MAKING MARKETING WORK FOR YOU

JULY 14, 2017
7:45 – 8:45 AM

ACPE UAN: 0107-9999-17-084-L04-P  0.1 CEU/1.0 hr
0107-9999-17-084-L04-T  0.1 CEU/1.0 hr

Activity Type: Knowledge-Based

Learning Objectives for Pharmacists and Pharmacy Technicians: Upon completion of this CPE activity participants should be able to:

1. Review marketing insights from patient, pharmacy and prescriber research efforts.
2. Discuss how to select strategies and tactics that are tailored to your patient population, market and pharmacy offerings.
3. Review key considerations related to marketing next steps - Creative needs, budget setting, measurement approach and more.
4. Describe the increasing importance of a pharmacy's digital and social presence relative to patient acquisition (and retention).
5. Identify potential digital/social next steps (based on current presence, available resources and other considerations).

Speaker: Kevin Joyce, BA

For 19 years, Kevin has provided strategic guidance and related support to both Fortune 100 clients and their key customers. As a Partner and Senior Vice President at EMG3, a Tide Smart Global company, Joyce has worked with a variety of healthcare and pharmacy focused clients. In addition, Joyce’s team provides turnkey support for Health Mart’s Local Marketing Support program and the “Marketing Hub,” an award-winning platform offering Health Mart Pharmacies access to customizable marketing tools and programs. After almost 9 years of service to McKesson and through engagements with over 3,000 (independent) pharmacies, Joyce has developed a unique perspective on “what works” relative to patient acquisition, competitive positioning and more. Prior to EMG3, Joyce served as Vice President at Pierce Promotions where he helped developed pharmacy marketing campaigns and manufacturer marketing. Joyce is a graduate of Middlebury College and attended Trinity College Dublin. He and his family reside in Maine.

Speaker Disclosure: Kevin Joyce reports no actual or potential conflicts of interest in relation to this CPE activity. Off-label use of medications will not be discussed during this presentation.
Making Marketing Work For You

Kevin J. Joyce, BA, Psychology, SVP, EMG3

Disclosure

• Kevin Joyce reports no actual or potential conflicts of interest associated with this presentation.
Learning Objectives

Upon successful completion of this activity, pharmacists should be able to:

1. Review marketing insights from patient, pharmacy and prescriber research efforts
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3. Review key considerations related to marketing next steps - creative needs, budget setting, measurement approach and more
4. Describe the increasing importance of a pharmacy’s digital and social presence relative to patient acquisition (and retention)
5. Identify potential digital/social next steps (based on current presence, available resources and other considerations)

Working For Me?

Today’s Goal – Tomorrow’s Approach
Marketing As A Burden

Many independent pharmacies view marketing as a burden, citing a variety of inherent challenges:

- Prioritization
- Complexity
- Expertise
- Money
- Time
- Measurement

These concerns often conspire to reduce the level of attention, investment, activity and corresponding results.

Marketing As An Opportunity

Marketing can be challenging, but it doesn’t take much to overcome these issues – and make marketing work for you:

- Prioritization: Doesn’t have to be primary, just on the list
- Complexity: Can be simplified via consistent approach
- Expertise: “KISS” approach is often most successful
- Money: Can be selectively spent, adjusted
- Time: Can be minimized (10 minutes/day)
- Measurement: Can be easily tracked

The principles outlined in today’s presentation are designed to help focus and streamline your approach to marketing.
Why Do Patients “Switch?”
Actionable Insights from Recent Patient & Prescriber Research

**“Switching Insights”**

Major life (and health status) changes often compel patients to “switch” pharmacies:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>Change in insurance coverage*</td>
</tr>
<tr>
<td>30%</td>
<td>New medical diagnosis in family*</td>
</tr>
<tr>
<td>17%</td>
<td>Moved to a new geographic area*</td>
</tr>
<tr>
<td>7%</td>
<td>Newly responsible for aging parents*</td>
</tr>
</tbody>
</table>

**Implications:**
- Forced to make a change
- Specific audiences
- Specific messages
- Real time sensitivities
- Looking to solve a problem

*Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)*
“Switching Insights”

When life changes doesn’t “force” switching, experience does:

1. Poor Customer Service
2. Limited Hours
3. Overall Cleanliness
4. Dated, Uninviting Atmosphere
5. Lack of Parking
6. Lack of Drive-Thru

Implications:
- Customer service is critically important to retention
- A reputation for strong customer service will attract new patients

Patients were influenced by a variety of factors:

- Via Insurance Company: 8%
- Asked friends/family for a recommendation: 18%
- Saw an advertisement (newspaper, radio, online, etc): 2%
- Previous Customer Relationship: 1%
- Picked whichever pharmacy was closest to work or home: 47%
- Social media search: 5%
- Via Insurance Company: 8%
- Asked my doctor for a recommendation: 11%
- Available at my local grocery store: 2%
- Called for Prescription Price Comparison: 1%

