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Speaker 3: Welcome to the Pharmacy Marketing Simplified Podcast, part of the Pharmacy Podcast Network. Pharmacy Marketing Simplified focuses on easy and proven marketing tips from pharmacy owners and industry experts to leverage in your independent pharmacy business. This podcast is all about pharmacy marketing and how to be successful in today's competitive marketplace.

Nicolle McClure: Welcome to the Pharmacy Marketing Simplified Podcast, part of the Pharmacy Podcast Network. I'm your host, Nicolle McClure, president of GRX Marketing, and today we'll be talking about geofencing and I'm so happy to have our special guest here, Pam Clark, who is with Cox Media. Pam, welcome to the show.

Pamela Clark: Good morning. Thank you so much for having me today.

Nicolle McClure: Yeah, excited to have you. Before we kind of dive in, can you give our listeners a little bio about yourself?

Pamela Clark: Absolutely. As she said, my name is Pamela Clark. I work for Cox Media. I have actually been in the digital media space selling digital marketing for about seven years. I've actually recently moved into a marketing position, so now I have the opportunity to do more things like this where I'm able to educate on digital media. In my office here locally, they call me the "Digital Diva" because that's where I've had the most success in my sales career and I'm really kind of the local expert in this space, especially when it comes to pharmacies. That's been kind of my focus for the last year and a half, and I've had great success with these different capabilities is special geofencing for local pharmacies.

Nicolle McClure: Awesome. Well, Digital Diva, let's just dive right into it then. Geofencing, especially I would say in the pharmacy industry has been kind of a buzz word the last year or two, but I think there's also probably some misconceptions out

there about what it is, what it isn't and things like that. I guess, can you give our listeners just straight, what is geofencing?

Pamela Clark: Yep, absolutely. And like you said, there's kind of some misconceptions of what it is and what it is. The term is used quite broadly. But the geofencing that I've had great success with is very specific in its targeting capabilities. Essentially what geofencing is, is it's all about the location data. And what that means is as now that the majority of us have these GPS tracking devices on us 24/7, our smart phones, we as marketers have access to the data and information that is collected and we can very specifically target audiences.

Pamela Clark: The way geofencing uses this information is that based on that location data from a person's smartphone or other device, we're able to specifically geofence or place a virtual fence around a specific location such as a competitor's store and serve as the people who enter that location on their smartphone. Geofencing is a very specific way to get in touch with a very selected and specific demographic, audience or customer base that you're looking for.

Pamela Clark: Kind of let me give you an example. The way that this would work is, say Susie visited CVS, who was one of your major competitors. She already placed her prescription with them and expects to go in and pick it up. She goes. It's not ready. She's waiting and waiting and waiting, getting frustrated. And she would be an ideal customer for you to serve your ads to maybe with an ad that said, "Shorter wait times." How we do that is once Susie has entered that geofence location and CVS, while she's visiting that location potentially or up to the 30 days after she's visited that location, we can then serve her your ad.

Pamela Clark: And the reason we want to serve for your ad for up to 30 days is because it is our goal to serve her your ad multiple times because of course reach and frequency are key to becoming top of mind. That next time Susie needs to refill that prescription, say it's within 30 days or it's 90 days, she's seen your ad multiple times and she remembers the poor experience she had at the competitor. That would hopefully drive her into your location to convert into a customer for your business.

Nicolle McClure: Perfect example. I guess geofencing is great and I think I saw a stat the other day that like 92% of people have their location services turned on on their phone. If somebody thinks like, "Oh well, everybody has that turned off. It's not going to work." That's simply not true because a lot of apps won't work without it. Yeah, from a marketing standpoint, it's a great way to really be able to target and reach that specific demographic.

Nicolle McClure: How would you say, in the last three to five years, how does this service play into the way that a small business, a small pharmacy owner can to market themselves?

Pamela Clark: Well, first of all and probably most important because of course a lot of small businesses have limited budget, geofencing allows them to really maximize that budget and reach people who are the most relevant and likely to convert to customers.

Pamela Clark: For example, with the millions of impressions, potentially billions that are available in the digital space, it's not even feasible for a small business to serve an ad to the general population and really make it stick. When you're using these targeting capabilities that geofencing offers, you're really able to hone into who your customer is that I said previously is most likely to convert. Whoever they are, what behaviors they're showing, or the locations that they visit, wherever you know there may be a high concentration of potential customers that's where we can serve your ad to really make your marketing dollars work the most effectively for you.

