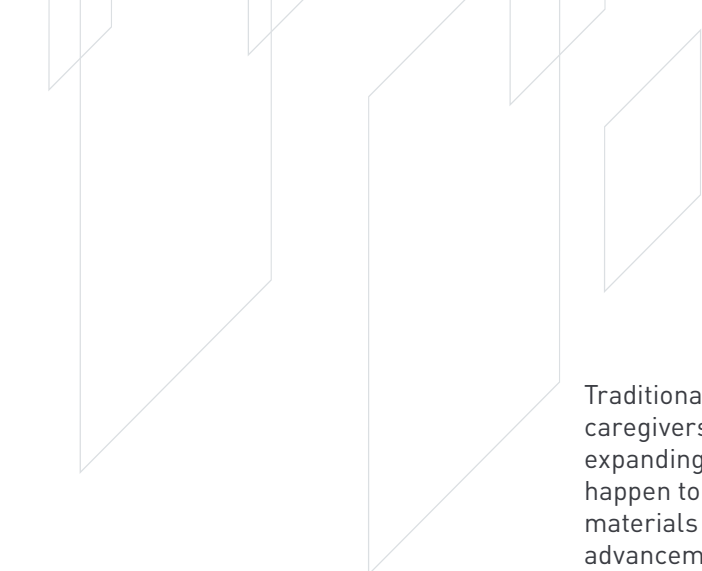




Point-of-Care Marketing: An Industry in Transition

By Hensley Evans and Victoria Summers

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Traditionally focused on messages delivered in a physician's office to patients and caregivers, point-of-care marketing has evolved rapidly in the past five years, expanding to hospitals, pharmacies, and wherever a patient and her smartphone happen to be. Likewise, the method of message delivery has evolved from printed materials and posters to television content, digital wallboards and tablets. These advancements have caused the industry to grow and have changed the nature of how brands connect with patients at the point of care.

Every few years, ZS takes a look at the point-of-care (POC) industry to measure the marketing activity in this dynamic space. Immediately following [our last POC update](#) in October 2017, the *Wall Street Journal* [published a story](#) questioning the validity of data and ad placements for one of the largest point-of-care networks, Outcome Health. This media attention and the subsequent legal action caused a significant disruption in Outcome Health's business and a ripple effect in the industry as a whole. Many marketers moved away from Outcome Health, and placed ads through other point-of-care vendors, and some marketers shifted dollars away from point-of-care ads while the allegations were investigated. Some point-of-care vendors saw large increases in their business while others saw a slight decline. To capture the dynamic changes and current state of POC in 2018 and 2019, ZS took a deeper analytical approach for this report. Here's how:

- + **Quantitative study:** We invested in a quantitative survey with nearly 200 stakeholders: point-of-care vendors, media buyers and brand marketers. We also asked patients about their experiences with point-of-care messaging in doctors' offices and hospitals to gauge industry trends and make projections for industry growth.
- + **Channel spotlight:** We dove deeper into areas like new beacon technology to understand the way new channels are growing and impacting patients at the point of care. We interviewed experts who have been working closely to develop these areas.

POC: Still a Critical Place to Engage Patients

The office environment is changing as more physicians become part of integrated hospital networks, but patients still trust the messages that they get there and are engaging in POC content.

Patients' experiences with and attitudes about point-of-care messages have remained consistent year over year. Here are three factors from this year's report that are impacting POC message engagement:

1. **Office wait times continue to decrease:** Both our ZS study and the 9th Annual Vitals Wait Time Report, released in March 2018, showed that approximate patient wait time declined for the fourth straight year, from 20 minutes to 15-18 minutes.



MEDICAL

Health Care
Doctor
Hospital
Pharmacist
Nurse
Dentist
First Aid
Surgeon
Emergency

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In our survey, 49% of patients agreed that the information in their doctor's office was relevant to them. Interestingly, we saw greater interaction with point-of-care messages when patients had only a few minutes to wait. Our survey showed patients who waited less (5 to 10 minutes) spent around 46% of their time browsing informational material in the waiting room, whereas only 14% of patients who waited for 11 to 15 minutes did so. Patients who know that they have longer wait times may read or scroll through their phones instead.

