

# More Bang for Your Digital Buck

## Innovations in Data-Driven Optimization

*As pharmaceutical marketers begin to embrace digital media through increasingly substantial investments, there is a greater need for consistent, objective measurement. Innovations in the industry now allow for individuals to be safely linked to transactional data across online behaviors. Timely Rx-based analytics empower brand teams with the tools necessary for in-flight optimization and maximization of campaign ROI.*

Recently, as regulatory concerns begin to bow to the pressure to innovate, and brand teams search for cheaper, more targeted media, pharma is beginning to command a sizable portion of digital ad spend. Industry-wide confidence in the channel continues to build as pharmaceutical marketing pioneers break down barriers to digital investment, setting precedence for additional growth. From 2011 through mid-2012, pharmaceutical and healthcare companies saw their share of internet advertising revenues grow by 50%, up to 6%, while all but one other industry witnessed a decrease in its piece of the pie.<sup>1</sup> However, investment in some digital tactics has grown at a slower pace than others, such as investment in social media. The notion of “patient as consumer” has gained broad acceptance in the 16 years since DTC marketing was first given the official green light. And it is at this ever-expanding frontier of marketing innovation where breakthroughs in measurement have empowered pharma marketers to demonstrate the greatest potential for growth.

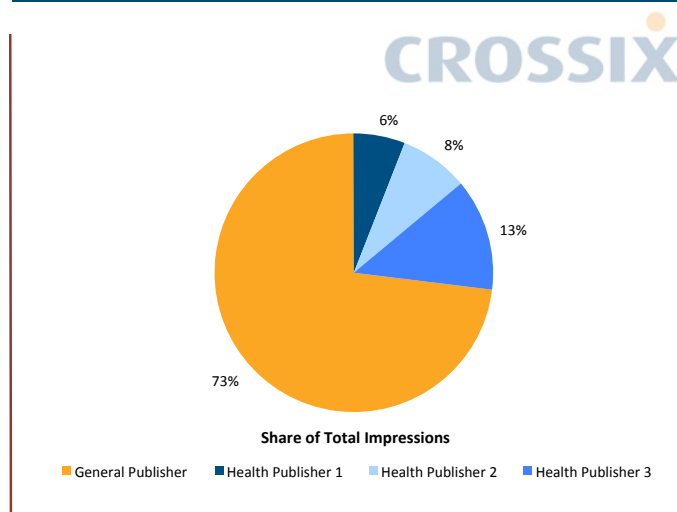
### Complex digital allocation decisions

As pharmaceutical marketers begin to allocate more media dollars toward online initiatives, there has arisen a strong desire and often a mandate for reliable, Rx-based measurement. With countless publishers clamoring for a piece of the big pharma pie, marketers are faced with challenging allocation decisions, needing to balance tradeoffs between quality, engagement and cost.

When searching for the most cost-effective digital investments, marketers often focus on targeting and

engagement as key indicators of success. Placements that offer increased targeting and engagement, however, are almost invariably coupled with higher price tags. As a result, marketers recognize the need for reconciliation between more expensive, engaged audiences and a measured increase in benefit. Online videos, for example, provide a unique and growing forum for engaging with patients. The share of internet users viewing online videos each month rose from 60.5% in 2009 to an estimated 70.8% in 2012, and is projected to reach 76.0% by 2015.<sup>2</sup> Videos drive 2–3x higher pricing compared to display, however, and their premium price point underscores a need

**Chart 1: Campaign for Brand A Delivered Among 4 Publishers**



for more substantive measurement that goes beyond clicks and video views.

The effectiveness of digital media is a constantly evolving debate, and a vocal contingent of skeptics keeps marketers insistent upon pursuing data-driven strategies that can be directly measured back to ROI. Timely transaction-based measurement also empowers marketers to improve ROI mid-campaign by improving the quality and scale of their digital portfolio, adjusting spend to more efficiently purchase qualified audiences.

