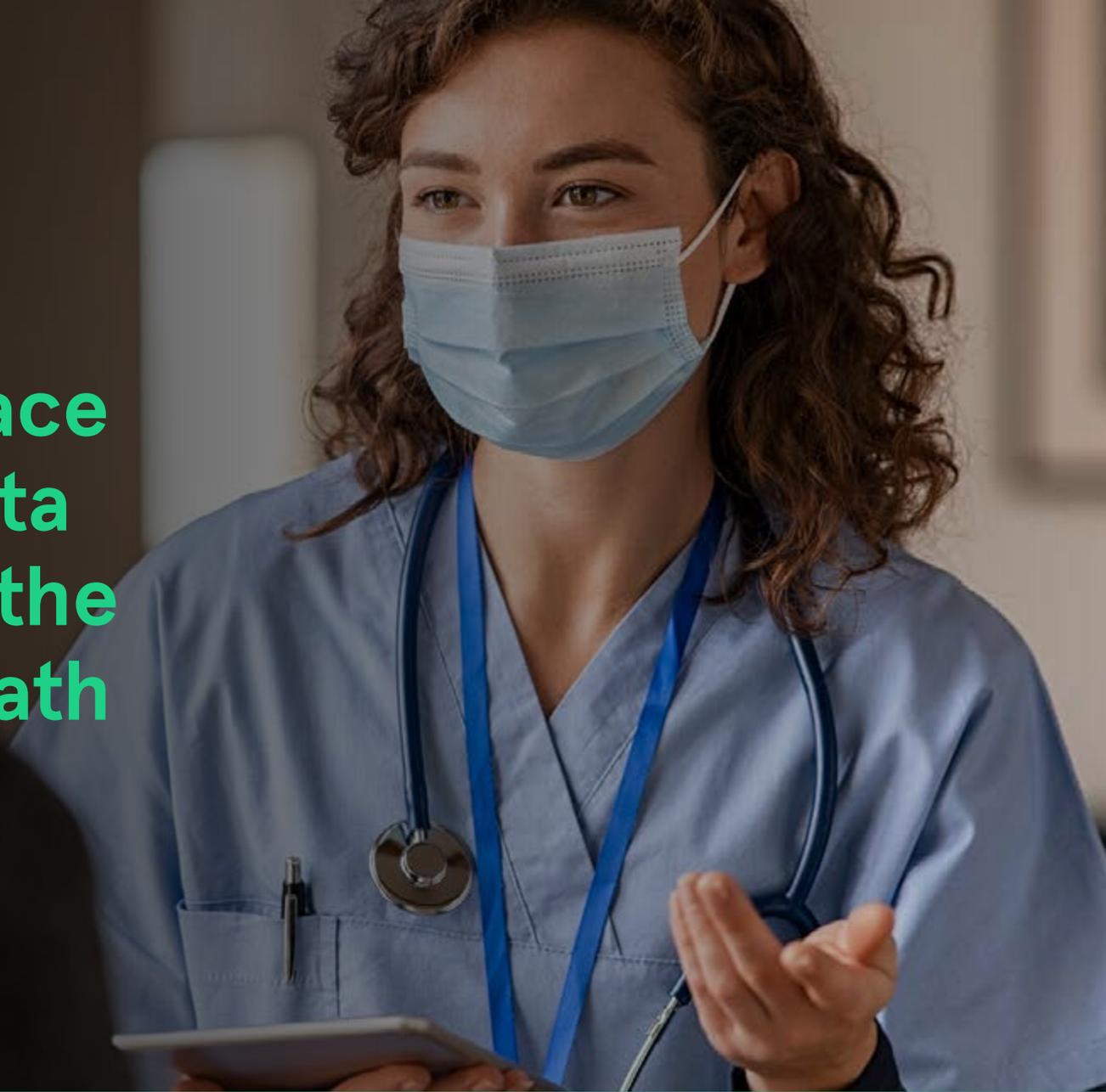


PHARMA MARKETING:

How to Embrace Consumer Data and Connect the Dots on the Path to Treatment



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Pharma in the spotlight

The development of COVID-19 vaccines this past year has thrown the spotlight on medical research and pharmaceutical innovation. Thanks to patient data, enormous clinical trials, and a worldwide data-sharing culture,¹ the scientific community was able to track the spread of the epidemic closely and produce vaccines in record time. The feat has already inspired² a new generation of scientists in schools around the world.