- 2. Trust in nurses is strong:** Nurses are the most trusted professionals across all industries at 84%, which is relevant to point-of-care messaging since much of the interaction with health professionals in the office, from check-in onward, involves the nursing staff more than the physician. Trust in pharmacists is still strong, with only a slight decrease since last year from 69% to 66%, according to the December 2018 Professional Honesty and Ethics Standards poll by Gallup. Physicians are trusted at 67%. A 2018 study from the American Association of Nurse Practitioners found that there are nearly 248,000 licensed nurse practitioners nationwide, up from 120,000 in 2007. The employment of registered nurses is projected to grow 15% from 2016 to 2026. Therefore, expanding point-of-care marketing strategies to include nurses and nurse practitioners may be an important evolution for POC.
- 3. Content in-office still relevant to patients:** Patient waiting time offers opportunities for point-of-care interaction. Patients in our study reported spending the most time watching waiting room TVs (55%); the other top channels were reading magazines with advertising cover wraps (18%) and reading check-in tablets or iPads (15%), making in-office smartphone point-of-care tactics more important.

Increased Focus on Data Quality and Integrity

In our 2017 update, we said that brand marketers and media agencies' dissatisfaction with data analysis could disrupt growth. The news coverage of Outcome Health's questionable data validity brought this challenge to the forefront, and the industry strengthened its commitment to data accuracy both for auditing placements and measuring impact.

The Point of Care Communication Council, POC3, released data auditing guidelines in the first half of 2018 to help the industry standardize an approach to data auditing and analysis, and a newly formed industry group made up of media agencies, agencies of record and pharma marketers are working on 19 standards to further define the guidelines. This group has now aligned with the POC3 to ensure consistent guidelines are provided across the industry.

The emphasis on tracking and measurement may spur growth in digital POC tactics.

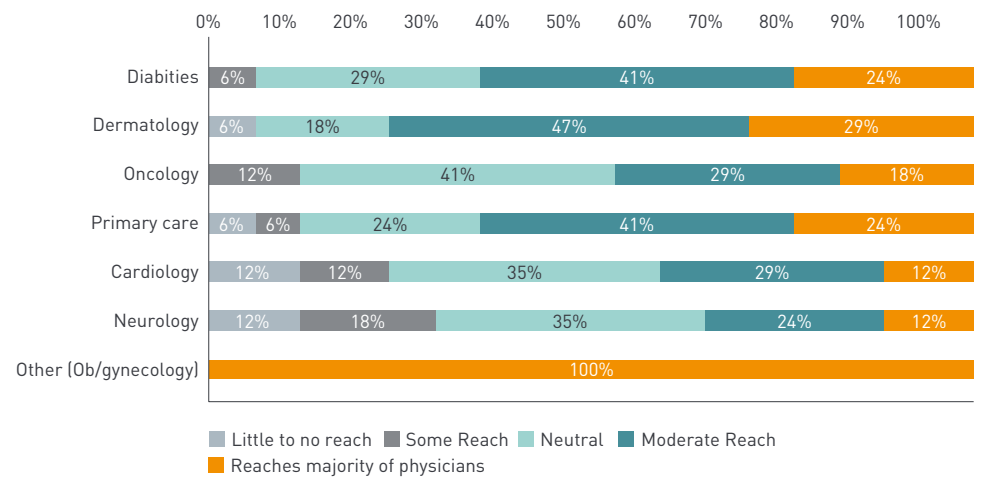
In addition to improved auditing processes, vendors in the point-of-care space are contracting with third-party vendors such as IQVIA to conduct pre- and post-analysis on campaigns to assess impact, and companies are running satisfaction surveys to gauge patient response to messages.

In our survey, 54% of brand marketers and media agencies ranked static tactics, like posters and cover wraps, as the most challenging point-of-care tactics to measure, while digital tactics like check-in tablets, exam room tablets and geo-targeted display ads were ranked as much easier to measure. In-office TV, one of the most-used channels, was seen as moderately challenging to measure and track, but that could change as more stringent auditing procedures are put in place. The increased confidence in POC data is expected to spur growth in digital POC tactics.