Implications:
- Location plays central role
- Referral is a strong driver

* Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)
“Switching Insights”

Patients seek convenience in various forms:

- Patients are most interested in services that save them time/effort and improve their health:
  - Prescription refill website
  - Drive-thru
  - OTC Recommendations
  - Immunizations
  - Home Delivery
  - Med Sync

- Patients want their pharmacies to be fast, knowledgeable and offer home delivery to make their lives easier

**Implications:**
- Patients want immediate, easy, reliable solutions

*Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)*

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Switching Gears

These simple insights should help inform your approach:

- **Specific**
  - Audiences
  - Messages
  - Life Changes

- **Solutions**
  - Convenience
  - Tailored Offerings
  - Exceptional Service

- **Nearby**
  - Neighbors
  - Commuters
  - Tactics
How Do I Determine Direction?
Selecting strategies and tactics that will work for your pharmacy

From Strategy to Tactics

**Targeting** is the key to breaking through the clutter – specific messages for specific audiences, ideally at key moments

**EXAMPLE TARGETING**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Movers</td>
<td>“Welcome Neighbor”</td>
</tr>
<tr>
<td>New Caregiver</td>
<td>“We Understand”</td>
</tr>
<tr>
<td>Insurance Change</td>
<td>“We Accept”</td>
</tr>
<tr>
<td>Newly Diagnosed</td>
<td>“Your Diabetes Resource”</td>
</tr>
<tr>
<td>Seasonal</td>
<td>“Your Flu Resource”</td>
</tr>
<tr>
<td>Service</td>
<td>“Convenience”</td>
</tr>
</tbody>
</table>
From Strategy to Tactics

**Featured products and services** align well with targeted audiences and messages, increasing interest and action:

### EXAMPLE TARGETING & SOLUTIONS

<table>
<thead>
<tr>
<th>Audience/Anchor</th>
<th>Message</th>
<th>Product/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Movers</td>
<td>“Welcome Neighbor”</td>
<td>Consult, Transfer, etc.</td>
</tr>
<tr>
<td>New Caregiver</td>
<td>“We Understand”</td>
<td>MedSync</td>
</tr>
<tr>
<td>Insurance Change</td>
<td>“We Accept”</td>
<td>Transfer, Convenience</td>
</tr>
<tr>
<td>Newly Diagnosed</td>
<td>“Your Diabetes Resource”</td>
<td>Classes, Screenings, etc.</td>
</tr>
<tr>
<td>Seasonal</td>
<td>“Your Flu Resource”</td>
<td>Immunizations</td>
</tr>
<tr>
<td>Service</td>
<td>“Convenience”</td>
<td>Delivery, Drive Thru, etc.</td>
</tr>
</tbody>
</table>

From Strategy to Tactics

**Highly localized marketing efforts** align well with targeting and offerings, cost-effectively engaging the likely prospects:

### EXAMPLE TARGETING & SOLUTIONS – LOCAL EFFORTS

<table>
<thead>
<tr>
<th>Audience/Anchor</th>
<th>Message</th>
<th>Product/Service</th>
<th>Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Movers</td>
<td>“Welcome Neighbor”</td>
<td>Consult, Transfer, etc.</td>
<td>Direct Mail, Digital</td>
</tr>
<tr>
<td>New Caregiver</td>
<td>“We Understand”</td>
<td>MedSync</td>
<td>Prescribers</td>
</tr>
<tr>
<td>Insurance Change</td>
<td>“We Accept”</td>
<td>Transfer, Convenience</td>
<td>Banners, Ads</td>
</tr>
<tr>
<td>Newly Diagnosed</td>
<td>“Your Diabetes Resource”</td>
<td>Classes, Screenings, etc.</td>
<td>Prescriber, Sponsorship</td>
</tr>
<tr>
<td>Seasonal</td>
<td>“Your Flu Resource”</td>
<td>Immunizations</td>
<td>Prescriber, Patients</td>
</tr>
<tr>
<td>Service</td>
<td>“Convenience”</td>
<td>Delivery, Drive Thru, etc.</td>
<td>Banners, Billboards</td>
</tr>
</tbody>
</table>
“Aim Small, Miss Small”

Focused efforts can deliver strong results – and help you avoid wasted effort & unnecessary expense.

How Do I Move Forward?