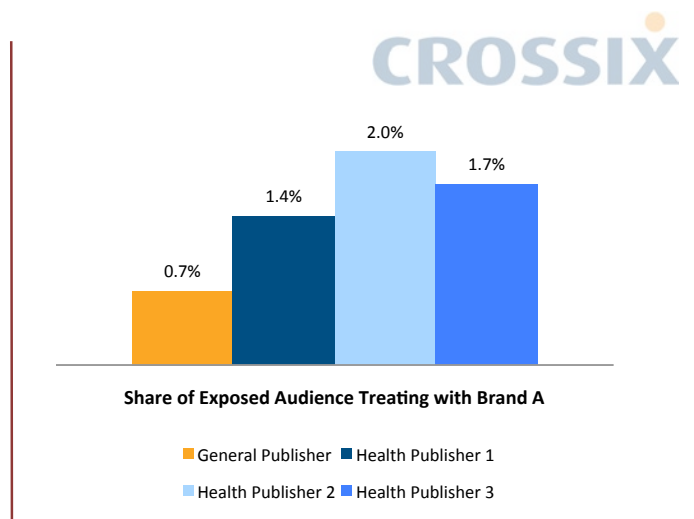
*A commitment to Rx-based analytics can lead to meaningful improvements in ROI by enabling in-flight optimization, as well as informing smarter scaling of digital initiatives.*

### Consistent, objective measurement necessary

No matter how a brand decides to allocate its digital spend, reliable measurement is becoming an imperative in the dialogue between brands and publishers. Performance-based pricing models have increased their share of internet advertising revenues from 41% in 2005 to 67% in mid-2012.<sup>3</sup> The traditional metrics used to evaluate digital performance – such as impressions, click rates and costs per click – are being supplanted by more meaningful, more actionable ROI measures. Marketers are demanding the ability to evaluate the ROI of their digital investments with greater confidence, and are steering clear of initiatives devoid of a solid measurement methodology.

But the mere existence of a measurement approach is not enough. Marketers must consider questions of ownership, objectivity, timing and methodology when exploring measurement of their digital campaigns. Besides the obvious conflicts of interest inherent in self-measurement by publishers, this type of measurement lacks any consistency across

**Chart 2: Treatment Rates for Brand A for Each Publisher**



investments, and marketers can often find themselves trying to compare apples to oranges.

Previously infeasible, recent innovations in the measurement of online tactics are now allowing for audiences exposed to digital media in virtually any environment to be linked back to transactional data in a privacy-safe, HIPAA-compliant manner. Whether linking patients to Rx, OTC, CPG or consumer data, implementing a standard comprehensive methodology across an entire range of digital investments provides consistent comparators with which to evaluate performance. Further, patients can be linked to these datasets almost instantly, providing a fresh alternative to ex post facto campaign measurement in the form of more actionable metrics, which serve as proxies for eventually realized campaign impact. Understanding the transaction-based differences between audiences enables more timely, more confident comparisons, without reliance on self-reported data, empowering marketers to optimize their campaigns in “real-time.”

### About Crossix

As the only company founded and focused on a consumer-centric healthcare analytics approach, Crossix is the industry standard by which Top 10 Pharma companies plan, measure and optimize consumer marketing initiatives. Crossix offers the most complete cross-channel solution, helping marketers by correlating campaign exposure to increased sales. Crossix quickly analyzes data, offers forward-looking strategic guidance, and follows through with recommendations to optimize. Leveraging trends in “Big Data,” and by partnering with some of the most respected names in the industry, Crossix helps marketers get marketing messages to the desired audience. Crossix’s patented methodology incorporates best-in-class privacy safeguards far exceeding HIPAA regulations. Founded in 2004, Crossix is headquartered in New York City. To learn more visit [www.crossix.com](http://www.crossix.com).

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## Case study: Rx-based optimization opportunities

The following case study demonstrates how a brand can leverage transactional data during campaign flight in order to optimize spend allocation across a portfolio of digital investments, ultimately driving meaningful improvements in ROI.