Increasing Network Reach Eases Inventory Challenges

Prior to the October *Wall Street Journal* article, we had seen increased concentration of point-of-care spending with a few of the largest vendors. However, when news of auditing concerns reached marketers, many pulled back from their current vendors, particularly Outcome Health, and looked for other options. This activity encouraged the entry of new point-of-care vendors into the market. Some of these startups are being launched by providers, such as Radiology TV, a subscription-based video content service launched in April 2018. Focused on content to a specific specialty group, startups like Radiology TV allow providers to design their own custom channel for each location.

STRENGTH OF POC REACH IN PHYSICIANS NETWORKS BY THERAPEUTIC AREA



*Source: GLG Portal

Figure 1: Dermatology (76%), diabetes (65%) and primary care (65%) had the strongest reach in physicians networks for POC offerings.

Our study analyzed point-of-care networks and rates of penetration by therapeutic category. Dermatology (76%), diabetes (65%) and primary care (65%) had the strongest reach in physicians networks for POC offerings. More than 50% of respondents to our survey ranked POC reach as low for specialty practices such as neurology, oncology and cardiology specialties. With a strong pipeline of new brands in these therapeutic areas and current treatments actively engaged in DTC, network expansion in specialty practices represents opportunity for market growth.

Seventy percent of the point-of-care vendors in our survey ranked “expanding network reach to specialty practices” as a top priority in 2019. A significant portion (30%) of the vendors included in our survey reported a 10% growth rate in their network reach for 2019, and much of this focused on specialty physician offices.

The expansion of networks will increase POC advertising inventory. However, the practice of offering brand exclusivity for a channel and set of offices may restrict inventory in some therapeutic areas. When vendors provide brands with exclusive access to networks of physicians for their specific indication, it also impacts point-of-care inventory. Brands launching later may find their access to the network limited due to these contracts. As brands target patients at the point of care, they’re likely to explore new channels (electronic health records, geo-targeted ads) and new settings (retail pharmacies, outpatient centers).

POC Spending Projections: A Market Adjustment

In 2017, the POC market showed strong growth before the October *Wall Street Journal* article about Outcome Health was published. Since most of the POC spend had already been committed for 2017, our data indicates that the news had little impact on the 2016-2017 growth rate of 15%. However, there was a decrease in spending of about 10% in 2018, primarily due to brands pulling spending budgets from Outcome Health. This decrease could have been larger but was mitigated by other vendors absorbing some of the spend that might have otherwise been allocated to Outcome Health. Research from brand marketers and media planners indicates that many brands shifted dollars to other point-of-care vendors, like Patient Point and Health Media Networks, while others are moving dollars to other DTC channels like digital display.

We expect the market to make a comeback in 2020 due to the advancements made in measurement and ad audit tracking, as well as increased use of the channel by other health and wellness advertisers. Brand marketers in our study indicated they will either keep their spending at current rates or increase their spending in the coming years. More than 20% of brand marketers intend to increase their spending in the point-of-care space by at least 50% in the next few years.

POC Growth Drivers: Specialty Reach and Content Customization

Increased network reach into specialty clinics and offices, and more trust in data and measurement, will help point-of-care marketing grow. The launch pipeline of specialty therapy areas such as oncology are robust, with sales expected to increase significantly as conditions like breast cancer and multiple myeloma have more than a dozen pipeline assets set to launch in the coming years. The oncology DTC TV marketing efforts are encouraging other brands to develop DTC campaigns. In our study, only 50% of media buyers believed that the available networks in oncology were adequate, and only 24% believed the available neurology point-of-care networks were strong. Sixty-three percent of brand marketers said that product launch was the most important phase to engage patients in POC. With a strong pipeline and increased activity in oncology DTC, there is increased demand for oncology practices access for POC messages.

Another strong driver of growth in the coming years will be the changing nature of TV viewership and the ability of point-of-care channels to target patients with relevant content. DTC spend has typically focused on broadcast television ads with other channels—including print, digital and POC—taking a supporting role. The nature of TV-watching, however, is changing. In the past six years, TV viewership has declined in every age group except 55 and over, according to December 2017 Nielsen data. Meanwhile, Netflix has 58 million subscribers in the U.S., with nearly 900,000 cable subscribers cancelling their contract in favor of streaming services like Netflix in the third quarter of 2018.