Nicolle McClure: It can definitely serve different purposes though, right? It's not always just about selling something or things like that. I think geofencing, marketing in general, can also help increase awareness, educate people, and encourage sales. Can you talk a little bit about each of those and you know how geofencing can be used for those different purposes?

Pamela Clark: Oh, absolutely. One of the amazing elements of geofencing and I'm a lot of digital tactics, of course, is the ability to be very strategic and creative by utilizing a plethora of targeting capabilities to serve the right message, to the right person, at the right time and allowing clients to reach the customer at multiple levels of that sales funnel, from awareness to purchase, and improve the customer loyalty of people who are already your customer.

Pamela Clark: For example, if the client's goal is to increase awareness, you can do a broader campaign targeting customers with a general message about your pharmacy. That audience could be a zip code, it could be a specific location, it could be a specific audience you're trying to reach. Now keeping in mind that geofencing is at its strongest when you're trying to target a smaller group and not the masses, so I would never recommend that you utilize this for 5, 10, 15 zip codes, or a 15 or 20 mile radius around your location necessarily because there are other media tactics for that. This capability is really designed to really reach that small, niche target audience that would be your best and most likely to a convert customer.

Pamela Clark: For example, we can target a zip code or a mile radius around your pharmacy and serve ads to the devices or customers who enter those areas and meet your selected targeting criteria. One example that I like to give is parents with children in the household. And the way that we can determine that that person is apparent with children in the household and place them into that segment is based on the places that they've been. And like Nicolle said, about 92% of people have their location services on, so all the places that you're going based

on the apps behind your phone are being tracked. Say you are taking your child to school every day, you're picking them up from school, you're going to the park, you're going to the trampoline park, you're visiting children's clothing stores, all of those activities help us determine your behaviors. They're determining who you are. We can assume that you are a parent with children in the household and so serve you a relevant ad. This is really great.

Pamela Clark: We also have a pharmacy shopper segment, which of course would be relevant to everybody on this call, and that is people who essentially have visited a pharmacy location. It doesn't have to be any specific pharmacy that you select. It can be any pharmacy and that they've visited within the last 90 days, so that is a frequent pharmacy shopper. They're probably visiting at least maybe every month to refill a prescription. That would be a very relevant audience for you to serve a broad message, and again, gain awareness about your location in that specific geographic area that you selected. That would be for awareness.

Pamela Clark: If you want to educate your customers, say so you have a new product or a service or you have something that really you feel makes you stand apart from a competitor such as shorter wait times or that you're locally owned and operated, which it's huge and especially in small communities. We can target locations where your potential customers visit. An example would be, again, a shorter wait time to maybe the local CVS. What we can do is place the geofence around that competitor's location and other points of interest such as urgent care facilities, doctors, offices or hospitals. And this is where you can get very creative in the places in your community that you know your potential customers may be located, and those are the places we would geo-fence and then serve customers ads when they enter that.

Pamela Clark: And you can use multiple different ad creatives at one time. And like I said, become very strategic. You could serve flu shot ads and you can serve a general ad at the same time, ads maybe say kind of the same messaging but just in a little different way. We can A/B test those ads to see which performs better, so you can move forward with that messaging in this campaign as well as across other media campaigns that you might be utilizing.

Pamela Clark: If you want to encourage sales, we can serve customers with either of these tactics by utilizing an ad with a call to action. You can mention a sale, a new product. Maybe it's flu season and you want to encourage people to come in for your flu shot. That's a call to action because of course we're in that season right now, so now is the time to get that taken care of. Those are all kind of ways that this campaign and this tactic is designed to really drive foot traffic into your location, whether it is awareness to educate them or to hopefully get a quick sale from them.

Nicolle McClure: Mm-hmm (affirmative). Definitely some good examples. And while geofencing is great and you kind of touched on this earlier, it shouldn't be your only marketing but more so part of your overall marketing strategy, correct?

Pamela Clark: Absolutely. It's a kind of a good way I feel, and what I have a lot of small businesses, it's kind of used to really get your foot in the door with digital advertising and kind of see how it works with a reasonable budget but still see some results. And I would say that's one of the major benefits of geofencing.

