

# Is the Cost of Engaging Healthcare Professionals Online Rising Dramatically?

*A multi-year analysis of online physician engagement with bio/pharmaceutical brands*

Sue Lipinski,  
TGaS<sup>®</sup> Advisors, Digital and Multichannel Marketing Practice

We have all seen many published studies that healthcare professionals have less time than ever before, that rep access is limited in some institutions, that ‘no one clicks on banner ads anymore,’ and that the changing media landscape offers more options than ever before. I think we can all agree – if you are a bio/pharmaceutical marketer trying to engage online with healthcare providers, it is not a simple solution. The complexities of an increasingly fragmented online universe, of enhanced targeting abilities, and the promise of advanced and predictive analytics have dramatically increased the focus on efforts. As a bio/pharmaceutical marketer, it is important to recognize that there is no marketing silver bullet, and there is no one-size-fits-all approach. While it may seem disheartening, the truth is, this is marketing at its best. The ability to have options, to plan, to measure, to test and to change over time.



## *About Data Sources Used in This Analysis:*

The data provided in this analysis is proprietary to TGaS Advisors. Data sources include the TGaS Brand Database which consists of marketing spend for over 400 Rx Brands, the TGaS Digital Performance Database that consists of over 60 digital performance metrics for over 75 brands, and TGaS Virtual Hows – studies conducted with leaders in the bio/pharmaceutical industry. By leveraging our proprietary data, we aim to answer the following questions:

1. Is there a reason to believe that bio/pharmaceutical marketers should continue to invest in online channels for healthcare professional engagement?
2. How has the channel mix and investment changed over time?
3. What is a benchmark for a measurable cost per engagement?

## **About This Study and TGaS Advisors**

For over 12 years, TGaS has partnered with bio/pharmaceutical companies to understand how they plan and enable their organizations for future success. In TGaS' Digital and Multichannel Marketing Practice we have worked diligently to help bio/pharmaceutical companies:

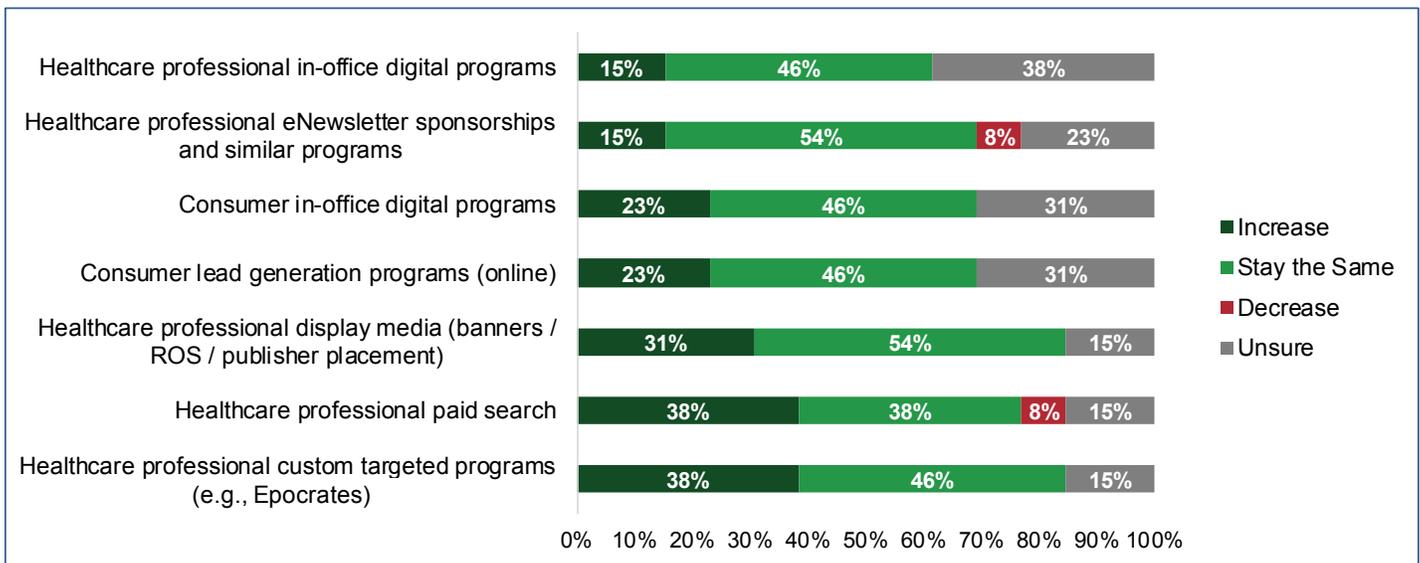
- Set up their people, resources and processes for near- and long-term success
- Provide an industry-wide perspective on brand marketing budget allocation
- Benchmark in-market performance of online initiatives compared to a similar group of brands