But while people generally understand the societal benefits of sharing their patient data with the medical community, they understandably want safeguards in place to make sure that data doesn't fall into the wrong hands. And they might show reluctance to share that data if it ends up being used for commercial purposes.

The overlap between ever-changing consumer privacy regulations and patient privacy rights can be difficult to navigate for pharma marketers. Many have erred on the side of caution and kept away from some of the privacy-by-design martech solutions that have helped their colleagues in other industries boost marketing performance in recent years.

We believe that's a missed opportunity. Today, with the right technology and measurement partners, pharma brands can be just as effective as other brands, without compromising patients' rights or regulatory compliance.

Before we outline five important steps that proactive pharma marketers should take to get up to speed with their data initiatives, it's important that we first provide some context by reviewing some of the key forces driving the industry today.



Key market forces at play today in pharma marketing

THE RISE OF DTC MARKETING

To raise awareness for their products, pharma companies reach out to two separate constituencies: healthcare professionals (HCPs) and patients. You can't watch a sporting event on TV today in the U.S. without seeing an ad promoting a treatment for high cholesterol, high blood pressure, joint pain or erectile dysfunction.

Direct-to-consumer (DTC) advertising is unique to the U.S.³, and it can seem odd to many outside observers (and wasteful to marketers in other industries) because patients can't purchase prescription drugs without a script from their physician. But early studies⁴ have found that patients who see a DTC advertisement are encouraged to schedule a doctor's appointment and tend to ask more thoughtful questions during that visit. Many of those occasions eventually lead to a prescription for the treatment they saw advertised.

It's no surprise then that DTC prescription drug advertising grew nearly five-fold between 1997 and 2016, according to researchers at Dartmouth.⁵ Combined with ad spending for health services, disease prevention, and lab testing, DTC reached nearly \$10 billion in 2016, going from 12% to 32% of total ad spending in the industry.

To top it off, most pharma companies have significantly reduced in-person sales visits to HCPs during the pandemic—a continuation of a trend from in-person to digital channels over the past decade.⁶ While in-person HCP marketing is far from dead and will re-emerge in a different form post-pandemic, we're likely to continue to see an increase in DTC spending in the coming years.





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AN EVOLVING LEGAL AND ETHICAL FRAMEWORK

If you’ve been to a doctor’s office since 2003, you’ve come in contact with HIPAA privacy forms and release forms. These forms give the HCP and its partners authorization to use a patient’s PHI for the initial treatment, but also for future research purposes. Beyond HIPAA requirements though, whether consent is needed for non-commercial uses of PHI is a thorny ethical question.⁷ And even with consent on file, the use of one’s PHI to train an AI algorithm for commercial purposes may fall outside the type of research that a patient consented to.

“The rules are somewhat ambiguous about what’s allowed around data organization,” says Bryan Chupp, vice president of digital strategy for healthcare marketing agency Digitas Health. “It’s important to re-engage and remarket to people who have visited a website, but we also have to err on the side of caution.”

Like marketers in other industries, pharma marketers need to work within the privacy limitations newly imposed by CCPA, and soon CPRA.⁸ The current HIPAA exemption in CCPA isn’t easy to navigate because the line between PHI and consumer data is often blurry. Suffice to say that pharma marketers are facing increasing complexity on the privacy and cybersecurity front.



AN ABRUPT CHANGE IN THE MARKETING ECOSYSTEM

Cautious about collecting personal data in this fraught regulatory environment, pharma marketers have been heavily dependent on third-party cookies and other device identifiers to measure the effectiveness of their digital DTC campaigns. Those identifiers, however, are on the way out this year.

The writing has been on the wall for many years, but the option for iOS users to block their IDFA data is the default setting now,⁹ and Google's decision to deprecate cookies in Chrome in late 2023 seals the fate of

the device-centric programmatic ecosystem marketers have relied on for years.

These changes represent a great opportunity to move beyond today's relatively clunky marketplace to a much more precise ecosystem across all marketing channels. We'll examine the benefits of that new ecosystem in the rest of this paper, but at the moment, marketers are scrambling to reconcile the tools they have with the pressure of delivering ROI at one of the most challenging economic times in recent history.