Nicolle McClure: Yeah. And I know the clients that we've done it for, they like it because they can see that ROI. They can see the number of people that are seeing the ad, clicking on the ad but then also coming into the pharmacy. I think that's why it's been so appealing to so many clients. I'm sure our listeners, we've got some excited, independent pharmacy owners out there that want to try it. But to really make a campaign successful, there's kind of a few things that you need to think about before you kick it off. I guess can you kind of give our listeners a rundown of what needs to happen before a campaign starts?

Pamela Clark: Mm-hmm (affirmative). First of all, you need to make sure you have a web presence. Whether that's a website or a Facebook traffic, but we need somewhere to drive the clicks on the ads too. Like I said, that could be a website, it could be a landing page or a Facebook page, any of those, just as long as you have some kind of digital presence.

Pamela Clark: You also kind of have to have a goal in mind and the kind of people and places in your local area that you want to target. Of course, you can always get a recommendation from the experts and that would be something we would help you with kind of to tell you what we've experienced the best results with. But you kind of having that engaging with us, and because of course we're better together, so working together and having you set those expectations and goals will really help you be the most satisfied with the campaign.

Pamela Clark: Also, the creative. Like I said, come up with some messaging. It's most successful if you've got products and services and messaging that you really want to get out to the public. Because then if you see an increase in sales in those specific areas or you have a lot of people... Say your ad says, "Easy transfer. Call us today to transfer your prescription." And you start getting more transfers, then you can kind of put that return, the attribution to these ads. Really get thoughtful and think about the messaging that you want to put out there to people and that one helped make it successful.

Pamela Clark: And then also understanding that this is not an immediate thing. It's a process. Optimizing the ads to best performance takes 60 to 90 days. We really encourage you to do that as a minimum for a campaign because we want... I mean, driving success for your business is something that we want as marketers to see for you as well. We want the campaign to be successful just as much as

you do. Kind of having that expectation, knowing that it's going to take a little bit. You'll see some conversions right away.

Pamela Clark: And like Nicolle had mentioned, something I hadn't really touched on, is that with geofencing, what I think is really the coolest part about it is those conversions that you can see. Let me run these campaigns and we're geofencing areas, we also make your location a conversion zone. Every time someone visits that competitor location and then sees your ad, we're able to tell you every month how many people have actually seen your ad and then visited your location. If you are fencing five different areas, CVS, Walgreens, Target, whatever that may be, you'll see on your report every month how many people converted from each of those locations. That's really kind of, I mean, exciting. I'm not sure what other kind of marketing capability that can kind of give you that much attribution to where your marketing dollars, how effective they're being for your business.

Nicolle McClure: Yeah, absolutely. And I think, you kind of touched on this but just to reiterate, only because we've done some campaigns for our clients and it's thought about more of after the fact instead of before the campaign starts is, definitely think about how you're going to track it. We have those conversions, like Pam says, but be looking at your pharmacy data, how many new customers did you get if your goal was to increase transfer count or maybe it was to sell DME equipment. Pull your average monthly sales before the campaign starts and then look at that after the campaign ends to help measure the success of it.

Nicolle McClure: And so I guess with starting a campaign, I'm sure you hear some kind of common questions or concerns for that. Can you kind of address those for maybe some of our skeptical listeners out there?

Pamela Clark: Some of the common questions I have about geofencing in general?

Nicolle McClure: Yeah. Kind of what are some frequently asked questions you get?

Pamela Clark: A lot of questions, a lot of times I get, "Where will my ad show up?" Because there is a misconception with geofencing because it is an ad that's served on your mobile phone that they're going to drive into that area and it's going to pop up on your phone, say like a text message would. And that's not how this technology is utilized. Because it's not just in the moment that we want to serve them an ad, we want to serve it again, like I had said, for up to 30 days to really help you become top of mind. Where those ads would be served is within their apps and within their browser. While they're checking the weather, the sports scores, if they're searching some new shoe online that they saw a friend have and they visit that website and on that shoe website your ad could show up. It's really, our goal is to follow the audience and the customer, not serve them ads on specific sites or within specific apps. It's designed to follow them wherever

they go, to be a presence and to engage with them throughout their online experience.

Pamela Clark: Another one I get is how many locations can I target? Really, it can be infinite if your budget is infinite. But of course as a small business, that's not the case. How you determine how many locations is kind of based on the population of your community and your budget of course. If you are located in New York City, you may only be able to specifically target one location. If you're in a very rural area and you have say a \$500 a month budget, you might be able to target 10 locations. It just all determines... And that's something you have to work with on your marketing partner to kind of determine what the most successful campaign would look like.