## Is there a reason to believe to continue to invest in online channels?

In March 2017, TGaS Advisors polled bio/pharmaceutical leaders about their planned media spend for the next 12 months. Overall, organizations spend an average of 40% of their online media budget on healthcare professional advertising, with the rest targeted to consumer initiatives. Respondents also indicated that most are willing to spend the same or more in the next 12 months to engage healthcare professionals online. This indicates receptivity toward the healthcare professional marketing online universe, and a reason to believe that this space is indeed alive and well.

- 85% of companies planned either the current level of spend or more for both custom targeted media programs and traditional display media
- 77% of companies planned the same level or more of investment for HCP paid search
- 62% of companies plan the same level or more of investment for in-office digital programs

***In the next 12 months, do you expect your budget to increase, decrease, or stay the same for each of the following? (n = 13)***



## How has the channel mix and investment changed over time?

According to the TGaS Advisors Brand Marketing Investment database, an average brand will spend **\$9 - 14 million per year\*** trying to engage a physician through online and offline efforts. Custom media buys and paid search represent about 20% of an average brand's spend.

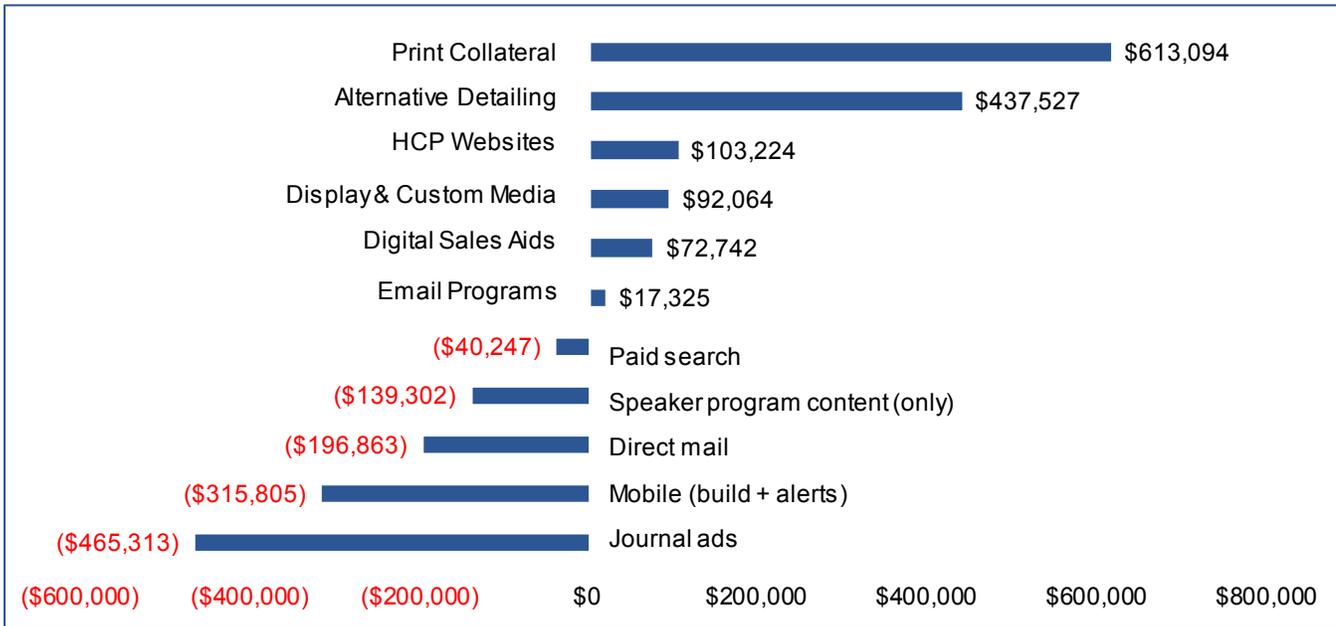
Over the last 3 years, the change in investment has been a mixed message – print collateral and custom media programs have increased, journal advertising has decreased, and paid search has remained fairly steady.