As viewers shift to streaming services and on-demand options, brands will shift their spending, too. Digital video and point-of-care channels will see an increase in advertising investment. What these new channels offer over broadcast TV is the opportunity to connect more directly with patients through customized content. Brands traditionally place broadcast TV content on in-office waiting room TVs, and have been slow to embrace the content-specific nature of POC. As they shift investment from broadcast to digital and POC, we expect an increase in customized content designed with the specific patient and context in mind.

In our study, 51% of patients found the content served up to them in a doctor's office to be irrelevant for their condition. Only 16% said that in-office messages were relevant and caused them to take action, and half of this 16% said that they were motivated by the information to refill their prescription. "Marketers are thinking more strategically about point of care," said Mike Collette, founder and CEO of Patient Point and president of POC3. "We are starting to see content specific to point of care being developed."

Over the next few years, the need for brands to connect to younger patients who are not watching TV, combined with the ability of point-of-care marketing

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to target specific patients interested in specialty treatments, will result in an increase of brand education and unbranded disease awareness videos and interactive experiences provided in offices. Physicians and nurses may even turn to point-of-care content as a way to enrich the patient's office experience.

POC Growth Challenges: New Devices and Expanding Solutions

The proliferation of devices—waiting room TVs, in-room TVs, exam room tablets, interactive wallboards, electronic health records, geo-targeted display ads and app-driven engagements—will continue to expand, and will be joined by diagnostic devices, remote monitoring systems and other handheld health tools that patients use while in the office. These new digital devices allow marketers to educate patients with branded and disease information.

New point-of-care diagnostics are also transforming the way that care is delivered in the office and at home. The January 2018 partnership between Roche and GE is expected to bring new oncology testing capabilities and decision-support software to market. Healthcare market research firm Kalorama Information estimates the point-of-care diagnostics market at \$18.4 billion. That market continues to grow, and these devices may provide companies with a new way to engage patients.

Looking Ahead

The point-of-care industry had a challenging year in 2018 but is poised for a rebound in 2019 and accelerated growth in 2020. The improvements in data validation and measurement practices have begun to restore trust in the channel. Expansion into new specialty practices and the increasing number of devices in offices will provide more inventory for brand messages at the point of care, especially in areas where the launch pipeline is strong for new treatments. Driven by a shift in TV viewership, digital channels within POC will take on greater importance, especially for reaching younger patients. Given all of these factors, we expect that overall point-of-care spending could reach \$870 million by 2022.

To compile this analysis, we asked brand marketers and POC vendors detailed questions about the budget levels of point-of-care campaigns and the number of campaigns at each level. This information was combined with survey data regarding the expected spending levels in the coming year, as well as the impact of data concerns on decisions to place advertising at the point of care. The result is a revision of the previous projections where the industry was projected to be 10% of the overall DTC spend and growing at a rate of 10% compound annual growth rate. In 2017, it was estimated by ZS that the industry would grow at a rate of 15% due to the network expansions planned and new digital devices placed in offices.

REVENUE TRENDS FOR POC

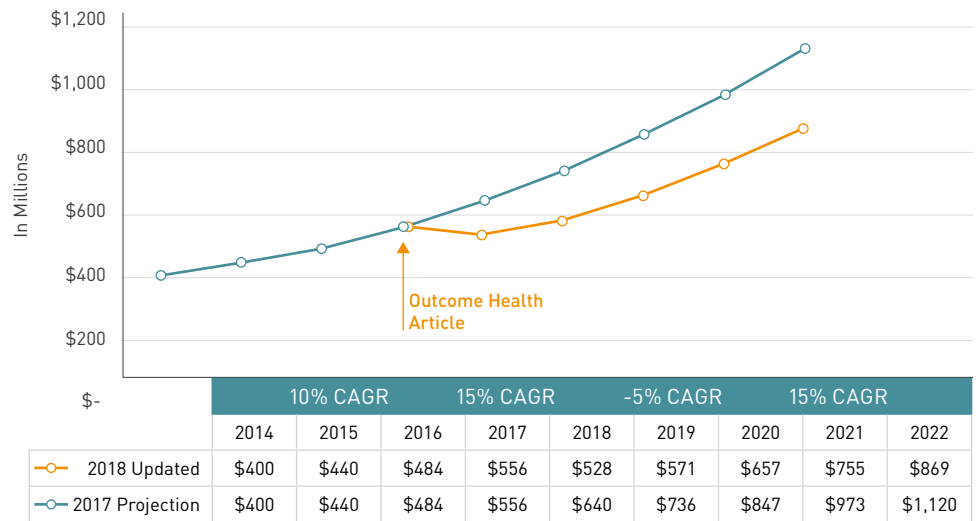


Figure 2: The point-of-care industry had a challenging year in 2018 but is poised for a rebound in 2019 and accelerated growth in 2020 and beyond.