Key considerations surrounding your marketing efforts.
Moving Forward > Planning

We previously discussed a few, key marketing challenges:

- Prioritization
- Complexity
- Expertise
- Money
- Time
- Measurement

We’ve already reviewed an approach that addresses the first few factors, so let’s talk about *Money, Time & Measurement*

Moving Forward > Budgeting

- A recent survey identified budgeting trends among your peers:
  
  - Annual marketing budgets vary widely based on geography, size of pharmacy, business, maturity and other factors

*Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)*
• Some guidelines for setting your budget:
  
  • Consider industry benchmarks:
    • Most small businesses commit 5-7% of operating budgets to marketing (annually); more (10-20%) for new businesses
    • Most pharmacies spend slightly less (2-5%) – but should probably be spending more (like other small businesses)
  
  • “Try it before you buy it”
    • Make limited (test) commitments to start
  
  • Think in terms of outcomes:
    • What is a new customer “worth” to me?

• The Lifetime Value (LTV) of a patient justifies your spend and necessitates ongoing marketing & reinforcement:

  • Example: If a $500 diabetes-focused direct mail campaign yields just one new patient with diabetes, expect an average annual spend of $2,000:

    $2,000/Year x 5 Years = $10,000 LTV
    OR
    $20 For Every $1 Spent
Moving Forward > Time Spend

- We recommend a simple approach and disciplined time spend to manage and monitor campaign activities:

  - **“Ten”**
    - 10 minutes a day to check progress
  - **“One”**
    - 1 hour per month to consider adjustments
  - **“One”**
    - 1 day per quarter to determine direction

Moving Forward > Time Spend

- We see collaboration as a critical component to campaign success. Leverage team members to:

  - Research options (vendors, costs, etc.)
  - Write/review/proof copy
  - Execute (set-up events, distribute fliers, etc.)
  - Extend campaign reach (share/promote)
  - Collect/provide metrics
• Measurement is a critical component of a successful marketing program. Without metrics, pharmacies:
  
  • Struggle to understand/justify marketing efforts
  • Can’t implement important “test & learn” initiatives
  • Often fail to make simple but necessary adjustments
  • Sometimes continue with (lackluster) campaigns
  • Sometimes discontinue quietly successful ones (too quickly or because they don’t “feel” successful)

• Implementing simple measures will provide you with actionable insights that can help transform your marketing efforts

• There are four (4) simple measures you should consider:

  **Ask**
  - Ask patients what they saw, why they came, etc.

  **Count**
  - Count the number of attendees, enrollees, etc.

  **Calculate**
  - Determine the cost per outcome (from goal)

  **Compare**
  - Compare Cost to Patient Value
Moving Forward > Measurement

• When you adopt a simple, consistent approach to evaluating your marketing efforts, you can make informed decisions:
  • Compare different tactics, activities
  • Increase/decrease funding, efforts appropriately
  • Replicate/renew successful approaches
  • Negotiate with “must have” pricing in mind
  • Determine your ideal “marketing mix”
  • “Right size” your marketing budget

Should My Plan Include Digital?

Key considerations surrounding your marketing efforts
We live in an increasingly digital age, which can’t be ignored:

<table>
<thead>
<tr>
<th></th>
<th>EVERYONE</th>
<th>EVERYWHERE</th>
<th>MOBILE</th>
<th>ALL THE TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>OF ADULTS 50-64 USE SOCIAL MEDIA</td>
<td>64%</td>
<td>60%</td>
<td>80%</td>
<td>87</td>
</tr>
<tr>
<td>OF RURAL ADULTS USE SOCIAL MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OF MOBILE SEARCHES RESULT IN A PURCHASE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOURS OF MOBILE USE PER MONTH</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Need Digital?

- Patients increasingly turn to digital sources for “switching” insights:

  27% of patients visited a prospective pharmacy’s website **before deciding to visit the pharmacy**

  Insurance changes create a need for easily accessible online facts about a pharmacy so switchers can verify eligibility – those **whose insurance changed** were significantly more likely to research a pharmacy online

  72 percent of consumers indicate that they **trust online (consumer) ratings & reviews** as much as personal recommendation for real people

* Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)

How Do I Determine Digital Direction?

Determining your path towards “digital health” and success
Digital Direction

• Digital marketing can be viewed as a series of steps; a successful “climb” requires taking one step at a time:

- Foundation
- Presence
- Promotion
- Management

Digital Direction > Foundation

<table>
<thead>
<tr>
<th>WEBSITE</th>
<th>SOCIAL MEDIA</th>
<th>CONTENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The “finish line” for most digital searches</td>
<td>• A mechanism for “Tire kicking” and “sharing”</td>
<td>• Central to perceived value of digital ‘pages’</td>
</tr>
<tr>
<td>• Mobile-Friendly (Responsive)</td>
<td>• Actively Monitored</td>
<td>• Tailored (to patients)</td>
</tr>
<tr>
<td>• Expectations:</td>
<td>• Expectations:</td>
<td>• Expectations:</td>
</tr>
<tr>
<td>• Functionality</td>
<td>• FB (&amp; beyond)</td>
<td>• Topical/timely</td>
</tr>
<tr>
<td>• Up-to-date</td>
<td>• Up-to-date</td>
<td>• Frequent</td>
</tr>
<tr>
<td>• Accurate</td>
<td>• Dialogue</td>
<td>• Personality</td>
</tr>
</tbody>
</table>
With a strong foundation in place, you can turn your attention to “presence” and efforts to “get found”