(\*Budget excludes speaker program logistics, honorarium, samples)

### ***Average HCP Budget Allocation Per Tactic: Weighted Three-Year Average***

|                          |     |
|--------------------------|-----|
| Journal Ads              | 32% |
| Display and Custom Media | 20% |
| Print Collateral         | 15% |
| Direct Mail              | 9%  |
| Speaker Program Content  | 7%  |
| Digital Sales Aids       | 6%  |
| Paid Search              | 5%  |
| HCP Websites             | 4%  |
| Email Programs           | 3%  |
| Mobile Alerts            | 3%  |
| Alternative Detailing    | 2%  |

## Average HCP Budget Allocation Per Tactic: Average Change in Baseline Spend from 2015-2017



Overall, online channels such as display, email programs and even search have been a staple in an annualized brand plan. Again, this emphasizes that to compete in today's competitive environment, healthcare professionals need to find you online, or can use a guided push in the right direction.

## What is a benchmark for a measurable cost per engagement?

Interestingly, it is rare for a brand to measure every dollar from planning through performance – typically there is a breakdown in the digital content supply and measurement chain along the way. Additionally, *most* commercial analytics organizations have not routinely measured the year over year ROI of one online channel independent of another in isolation. At TGaS Advisors, we do see attribution models and cookies-to-claims studies which are a truer indication of performance, but a longer lead time for results. In the nearer term, you can use proxies to determine the cost of engagement for a campaign until the end results are analyzed, socialized, and optimized.

**Visits to an HCP Brand.com website have increased by 71% since 2013.**

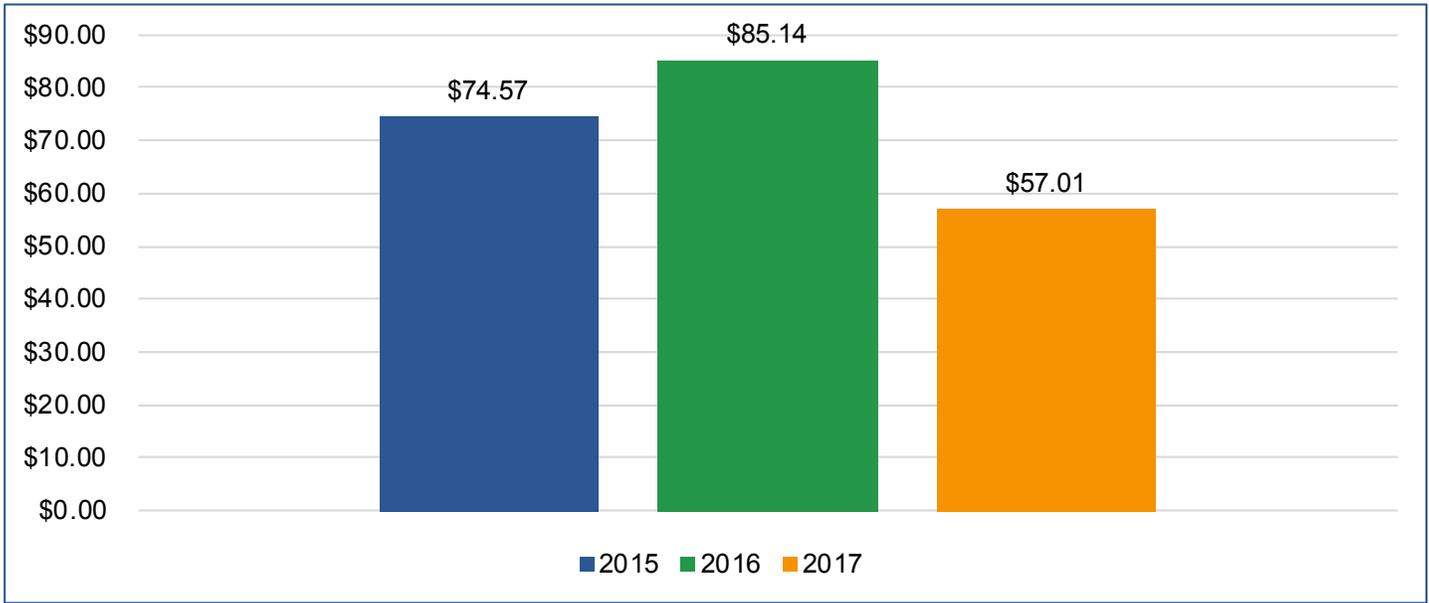
Let's start first with a brand.com. For healthcare professionals, is a brand.com still relevant? The short answer is yes. It is simply the cost of doing business (especially a mobile-friendly brand.com). Visits to an HCP Brand.com website have *increased* by 71% since 2013.