Our analysis reveals a 5% decrease in growth for 2018 over 2017, due mainly to brands shifting away from Outcome Health and moving dollars into other channels such as digital display. Many brands moved dollars to other point-of-care vendors, which mitigated the loss of revenue in the industry. In 2019, brand marketers reported some growth, but most (63%) indicated that their budgets for POC would remain flat over 2018, bringing the industry only modest growth of 8%.

Growing confidence in the channel, as well as expanded digital options and improved reach to specialty practices, will fuel the growth of the industry and return it to a 15% compound annual growth rate by 2020. This will come not only from pharma brands but also from over-the-counter (OTC) brands. One-quarter of our respondents were brand marketers for OTC products and indicated their intention to increase their use of the point-of-care channel to reach patients with budgets that are often much larger than pharma budgets.

As the point-of-care channel continues to become more measurable and targeted and the content more relevant, point-of-care messaging is projected to take a larger share of DTC and OTC marketing budgets in the years to come. More meaningful messages, designed to align with the context of the patient journey, will increase the impact of these messages and drive further demand for this channel. The inclusion of messages within the clinical workflow, which are just starting to be implemented, will extend point-of-care impact from the patient-only to the health professional, thereby expanding its strategic focus

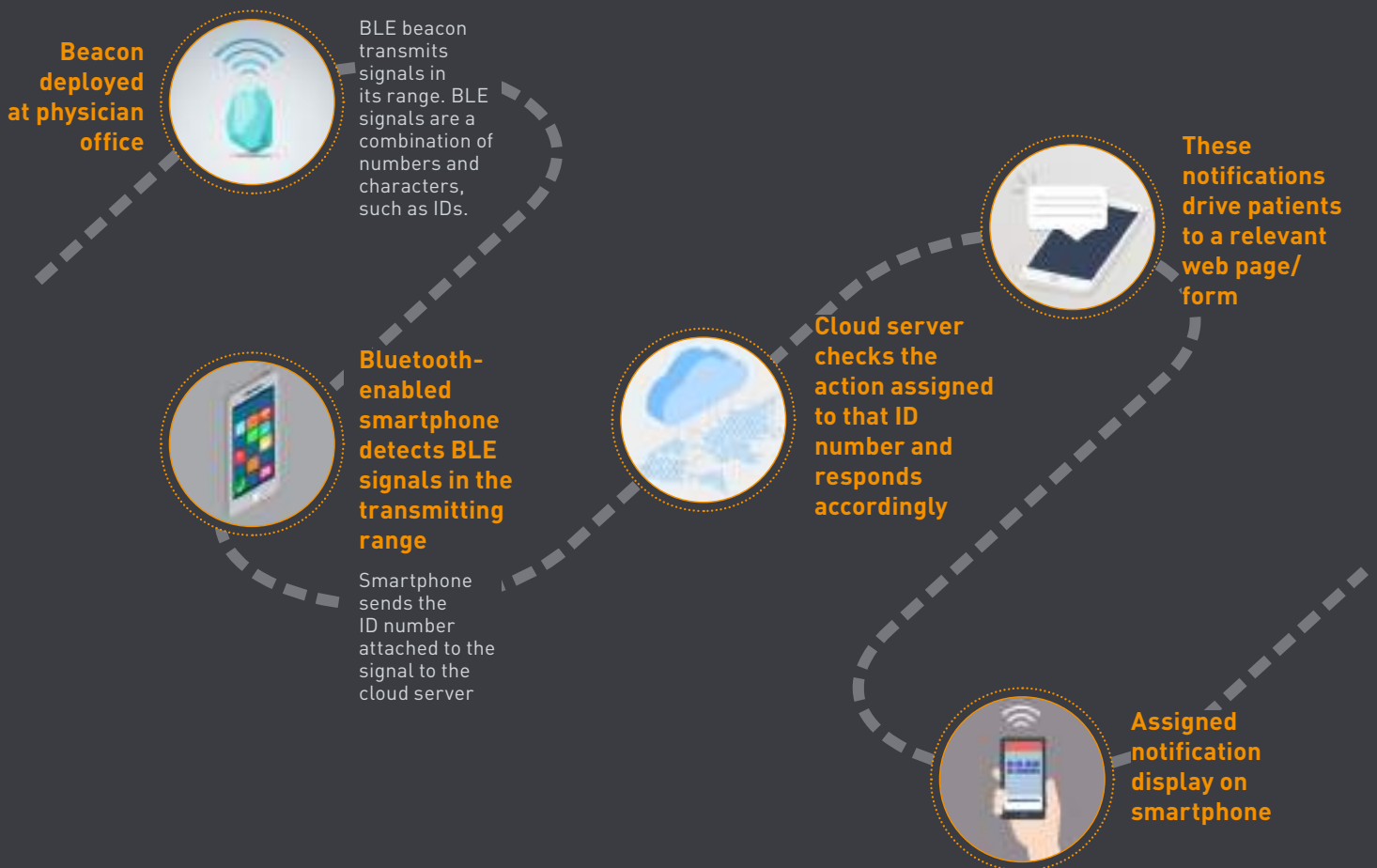
from patient to patient and HCP. The transition of POC from office-based, static messages to dynamic content at a patient's fingertips will ensure the value of this channel and increase its importance in the years to come. For example, the point of care is a great place to engage patients in support programs. Patients could even register for support programs on the digital devices in physician offices. However, this rarely happens in today's point-of-care space. In the future, that may change as POC vendors work with marketers to engage patients with value-added content.