Five steps for pharma marketers to leap into the future

1 EMBRACE THE RESPONSIBLE USE OF PERSON-LEVEL DATA FROM BRAND EXPOSURE TO TREATMENT

Most pharma brands have come to rely on point-in-time and proxy studies to measure marketing effectiveness, using data from surveys or small consumer panels rather than actual claims and prescription data.

However, according to Mike Finnerty, SVP Marketing Solutions Global Services at Neustar, “point-in-time and proxy studies track only a very small portion of the media and consumers who may have been exposed to a campaign, and focus primarily on patients requesting a treatment, not those who actually get a prescription filled out or receive a treatment. You can’t get a full understanding of the impact of your brand’s media investment on conversion if you’re not able to measure the full patient journey at scale. And forget about making optimizations with any degree of confidence.”

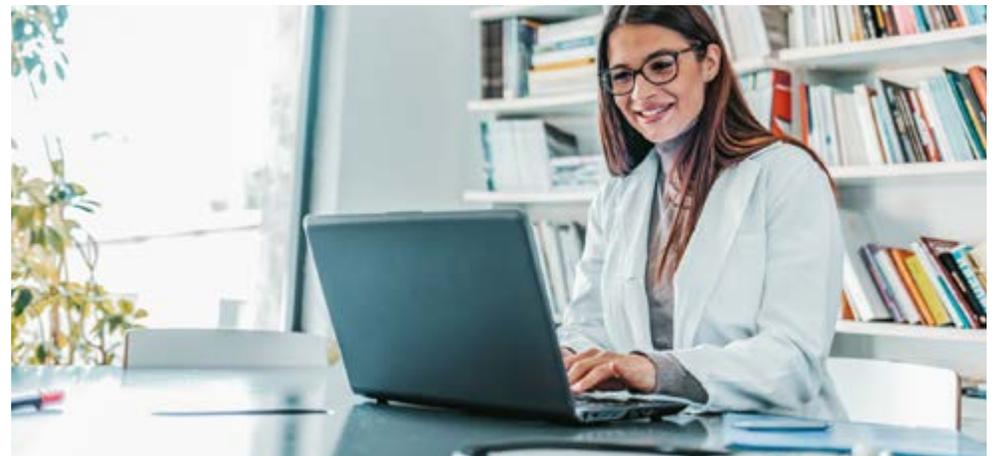
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MIKE FINNERTY

SVP Marketing Solutions Global Services, Neustar

Today, large HCPs are using patient-level data to understand patterns in behavior and provide personalized insights to their patients, not just to schedule the next visit. Health plans are capturing lifestyle data to promote wellness, offering discounts for gym memberships, and encouraging their members to use biometric apps to keep track of their progress.

It’s time for pharma companies to embrace the compliant, responsible use of person-level data too: by connecting media and website engagement throughout the entire patient journey, they’ll be in a much better position to understand the impact of marketing on the outcomes they care about, from the number of prescriptions filled to the cost of customer acquisition.





2 GET YOUR CONSUMER DATA HOUSE IN ORDER

Pharma marketers must use all data at their fingertips to understand the patient-to-prescription journey and determine which channels and tactics perform best. Armed with that information, they can improve segmentation and targeting to engage patients more effectively.

But with the proliferation of marketing channels today (from TV to online, social to podcasts), that data comes in many different shapes and forms, and reconciling those various data streams into a coherent consumer profile is far from trivial. It's especially difficult for pharma companies that are used to working with well-structured, standardized clinical trial data. Consumer data, on the other hand, is often messy, highly unstructured, and subject to noise and bias. Pharma companies need to recognize that the skillset is not the same.

The solution is to team up with a leader in customer data management and identity resolution. The best identity resolution providers are accustomed to building bridges across siloed datasets, and de-duplicating users across platforms, channels and devices. They're able to validate data against external sources and enhance consumer records with properly vetted probabilistic signals, all while preserving privacy. And best of all, they're already prepared for tomorrow's cookieless environment, and can help pharma marketers transition immediately to that new ecosystem.