Pamela Clark: Another question that I get is, "Can I geofence any location?" There are limitations. Then of course being a hundred percent transparent, I want you to know that there are limitations for this capabilities. Not very many, but you cannot target any location where the population within is 13 or under. We want to protect them, kids. Any area where there's a large population of children, we don't target those areas. Obviously schools, some pediatric clinics, those things would be off the table as well as other specific medical clinics like cancer centers and things like that are also a no go. But you can serve ads to any general medicine practitioner.

Pamela Clark: And that's kind of why we have the segments too and other capabilities where you can have the opportunity to reach those people in other ways with without geofencing based on things that they're searching online. And I know that's another tactic, but just know that there are all kinds of ways within the digital space to reach your target audience. And this is one that of course, like I said, we've had great success with, so I really encourage you to try it.

Pamela Clark: Another one, let's see... "What happens when someone clicks on my ad?" Of course, that's why I said it's important to have a digital presence. They would go through to your website or your Facebook or whatever that may be, that's where we would drive that traffic to.

Pamela Clark: One question, it's not necessarily a question that I get, but it's a comment that people will often say where they're like, "Oh, this is kind of creepy. It is okay to target people in this way?" We like to say it's creepy cool. And yes, it is completely fine and legal to target people in this way. A good example that I have, I have a friend who actually works in the media field as well, and her name is Charlie. Before these advances and targeting capabilities, she was getting ads for things like Cabela's and ESPN. And she is not a woman who is a sports fan for men's clothing and shoes, all because her name was Charlie and the basic targeting capabilities of the past just assume that because her name was Charlie, that she was a man. Now that we have these advanced targeting

capabilities, she gets relevant ads for boutiques and gardening, things that she's actually interested in.

Pamela Clark: That's the way to kind of look at this is we are bombarded with ads all day long, billboards and television and digital ads. They're coming at us from all directions. Wouldn't you like to be able to have your ad served to someone who it would be relevant to, who's seeing it and would be less of maybe an annoyance. If you are a relevant ad, that'll create a better user experience for them. That's kind of how you should really look at this scope of targeting is that you're really helping create a better user experience for potential customers when they're engaging with all of the things that they do online.

Nicolle McClure: Yeah, that's a great example actually of people that just based on her name was getting all those ads and how it's really important to target. I guess kind of going into that, can you provide our listeners with some specifics on success stories?

Pamela Clark: Mm-hmm (affirmative). Absolutely. We have one specific client that we've worked with and they started off with just a three-month campaign with a \$500 budget, which that's a very reasonable and attainable budget to kind of start out with. They really just wanted to target one location. It was the CVS where they were located that was a big competitor. After the first couple of months, I had a call with the client and I was kind of going over the standard metrics. We report or most of the digital campaigns report on how many impressions were served, and an impression is of course every time that that ad shows or renders on a screen; the clicks, of course how many people clicked on the ad; and click through rate.

Pamela Clark: And then I was getting to the conversion zone portion of how many people had converted and the number was quite high. And he said, he stopped me and he's like, "I've had a lot of people call and transfer their prescriptions from CVS. Could that be due to this campaign?"

Pamela Clark: And I said, "Well, is, are you doing any other form of advertising?" And they really weren't doing any other form of advertising. And so I said, "Well, then that could absolutely and should be attributed to this campaign because that's the location you're targeting." And the goal of this, the campaign and the ad was for easy transfer and they were getting multiple transfers from CVS. At the end of the three months, they had, I want to say it was over 20 transfers that related into 82 new prescriptions. That that's a huge number of new prescriptions that they received in just a three month period.

Pamela Clark: The return on investment... I mean, say the average person, I think it is, spends on average \$1,200 in a year's time on prescription medication. If we even closed one customer, that would far exceed that \$500 budget. You'd make over \$500 just on that one new client in a year's time span. The scale of the potential for

success of these campaigns when you break it down with ROI like that, it's massive.

Pamela Clark: I have another client who runs a more complex campaign. They started out with three locations and for every location that they had, it had different kinds of competitors and he had different goals so they serve different ads. One may have been to promote the easy transfer, one was for that they had free delivery and one may have been for... It a pharmacist who had come from another location and they wanted to make sure that the old location knew where she was located now. They were very creative with their messaging for each location.

