patients less reliably or less frequently.

Because Medicx has made deterministic ID resolution the foundation of its targeting approach, we can build an ML model that can give pharmaceutical brands highly actionable insights on top of high-fidelity audience segments.

Additionally, we already have a way for brands to activate the outputs of ML models – the Micro-Neighborhood platform. Implementing a transformation process to turn an ML model's outputs into a campaign-ready audience segment can be an expensive, time-consuming process. With Medicx, however, real-world patient data is already aggregated to our Micro-Neighborhoods and ready for privacy-safe precision targeting.

Audience Design with Medicx: Connecting the Patient and Consumer Journey



Medicx's Solution:

Designing Digital Audiences for Maximum Brand Impact

For life sciences organizations, reaching the right audience has always been the barrier to entry when it comes to getting more patients on brand.

In the past, if pharmaceutical brands wanted to engage and convert more brand-eligible patients and HCPs, their only option was to pay for more impressions.

This approach was never designed for success at scale. Digital marketing campaigns – across every industry – have historically had match rates starting around 30% and capping out at 60%, at best.

In this scenario, increasing budgets would only cause brands to spend an increasing portion of their ad spending on reaching the wrong audience. That no longer has to be the case.

Iterative audience design – enabled by deterministic ID resolution with MX# and hyperlocal targeting with Micro-Neighborhood targeting – allows pharmaceutical brands to improve campaign performance and achieve brand impact, today.

With MX# and Micro-Neighborhood targeting, brands can:

- → Reach the right audience consistently and at scale.
- → Have confidence in their measurement results.
- → Optimize based on audience behavior after campaign exposure.

The resulting audience quality means pharma marketers can invest more resources into reaching brand-eligible patients and providers, rather than spending more money on underperforming tactics and channels. This also means that brands can optimize iteratively instead of waiting until it's too late (i.e., after someone has taken a healthcare action, which often takes more than 90 days after a first interaction).

Instead of having to gather data from multiple vendors or maintain first-party data themselves, brands can rely on Medicx to manage and maintain all the data in-house – compliant, integrated, and campaign-ready.

Even further, they'll have the advantage of Medicx's expertise and managed services available to remove the burden of operationalizing RWD and consumer data on their own. By outsourcing this function to Medicx, brands and agencies can focus more time and resources on their areas of expertise, connecting patients with the treatments that will help improve their long-term health outcomes.

Turn Audience Quality at Scale into Brand Impact at Scale with Medicx

Deterministically linking data across the patient and consumer journey gives pharmaceutical brands a true picture of the audiences they're trying to reach. And Medicx's patented process gives life sciences companies and the agencies they rely on the confidence that they are maximizing the brand impact of their advertising dollars without compromising patient privacy.

Medicx's iterative audience profiling, segmentation, and targeting solutions deliver higher audience quality, which means campaign performance is more in your control than ever before. With this approach, pharmaceutical marketers gain a holistic understanding of their audience and achieve highly targeted engagement, measurable results, and the insight to make the right calls when optimizing current and future campaigns.

Altogether, Medicx solutions provide pharmaceutical brands with everything they need to operationalize RWD for omnichannel marketing and programmatic advertising, turning patient insights into brand impact.

medicx
An OptimizeRx Company

About Medicx Health

Founded in 2006, Medicx is a leading omnichannel marketing and analytics company. Trusted by over 61 pharmaceutical manufacturers, 154 brands, and over 35 world-class media agencies, Medicx uses patented geo-targeting and HIPAA compliant deterministic ID resolution technologies to improve ROI on digital advertising programs. Our solutions for pharmaceutical campaign planning, execution, measurement, and optimization maximize brand impact by connecting the entire customer journey with an omnichannel engaged experience.

Medicx crafts omnichannel marketing solutions tailored to the needs of today's pharmaceutical brands.

Contact us to learn more about how your brand can achieve greater brand impact.