

Healthcare Vertical Local Ad Report

Insights into the U.S. Local Ad Marketplace 2022

SEPTEMBER 2022

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Report Notes:

- 1) Calculation used within this report: Compound annual growth rate, or CAGR, is the mean (average) annual growth rate per year over a specified period longer than one year.
- 2) When not using CAGR the report will specify year-over-year (YoY), year-over-two-year (Yo2Y), year-over-three-year (Yo3Y), etc. For example, a comparison of 2019 to 2021 would be stated as X.X% (Yo2Y).
- 3) The forecast in this report is from BIA's U.S. Local Advertising Forecast 2022, Issued June 2022.
- 4) Veterinary Services (a sub-vertical under Healthcare in BIA's ADVantage™) is excluded from this report.

Overview

This report drills thoroughly into the ad spend of the Healthcare vertical and seven of its eight sub-verticals (Veterinary Services has been excluded) for 2022-2026 across all media channels.

Along with the analysis, quickly identify actionable data in the report by looking for the orange arrows: 

The sub-verticals that make up the Healthcare vertical in this report are:

Key takeaways from the report include:

1. Health and Personal Care Stores
2. Hospitals
3. Nursing and Residential Care Facilities
4. Offices of Optometrists
5. Offices of Physicians / Dentists / Chiropractors
6. Personal Care Services
7. Pharmaceutical and Medicine Manufacturers

 [Executive/Industry Takeaways:](#)

- 1) Direct Mail will continue to bring in more dollars than any other media channel, but its growth will slow down.
- 2) PC or Laptop will almost catch Direct Mail in media ad spending by the end of our forecast in 2026.
- 3) TV OTA is forecast to remain as the #3 media channel throughout our forecast period.
- 4) Mobile is forecast overtake Radio OTA as the #4 media in 2023.

The report features local advertising intelligence from BIA Advisory Services' local market intelligence dashboard, [BIA ADVantage™](#), including:

 [Local Seller Takeaways:](#)

- 2022 U.S. Local Advertising Forecast (Nationwide)
- 2022 Automotive Sub-Vertical Advertising Forecasts
- Local Television Market Forecasts
- Station data from [MEDIA Access Pro™](#), BIA's database of the broadcast and publishing industries.

- 1) Between 2022 and 2026 TV dollars (OTA + Digital) will increase by \$417.6 million dollars but its share of wallet will decrease from 16.2% to 15.0%.
- 2) Radio digital (14.7% CAGR) growth will outpace Radio OTA (3.4% CAGR) growth between 2022 and 2026 but will not

increase enough to make up for Radio OTA's share of wallet declines.

- 3) Ten of the top eleven fastest growing media channels are in digital media.
- 4) TV Digital will be the fastest growing media channel from 2022 to 2026, with a compound annual growth rate (CAGR) of 21.8%. Over-the-Top (OTT) will be the 2nd fastest growing media channel with a CAGR of 18.0%.

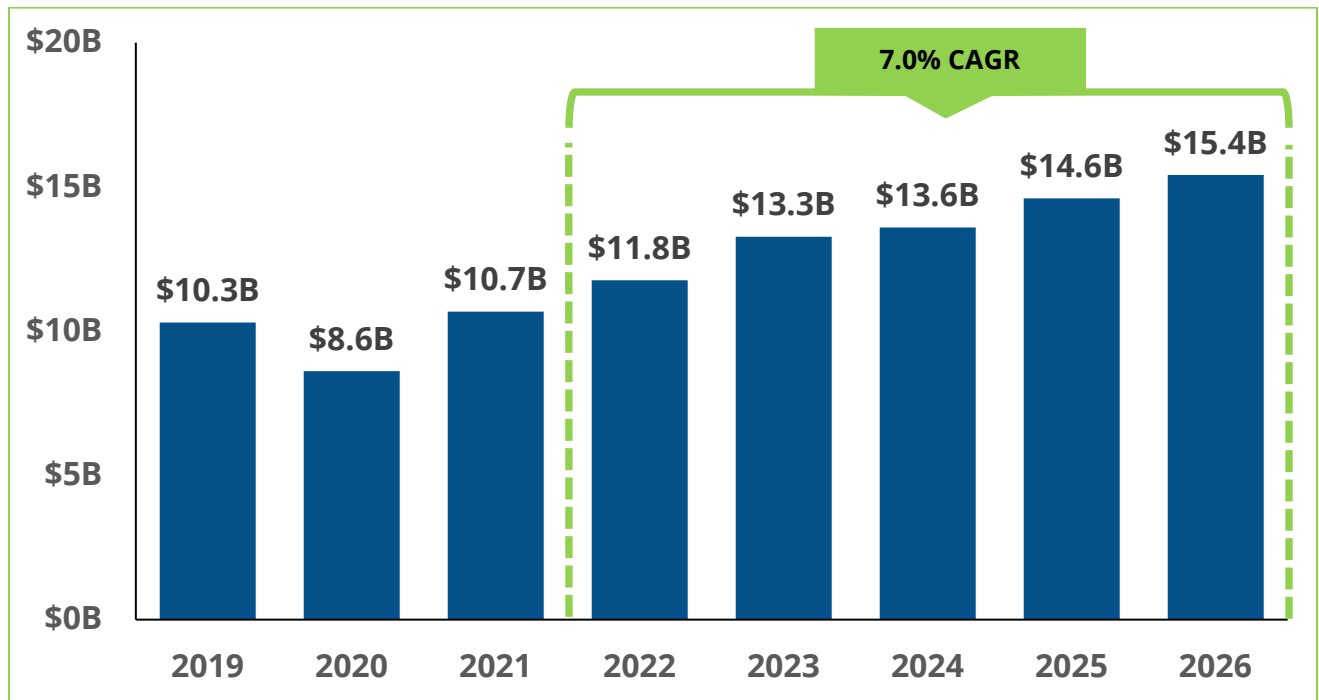
Valuable category information to focus on as you read the report include:

- 1) Detailed advertising figures by media channel through 2026.
- 2) Digital trends in Healthcare advertising through 2026.
- 3) Selling Strategies.

Analysis Summary

- BIA estimates the total local ad spending for the Healthcare vertical will be \$11.8 billion in 2022 and will reach \$15.4 billion in 2026 (See Figure 1).
- Health and Personal Care Stores (+39.9% YoY) and Nursing and Residential Care Facilities (+39.6% YoY) will increase their spending by the highest percentages in 2022 over 2021.
- The Direct Mail and PC or Laptop media channels will receive the most advertising dollars in 2022.
- Fourteen of the seventeen media channels are forecast to grow in 2022 from 2021 (including TV OTA and Digital, OTT, and Radio OTA and Digital). All nine of the Digital Media channels will see growth.
- TV OTA will be the only Traditional media channel to increase its share of wallet (SOW) from 2021 to 2022, but only by a tenth of a percent.

Figure 1 | 2019-2026 Healthcare Vertical Spending (U.S.)



Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.
Note: Numbers are rounded. Data available in BIA ADVantage™.

Coronavirus Impact on Healthcare Spending

The Coronavirus pandemic has set in motion a complex set of mixed signals forming the economic picture that impacts ad spending by healthcare companies.

The pandemic led to office closures, restrictions, and suspensions of elective procedures and surgeries. In some practice areas, the rise of telemedicine filled in some business gaps and drove new types of creative messaging and ad campaigns. Ad spending plummeted -16.3% from 2019 to 2020 but rebounded in 2021 and surpassed 2019 spending totals by 3.7% (Yo2Y).

- Of course, consumers still need their medicines. As one might expect, when

the Covid pandemic first hit in 2020, the only Healthcare sub-vertical to increase spend from 2019 to 2020 was Pharmaceutical and Medicine Manufacturers.

- Offices of Physicians, Dentists, Chiropractors and Optometrists, all services requiring hands-on contact, were severely impacted by the pandemic, and had some of the steepest ad spending cuts in 2020. The spending in these categories rebounded in 2021 as medical offices opened back up and Doctors regularly started seeing patients again.

- Health and Personal Care Stores was the only healthcare sub-vertical to continue its declines through 2021 as more and more consumers turned to online stores for their health and personal care product needs.

Here is a yearly breakout from 2019 to 2021 when Healthcare spending returned to pre-pandemic spending levels:

2019-2020

The pandemic related shutdowns had a devastating effect on local ad spending overall, and an even greater effect on the Healthcare vertical with ad spending decreasing by 16.3% from 2019 to 2020, while total local ad spend across all verticals was down only 6.9% between 2019 and 2020. Total local ad spend in 2020 was bolstered by political. Excluding political dollars, total local ad spend would have been down 13.3% in 2020.

Other areas of note include:

- Thirteen of the seventeen media channels dropped in local ad spending between 2019 and 2020, with PC or Laptop (+14.6 YoY), OTT (+13.8% YoY), Mobile (+4.2% YoY), and Magazines Digital (+2.7% YoY) being the only media channels to increase.
- Pre-pandemic, in 2019, digital spend accounted for 26.0% of all paid media in the Healthcare vertical vs. 31.1% in 2020.
- Although the Pandemic resulted in some dollars shifting to digital media channels, Healthcare is one of the four major verticals (out of twelve total) that will continue to spend more on Traditional

media through the end of our forecast period in 2026.