Pamela Clark: And after the first couple of months they were really starting to see a lot of conversions to all of these locations, and so they added another location on. Now, currently, they've been running for almost a year. They've added, they've gone from three to four locations and they're running a separate campaign for each of those locations for flu. They're running the general campaign and then the flu campaign. And since from March until yesterday, they've had over 500 locations to the 24 places that they are geofencing. We've tracked that 600 people saw the ad and then subsequently visited one of their four locations. That's a lot. That's significant I would say.

Nicolle McClure: Yeah, I agree.

Pamela Clark: I mean, I've run probably over 500 geofencing campaigns for independent pharmacies and a lot of the success stories and the different kinds of results that we have whenever we run a campaign. It's kind of the same thing that you could potentially expect as a local pharmacy to have similar results.

Nicolle McClure: Okay. Yeah. Awesome. I guess I just wanted to, before we wrap up, kind of touch on briefly a relatively newer form of geofencing, which is addressable geofencing. And it's something that we're pretty excited about here at GRX Marketing. We're currently piloting it for our own stores. Can you tell our listeners a little bit more about that?

Pamela Clark: Yes. Addressable geofencing in concept is very similar to the other kinds of geofencing we just discussed. But instead of targeting specific competitor locations, we are able to utilize your customer database and serve messages and ads to them at their home address. Again, and probably encrypting on that seems a little creepy, but you have that address. With plot and survey data, we're able to draw a very specific fence around their home location, and then we find the devices inside, the cell phone devices, so we can then serve your ad on their cell phone.

Pamela Clark: But then what's really cool is it cross device matches. What that means is once the cell phone connects to the wifi, we can then serve ads, not just on the

mobile phone but on the desktop, on the laptop, on the tablet, across all of the screens that they're engaging with. It's to anybody in the household, and we can very specifically target as well. Say your messaging is only relevant to adults, we don't have to serve... Because, of course, we all know that our children, as much as we don't want it to admit it, your children probably spend a significant time in front of a screen so that wouldn't be necessarily a potential customer. You would want to maybe just target the adults, 21+ within the household. With this, We can absolutely do that.

Pamela Clark: And what I kind of mentioned about utilizing your database, so you can be specific in your marketing to current customers by maybe serving them a message to increase their spending. Maybe you have a list of all the people in 2018 who got a flu shot and now it's that 2019 season again. We can take all the addresses you have in your customer database and serve them an ad that says, "Hey, it's flu season. Time to get your 2019 flu shot. Stop in today," or through whatever date and serve them that ad and drive that traffic to bring them back for that year. Or say you have a list of customers you haven't seen in the pharmacy to fulfill a prescription in six months or more. You can serve an ad to those addresses, encouraging them to come back. "We miss you. It's time to fill your prescription," something like that.

Pamela Clark: By utilizing both these geofencing capabilities, we're able to target potential new customers who are visiting your competitors and other locations. We're able to help you get growth on existing customers by telling them about maybe new products and services, and bringing them back in more frequently. And we're able to help you also get win back customers by bringing those customers who you haven't seen in awhile back into your pharmacy location and reigniting that relationship with them.

Nicolle McClure: Yeah. What we're using it for for our own pharmacies is kind of a lost patient campaign. Yeah, definitely excited to see the results on that here soon. Well, before we wrap up, Pam, anything else you would like to share with our listeners?

Pamela Clark: One little thing I just want to say because I feel like I didn't touch on it enough is that I really want to drive home that this is a great starter capability to really get you some results for whatever your budget might be as a small business. We can really make an impact in your local community. You don't need a CVS budget to have a CVS presence when you're able to hyper target in your local community with this type of advertising. I really encourage you to kind of read more about it, look more into it if you want. I'm not the only expert on digital media. Get some more information, talk to Nicolle, get a recommendation. This is a great capability for you to explore and I really highly encourage you to find out more information about it.

Nicolle McClure: Awesome. Well, thank you so much for joining us today. I really appreciate it.

- Pamela Clark: Mm-hmm (affirmative). Thank you for having me. It was a pleasure.
- Nicolle McClure: If you guys have any questions about geofencing, you can reach out to us on our website at pharmacymarketing.com. Thank you for listening to another episode of Pharmacy Marketing Simplified Podcast. We hope you have a great day.
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