- Search Engine Optimization (SEO)
- Directory Listings
- Link Sharing

SEO represents any effort to maximize the ranking of a website in search results

- A complicated “science,” especially for SMBs
- Generally, “linkage” is critical to search outcomes
- Increasingly difficult to execute; cannot be relied on to deliver traffic
Digital Direction > Presence

• Directory listings create a “net” for (increasingly mobile) searchers
  • Looking for “the basics” – Name, Address, Phone Number (NAP), Hours, Services Available, etc.
  • When offered, ratings and reviews increasingly influence outcomes

Digital Direction > Presence

• Even simple efforts to share (website) links can generate results:
  • Chamber of commerce
  • Blogs/chat groups
  • Local business partners
  • Clinics/healthcare providers

• Aligning link and content with the audience is critical
Digital Direction > Promotion

• Your efforts to build a foundation and broader presence will serve you well when you consider digital promotion:

  • Search Advertising
  • Display Advertising
  • Video Advertising
  • Social Marketing
  • Mobile Advertising

Digital Direction > Promotion

• Search Advertising
  • Make sure your pharmacy appears in targeted search (e.g. Google, Bing) results
  • Budgets can be managed; Cost typically based on actual traffic to your website
  • Note: Requires NABP certification ($$$)
Digital Direction > Promotion

- **Display Advertising**
  - Incorporate banner ads into high-traffic websites (e.g. local news, radio stations, etc.)
  - Align your pharmacy with specific online audiences
  - Works very well when paired with a “re-targeting” campaign

Digital Direction > Promotion

- **Video Advertising**
  - Leverage dynamic content to capture attention online
  - Requires a content investment (video production/editing)
Digital Direction > Promotion

• Social Marketing
  • Leverage the targeting capabilities offered through social sites (e.g. Facebook) to serve ads to other users, growing your network
  • Can be banner ads, sponsored content and/or video
  • Various budgeting options (offering a lot of control)

Digital Direction > Promotion

• Mobile Advertising
  • Leverage the GPS-enabled geo-targeting of mobile phones to engage audience nearby
  • Can be “pointed” at your location, a competitor’s location or other high-probability sites (e.g. clinic)
  • Various budgeting options (offering a lot of control)
Digital Direction > Management

• Each of these key elements – foundation, presence and promotion – require active monitoring & management:

<table>
<thead>
<tr>
<th>Content ages and expires</th>
<th>Online campaigns end</th>
</tr>
</thead>
<tbody>
<tr>
<td>social audiences expect frequency, variety</td>
<td>Results require analysis, budgets need reloading</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directory listing get modified</th>
<th>Ratings/reviews need follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer change hours, add photos, make errors</td>
<td>Opportunities to share positives, address negatives</td>
</tr>
</tbody>
</table>

Digital Direction > Management

• You don’t have to do it alone – help is a call (or click) away:

**THE MARKETING HUB**
(HEALTH MART CUSTOMERS)
- FB Page Creation
- FB Ad Campaigns
- Professionally-Prepared Social Media Content
- Automated Social Media Program (Subscription)
- Directory Listings & Reputation Management
- Upcoming Pilots: Mobile & Video Advertising

**IDEASHARE**
(ATTENDEES)
- Free Digital Health Assessment
- Theater Presentations

**OTHER RESOURCES**
(VARIES BY MARKET)
- RxWiki (Social Content)/Digital Pharmacist
- Small Business Advisors (Score, State, City)
- Local Media Outlets
- Local Digital Agencies & Consultants
- Employees
Conclusion & Final Thoughts

Conclusion

• The most frequently asked question we encounter is, “so what’s working for everyone else?” Here is the answer:

![Pie chart showing various marketing methods and their percentages.]

*Patient Choice Factors, Switching & Marketing Insights (Confidential Consumer, 2017)*
Conclusion

• It’s not that “everything” always works – it’s that virtually any tactic, when thoughtfully applied, can generate results

• I hope that these insights and approaches help you focus your efforts and maximize your marketing returns

• Remember, when all else fails – try again!

• Thank you!

Questions?

Kevin J. Joyce, BA, Psychology, SVP, EMG3