- Largest media channels in percentage declines:
 - Newspaper Digital (-32.8% YoY)
 - Directories Print (-31.5% YoY)
 - Newspapers Print (-31.4% YoY)
- Largest media channels in dollar declines:
 - Direct Mail (-\$858.3 million YoY)
 - Newspapers Print (-\$264.3 million YoY)
 - Radio OTA (-\$244.7 million YoY)
- Pharmaceutical and Medicine Manufacturers (+22.3% YoY) was the only sub-vertical in the Healthcare vertical to increase total spending in 2020.
- Largest sub-verticals in percentage declines:
 - Offices of Optometrists (-34.7% YoY)
 - Nursing and Residential Care Facilities (-28.4% YoY)
 - Offices of Physicians/Dentists/Chiropractors (-23.2% YoY)
- Largest sub-verticals in dollar declines:
 - Offices of Physicians/Dentists/Chiropractors (-\$843.0 million YoY)
 - Hospitals (-\$740.3 million YoY)
 - Nursing and Residential Care Facilities (-\$160.4 million YoY)

2020-2021

Healthcare ad spending increased by 24.0% from 2020 to 2021, growing from \$8.6 billion to \$10.7 billion.

- By 2021 Healthcare ad spending had completely recovered from the pandemic, with an increase of 3.7% over 2019 spending levels.

Other areas of note include:

- The only media channels in the Healthcare vertical to decrease their local ad spending from 2020 to 2021 were Directories Print and Magazines Print.

→ Fastest growing media channels:

- Radio Digital (+55.3% YoY)
- Magazines Digital (+48.6% YoY)
- TV Digital (+46.7% YoY)

→ Largest growing media channels:

- Direct Mail (+\$560.4 million YoY)
- PC or Laptop (+\$339.0 million YoY)
- TV OTA (+\$324.1 million YoY)

- Health and Personal Care Stores (-11.3% YoY) was the only sub-vertical in the Healthcare vertical to decrease total spending in 2021.

→ Largest sub-verticals in percentage increase:

- Offices of Physicians/Dentists/Chiropractors (+43.3% YoY)
- Offices of Optometrists (+29.1% YoY)
- Pharmaceutical and Medicine Manufacturers (+28.6% YoY)

→ Largest sub-verticals in dollar increase:

- Offices of Physicians/Dentists/Chiropractors (+\$1.2 billion YoY)
- Hospitals (+\$463.9 million YoY)
- Pharmaceutical and Medicine Manufacturers (+\$347.4 million YoY)

Healthcare Advertising by Sub-Vertical

2021 versus 2022 Healthcare Spending by Sub-Vertical

In Table 1, we highlight 2021 versus 2022 Healthcare spending by sub-vertical. For 2022, we are forecasting spending increases in six of seven sub-verticals covered in this report. Overall, local ad spend is forecast to increase 10.1%, or almost \$1.1 billion, to \$11.8 billion in 2021. This will be up from the pre-pandemic \$10.3 billion local ad spend in 2019.

- The three top spending sub-verticals will account for 87.5% of total Healthcare spending in 2022.
 - Offices of Physicians/Dentists/Chiropractors (\$4.4 billion)
 - Hospitals (\$4.2 billion)
 - Pharmaceutical and Medicine Manufacturers (\$1.8 billion)

- The top three growth sub-verticals in the Healthcare Vertical from 2021 to 2022 are:
 - Health and Personal Care Stores (+39.9%)
 - Nursing and Residential Care Facilities (+39.6%)
 - Offices of Optometrists (+17.2%)

- In terms of actual dollars spent, the biggest gainers from 2021 are:
 - Offices of Physicians/Dentists/Chiropractors (+\$386.0 million)
 - Pharmaceutical and Medicine Manufacturers (+\$196.7 million)
 - Nursing and Residential Care Facilities (+\$171.2 million)

Table 1. 2021-2022 Healthcare Ad Spending by Sub-Vertical (\$000s)

Sorted by % Change

Healthcare Subvertical	2021	2022	% Change	\$ Change
<i>Health and Personal Care Stores</i>	\$340,312	\$476,026	39.9%	\$135,715
<i>Nursing and Residential Care Facilities</i>	\$431,961	\$603,142	39.6%	\$171,181
<i>Offices of Optometrists</i>	\$206,865	\$242,454	17.2%	\$35,589
<i>Pharmaceutical and Medicine Manufacturers</i>	\$1,562,699	\$1,759,418	12.6%	\$196,719
<i>Offices of Physicians/Dentists/Chiropractors</i>	\$3,992,623	\$4,378,662	9.7%	\$386,039
<i>Hospitals</i>	\$3,995,240	\$4,153,501	4.0%	\$158,262
<i>Personal Care Services</i>	\$147,945	\$146,929	-0.7%	-\$1,016
<i>Total</i>	\$10,677,643	\$11,760,132	10.1%	\$1,082,488

Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.
Data available in BIA ADVantage™.

