

HealthMedia Concepts “Prescribes” DirectMail.com’s Web-Based Marketing Intelligence Solution to Help Independent Pharmacies Compete with the Large Chains

Background:

HealthMedia Concepts, founded in 2001, is an advertising and marketing company that works with independent and small-chain pharmacies and wholesalers. The Agoura Hills, Calif.–based firm offers a variety of standard and custom direct mail programs to approximately 12,000 pharmacies across the country.

Challenge:

For independent and small chain pharmacies, competing against national drug store chains with in-house marketing staffs and seemingly unlimited corporate marketing budgets is a challenge. Many opt to specialize in niche market areas, offering products and services geared to specific patient populations such as diabetics, senior citizens, new mothers, vitamin users and so forth. Specialized products for these customer groups can be hard to find in major chain stores that try to be all things to all customers.

Many small pharmacies depend on shared mail as their only marketing strategy. While this approach has a marketing role, it blindly mails special offers to every household within a ZIP code or carrier route. It cannot target the pharmacy’s niche customer group(s) or focus on customers living in closest proximity to the store.

HealthMedia Concepts President Steven Wagner understood well the challenges of driving foot traffic and business to pharmacies, and he recognized the benefits database analytics could bring to these retailers’ marketing efforts. He also knew that the collective purchasing power of these stores could yield economies of scale to help keep them competitive.

Methodology:

Wagner partnered with Prince Frederick, Md.–based DirectMail.com, a recognized leader in data-driven technology solutions for mid-market and enterprise customers. Beyond its proprietary real-time database analytics and list-building tool, DirectMail.com offers creative services and on-premise production and distribution facilities.

HealthMedia Concepts opted to use DirectMail.com’s web-based marketing intelligence solution, known as GeoInsight™. It places the combined power of enterprise-level, location-based data analytics and real-time, customer-rich information at the user’s fingertips, revealing customer concentrations in specific locales and their lifestyle and purchasing behavior characteristics. Unlike ZIP code and carrier route approaches, GeoInsight allows the user to draw any area on a map and instantly receive analyses providing market, customer and prospect data.

HealthMedia Concepts also opted to use DirectMail.com’s list services and digital printing capabilities, combined with its on-premise satellite U.S. Post Office. By doing so, HealthMedia

Concepts could offer its customers volume discounts on list purchases and printing as well as minimize their postage costs and expedite their mail delivery.

Results:

GeoInsight is delivering a whole new level of selectivity and precision to the task of targeting prospects and engaging current customers of HealthMedia Concepts' clients. First, the firm can draw traditional radii on a map at 1-, 3- and 5-mile increments and immediately provide any store in its database not only a total prospect count for each distance but also a tally of individuals who are celebrating birthdays or are senior citizens, new movers, etc. In all, there are 15 different health-related categories from which stores can select. Alternatively, HealthMedia Concepts can select specific areas on a map by drawing any polygonal shape desired and instantly obtain the same types of tallies for that area.

HealthMedia Concepts works with each individual pharmacy, pointing out the marketing information that GeoInsight discloses and offering a strategy as to the best segments to which to market. Once the pharmacy decides on the segment(s) and the mailing size, HealthMedia Concepts offers a variety of direct mail pieces. A 5.5" x 11" postcard, which comes either as a customizable template or a unique design, is commonly selected. The template version offers multiple customer personalization points including the address, salutation, marketing offer and number and type of coupons, as well as store personalization options including logo, picture, signature and one or more store locations, as appropriate. The postcard copy protects the privacy of the recipient by using carefully selected language that does not reveal personal health information.

The number of pharmacies ordering and the pieces ordered varies from month to month. However, because HealthMedia Concepts combines individual pharmacy orders, DirectMail.com can pull the requisite lists and digitally print individual pieces, passing on the volume discounts the overall order merits to each individual pharmacy regardless of whether it ordered 50 or 500 direct mail pieces. Moreover, DirectMail.com's on-site postal facility and optimized mailing techniques assure the mail drops fast, gets the best postage discounts and is delivered quickly.

Steven Wagner said, "DirectMail.com provides us excellent data that helps us market our programs to our customers. It's an important relationship for us, giving us a competitive advantage in the marketplace. Anyone can develop, print and mail postcards. However, our ability to offer detailed customer profile data is an important niche for us and for the pharmacies we serve."

Mike Savage, DirectMail.com's Vice President of Marketing Solutions, commented, "We recently increased the richness of the data that GeoInsight uses by acquiring hard-to-find healthcare data assets that allow even more precise consumer insights. Thus, we can help marketers connect with consumers on a more personal level and directly influence their healthcare purchasing decisions. For example, we can derive a Prescription Penchant Score, a statistic predicting the likelihood that a consumer will take doctor-prescribed medication; Therapy Trigger Segments, a listing of specific triggers related to diet, health, medicine and nutrition; and Special Attributes Data, identifying specific ailments, medication/prescription use, tobacco use,

health/fitness, medication-to-household-income ratio, age, social/political views, profitability score, household consumer expenditures and more.”

Savage continues, “Geo-targeting and data visualization, in tandem with specific demographics, are critical tools for increasing ROI. We are proud of the results HealthMedia Concepts’ customers are achieving and happier still to help neighborhood pharmacies continue to fulfill the important role they do in our lives.”