CHANNEL SPOTLIGHT:

BEACONS AND THE GROWTH OF PROXIMITY MARKETING

Beacons—bluetooth devices capable of sending signals to mobile phones and tablets—have been gaining traction in retail marketing spaces. Fueled by Google's Eddystone, the market is expected to grow more than 80% in the next seven years, according to a December 2017 report from Global Market Insights. These devices enable the delivery of messages and content to smartphones within a small geographic area, often as little as three feet. In order to send messages, users have to download a beacon-enabled app to their smartphones. This is a change made by Google in December 2018 when it ended Nearby Notifications on Android devices. In order to receive messages from beacons, users need to download a mobile app that will receive beacon messages. After the app is downloaded, marketers can reach out to all nearby smartphones that have their bluetooth switched on. BLE signals are a combination of numbers and characters, such as IDs. Here's how this technology works:





In our last update on the point-of-care market, ZS reported on the partnership between Gimbal's proximity marketing platform and Health Media Network (HMN). The goal of this partnership was to place beacon technology in all 12,000 of HMN's medical offices. By October 2018, HMN had 4,000 beacons, and was on pace to add the technology to 400 to 500 offices per month in 2019, according to Chris Culver, CEO of HMN.

Beacons are allowing advertisers to reach specific devices within the office, enabling greater context for their messages. "If you are in a 10-story medical building with 10 floors, you can't just target the cardiologist on the fifth floor with traditional geo-fencing," Culver said. "You can with beacons."

Geo-fencing is the practice of defining a geographic area with GPS or RFID (radio frequency identification) and triggering a digital ad to display on devices within that area. GPS geo-fencing options allow targeting at the zip-code level or 100 feet around a building or space. RFID triggered by beacons can get much closer. It's the same technology as the one being used to trigger lights, security systems and more in modern smart homes.

Beacons go beyond highly focused geo-fencing, delivering highly relevant educational information and ads to patients and physicians to help drive treatment decisions. "Patients can check the weather when they are in the office, see a display ad about heart medication, click on it, check out a website and then get a retargeted message when they're at home," Culver explained.

Part of the power of beacon technology, he added, is that it's easily integrated into current technology. "The medical industry can't afford to chase tomorrow's technology today and then change tomorrow," he said. "You have to iterate—build one technology on top of another. Beacons are a natural progression of in-office messaging and online health information, delivering relevant information to patients in specific practices."

Up next for beacons is more partnerships with physician offices to create experiences that help patients manage their care and help physicians stay connected to patients outside of the office. Digital connected health devices connected to health system applications that are beacon-enabled can be triggered by beacons in the office to transmit data and deliver messages that help patients manage their conditions. "HMN's mobile solutions are designed to reach patients and physicians wherever they are," Culver said. "We help physicians be more efficient and effective and, most importantly, provide patients with timely and critical information to better manage their health."