But, as you know, a visit isn't the perfect indicator for an engagement. A cross-brand indicator of an engagement could be something as simple as an additional action on the site. It's a mechanism to show intent – that the end user did not end up on the site by mistake. The calculation for cost per engagement is pretty simple:

$$\text{Cost Per Engagement Equation} = \frac{\text{Annual Brand Spending (including Direct Mail, Email, Paid Search, Web, Display/Custom Media \& Mobile)}}{(\text{Annual Visits} - \text{Annual Bounced Visits})}$$

The average cost per engagement using this approach ranges from \$57 - \$75, which could be broken out by tactic by using an attribution model. Of course, this model assumes that the healthcare professional was encouraged enough to begin with to visit the brand.com site. But again, it's a proxy and a benchmark, a launching off point to have those informative discussions with media and agency partners. And, for those organizations that are focused on distributing brand content onto 3rd party publishers and not expecting a click to the brand.com, know that you are negotiating targeted reach and, theoretically, a deeper level of engagement. So, a guaranteed engagement buy of \$75 per engagement isn't so expensive after all.

**Average Healthcare Professionals Cost Per Engagement Direct Media 2015-2017**



**So, is the cost of engaging healthcare professionals online rising dramatically?**

The answer is not really, at least not in 2017. For the past 3 years, budgets haven't shifted that much, and the Cost Per Engagement is actually less than 2015. What has shifted is that display impression levels have decreased by 75% since 2013, indicating a shift toward more targeted, customized media and fewer high coverage, awareness campaigns. Meanwhile, paid search impression levels have increased (more searches!) and search visitor volume has increased. Almost always, paid search will be your best next dollar spent.

## What you can do today to impact tomorrow:

- 1. Establish a measurement plan.** It is surprising how many brands do not have a measurement plan established at any point during their campaign. Without a plan, and working media tags, there could be considerable media waste – which makes it hard to ask for more budget later.
- 2. Ask 3rd party publishers for physician level data.** You may need to pay extra for it, but this is a hot topic area where TGaS Advisors has seen instances where one company has success with a publisher, and another company with the same ask and same publisher is refused. To continue to be a successful publisher and bio/pharmaceutical partner there absolutely must be a better way – other than just a match rate.
- 3. Streamline metrics and reporting.** In the bio/pharmaceutical industry, we often suffer from analysis paralysis. Skinny down those 60 page reports into 1 page that is meaningful, save the deep dives for quarterly reviews. Too much data leads to error and insensitivity to performance.
- 4. Try something new.** Methodically set aside 10% of your budget to try something new. The same channels won't produce the exact same results over time.

## About the Author

Sue Lipinski is an Executive Director, Management Advisor in TGaS Advisors Digital & Multichannel Marketing Solution. Sue provides benchmark and advisory services for digital centers of excellence. She delivers performance assessments and best practices and also teaches the Digital Savvy Seminar. Sue has over 10 years of pharmaceutical marketing expertise and over 20 years of digital and internet marketing experience.

Sue's pharmaceutical experience includes oncology, women's health and rare disease digital marketing for professional and consumer audiences. In addition to pharmaceutical experience, Sue has experience in the non-profit, technology, financial services and health insurance industries. Prior to joining TGaS in 2013, Sue led a portfolio of worldwide business at the health and wellness arm of Razorfish, a top global digital agency.

## About TGaS Advisors

TGaS Advisors is the leading benchmarking, advisory and membership services firm for commercial organizations in the life sciences industry. With a roster of top 50, small and precommercial pharmaceutical companies, TGaS provides robust 'comparative intelligence' and collaborative network membership services. The team includes more than 60 experienced professionals, most with senior level experience in the life sciences and related industries. TGaS Advisors is based in East Norriton, PA. To learn more, visit [www.tgas.com](http://www.tgas.com).

**For more information or to learn more about TGaS Advisors, contact  
Sue Lipinski | [Sue.Lipinski@tgas.com](mailto:Sue.Lipinski@tgas.com) or Donna Wray | [dwray@tgas.com](mailto:dwray@tgas.com).**

# TGaS<sup>®</sup> Advisors

301 East Germantown Pike | East Norriton, PA 19401 | 610.233.1210

[www.tgas.com](http://www.tgas.com)