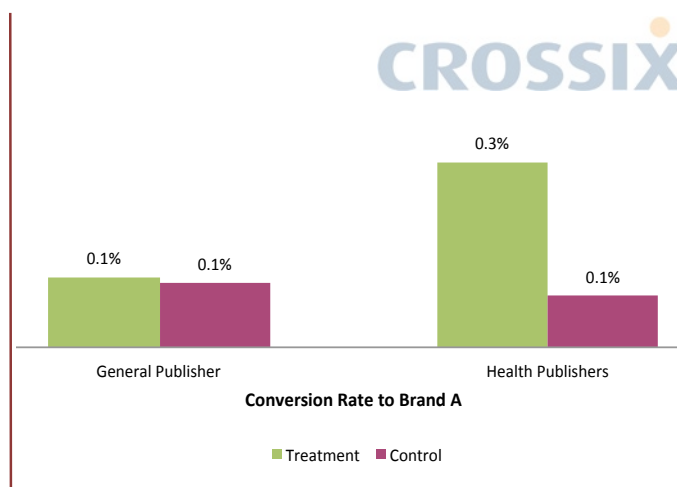
Brand A launched a year-long, 75 million impression banner campaign aimed at driving conversion for the brand. As seen in Chart 1, the planned delivery included four publishers, one of which was a general content publisher site, which accounted for 73% of the planned impressions. The remaining impressions were distributed among three health-specific publishers.

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Shortly following campaign launch, the brand team noticed distinct differences in the treatment profiles of audiences being delivered by the four publishers. Chart 2 shows the treatment rates for Brand A for each publisher, based on matching a representative, statistically significant sample of the audience exposed to the banner campaign to actual Rx data. Treatment rates for the audiences delivered by the three health publishers ranged from 1.4%–2.0%, compared to 0.7% for the audience delivered by the general content publisher. Deeper analysis then revealed that this treatment rate was the metric most predictive of conversion to Brand A.

Further along into the campaign, the brand observed the predictive power of this metric validated. Chart 3 shows that analysis of conversion to Brand A revealed a positive conversion rate (net of control) for the three health publishers, and no statistically significant lift in conversion for the general publisher. The bottom line: despite what was likely a lower cost provided by the general content publisher, no incremental conversion impact was observed, an outcome predicted by the audience's treatment profile evaluated just weeks after the campaign launched. Final ROI analysis revealed that the inclusion of the general content publisher reduced eventual program ROI by 28%. Upon this realization, the brand recommended a shift of funds toward publishers with higher treatment rates of brand A – specifically toward Health Publisher 2 – and away from the general content publisher. In the future, if any new publishers were introduced to the campaign, the brand vowed to monitor these publishers more closely with respect to relative treatment rates. While this specific case showed endemic publishers to be more effective relative to a general content publisher, in many cases, general

**Chart 3: Positive Conversion Rate Revealed for Health-Specific Publishers for Brand A**



content publishers can also prove effective, especially when driving scale is a primary campaign objective.

## Transactional data empowers smart scaling

A commitment to Rx-based analytics can lead to meaningful improvements in ROI by enabling in-flight optimization, as well as informing smarter scaling of digital initiatives. As programs are scaled, the quickest proxy for a decline in campaign effectiveness is a drop in the quality of the audience reached by a given publisher, relative to other publishers. Further, by utilizing a consistent measurement methodology across publishers, brands can answer questions of attribution, as individuals can be linked to multiple exposures and sites over time.

As the pharmaceutical industry moves toward a more data-centric approach to cross-channel marketing, the digital arena is easily and effectively managed through the use of consistent measurement methodologies across investments, empowering brand marketers to shift and scale with confidence. **DTC**

*This is a part of an ongoing series on Rx market metrics of various consumer marketing activities. For more information, see the Crossix RxMarketMetrics™ website ([www.rxmarketmetrics.com](http://www.rxmarketmetrics.com)), from Crossix Solutions Inc., an Rx-based consumer analytics company ([www.crossix.com](http://www.crossix.com)).*

## References

- <sup>1</sup>PricewaterhouseCoopers and Interactive Advertising Bureau. *IAB internet advertising revenue report*. Interactive Advertising Bureau, October 2012.
- <sup>2</sup>eMarketer. *The Video Viewing Audience: Trends for Marketers*. eMarketer, March 2011.
- <sup>3</sup>Bain & Company and Interactive Advertising Bureau. *Bain/IAB Digital Pricing Research*. Bain & Company, August 2008.