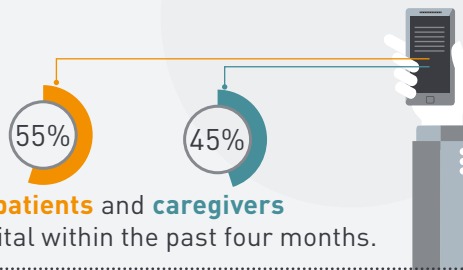
POINT-OF-CARE MESSAGES IN THE ACUTE CARE SETTING

Whether a patient enters the hospital for a planned procedure or an unexpected emergency, hospitals often mark a patient's health turning point.

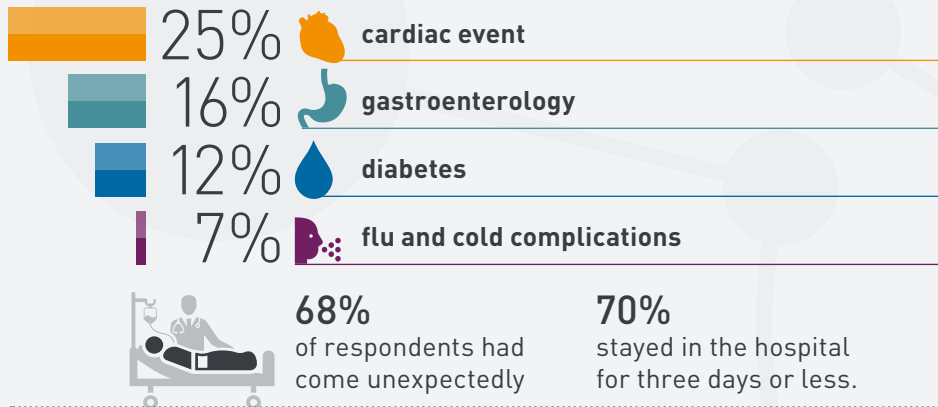
In an effort to better understand this powerful patient experience, ZS partnered with The Wellness Network and Health Media Network on a study to uncover the value of point-of-care communications in the hospital setting.

RESPONDENTS

Online surveys were promoted through in-room TVs, and 132 patients responded.



TOP REASONS FOR VISIT



HOW CHANNEL IMPACTS AWARENESS

An unexpected visit to the hospital can heighten a patient's awareness about health information.

87%

of patients and caregivers noticed waiting room TV content while in the hospital

53%

noticed a static poster or wallboard

41%

noticed a magazine with a health care advertising message wrapped around it



HOW CHANNEL IMPACTS TRUST

28%

of respondents reported spending one hour or more each day reviewing, watching or reading health content while in the hospital and the trust for the information provided was high:

64%

trusted the information on the in-room televisions

56%

trusted waiting room televisions

51%

trusted wallboards and posters



In comparison, **information provided in discharge materials** was highly trusted by **69%** of respondents.

TAKING ACTION



The high level of trust for the information provided during their hospital experience may be part of the reason it helped change their behavior. Respondents said that they took action based on the information they saw.

55%

intended to become more proactive in managing their health

48%

intended to discuss a treatment option with their physicians



About the Authors



Hensley Evans is a principal in ZS's Zurich office and is the leader of ZS's consumer and patient marketing practice. Hensley has worked with many of the world's top healthcare, biopharmaceutical and consumer packaged goods brands to offer strategic direction and insight.



Victoria Summers is an associate principal in ZS's New York office with more than 18 years of experience leading marketing initiatives and implementing pharmaceutical marketing analytics and strategy. She focuses on patient marketing strategy and helping clients make data-driven strategic decisions.



About ZS

ZS is a professional services firm that works side by side with companies to help develop and deliver products that drive customer value and company results. We leverage our deep industry expertise, leading-edge analytics, technology and strategy to create solutions that work in the real world. With more than 35 years of experience and 6,000-plus ZSers in more than 20 offices worldwide, we are passionately committed to helping companies and their customers thrive. To learn more, visit www.zs.com or follow us on Twitter and LinkedIn.



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