With an identity resolution framework firmly in place, pharma companies can start to take full advantage of today's advanced cross-channel measurement and attribution solutions.

The path-to-prescription is just as complex as the path-to-purchase in every other industry—if not more. Consumers get exposed to the brand multiple times and on many different channels along the way, and it's crucial for marketers to know what media touchpoints made a mark, and in what order. Add to that equation the HCPs' own touchpoints with the brand, and it can become overwhelming for pharma marketers to measure the true performance of their campaigns.

Modern multi-touch attribution (MTA) solutions have been designed to handle that complexity in a way that's privacy-friendly, and they can help marketers not just measure performance, but correct course along the way and optimize spending to replicate past success.

"The more granular your understanding of your creative campaign, the more you can optimize that campaign," Finnerty says. "Instead of making only high-level decisions, you can optimize campaigns in a way that will boost marketing effectiveness for the outcome metrics you care most about."

Today, the best MTA solutions cover not just standard digital channels, but TV and walled-gardens as well, and they're built in a way that's completely compatible with a company's longer-term marketing mix modeling (MMM) efforts. That unified approach between MTA and MMM, between short-term tactical decision-making and long-term planning, is helping firms in other industries reach new heights in marketing efficiency. There's no reason for pharma companies to stay away.



While the keys to success are in the data and the tools discussed above, many marketing teams at pharma companies are already stretched thin, and they may not have the time or experience to make the most of these advances.

Greg Caiola, director of consulting services at Neustar, points out that “it can be hard for pharma marketers to manage all the pieces needed to identify the best audiences, and target them efficiently, without raising privacy flags. That’s why pharma companies need to work with an outside marketing solutions vendor with privacy-first safeguards in place.”

Outside partners can help pharma companies anonymize, onboard, encrypt, and prevent re-identification of sensitive consumer data. They can create and manage identity graphs to de-duplicate data coming from different channels, and feed that data into real-time activation systems to optimize campaigns in-flight. And they can ensure that MTA and other martech solutions deployed at the company are keeping pace with the latest consumer channels.



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Director of consulting services, Neustar

The relationship between consumers and pharma companies has changed. In years past, most pharma companies considered themselves drug manufacturers and distributors, first and foremost, and the consumer relationship was largely left to HCPs. But innovative pharma companies are now embracing a larger role, with patient health at the center, and that role requires the combination of two very different data streams: PHI from clinical settings on one hand, and non-clinical data on the other.

What marketers can and cannot do with PHI in the U.S. is reasonably well defined by HIPAA. And what they can do with non-clinical data (like shopping habits, lifestyle, online behavior or gym memberships) falls under consumer privacy regulations like CCPA. But the challenge comes at the intersection of those two data streams. Take connected medical devices, for instance, or mobile health apps. The biometrics data from those apps falls under HIPAA if the data is shared with an HCP or health plan, but that same data doesn't necessarily fall under HIPAA's jurisdiction

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HIPAA compliance is one thing, but people's privacy thresholds are another. To succeed as marketing companies, pharma companies need to be one step ahead, and place consumer trust and transparency above and beyond what HIPAA or CPRA currently allow them to do.

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Conclusion

In a marketplace that's been profoundly shaken by the COVID-19 pandemic, pharma marketers are facing increasing pressure to shift spending from HCPs to DTC. And that pressure is coming in the context of an evolving legal and ethical framework, while access to HCPs continues to decrease, and in the middle of a wholesale redesign of the addressable marketing ecosystem.

It can seem like a steep road ahead for pharma marketers looking to access the same data-driven breakthroughs that have transformed other industries like banking, retail or entertainment. But sending the right message to the right target, on the right channel, and at the right time—and with a full understanding of its impact on driving treatment— isn't as far off as it might seem.

**It's time to embrace
consumer data and
connect the dots on
the path to treatment.**

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Neustar is an information services and technology company and a leader in identity resolution providing the data and technology that enables trusted connections between companies and people at the moments that matter most. Neustar offers industry leading solutions in Marketing, Risk, Communications, and Security that responsibly connect data on people, devices and locations, continuously corroborated through billions of transactions. Neustar serves more than 8,000 clients worldwide, including 60 of the Fortune 100. Learn how your company can benefit from the power of trusted connections.

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