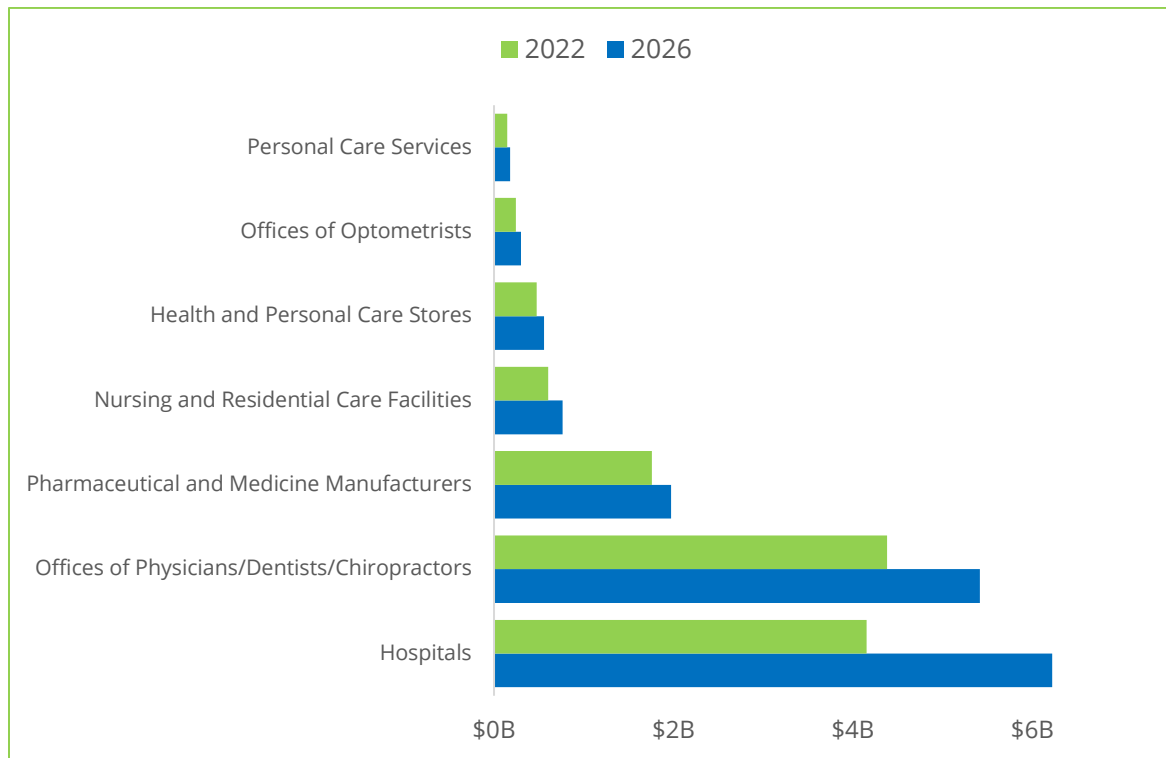
2022 versus 2026 Healthcare Spending by Sub-Vertical

When comparing 2021 and 2026 (see Figure 2) media allocations, we can see several changes. Overall, spending will increase by \$3.7 billion from \$11.8 billion in 2022 to \$15.4 billion in 2026 (7.0% CAGR).

By 2026, Hospital's share of wallet (SOW) will increase from 35.3% in 2022 to 40.4% in 2026.

Pharmaceutical and Medicine Manufacturers' SOW will decrease by 2.2 points to 12.8%, and Offices of Physicians/Dentist/Chiropractors will decrease 2.1 points to 35.1%, with small down-ticks in the other sub-verticals. Offices of Physicians/Dentist/Chiropractors was the #1 sub-vertical spender in 2022 and will drop to #2 in 2026, swapping places with Hospitals.

Figure 2. 2022 and 2026 Healthcare Spending by Sub-Vertical
Sorted by 2026 Ad Spend



Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.
Data available in BIA ADVantage™.

Healthcare Advertising by Media Channel

2021 versus 2022 Healthcare Spending by Media Channel

In Table 2, we highlight 2021 versus 2022 Healthcare ad spending by media platform. For 2021, we are forecasting spending increases in all media platforms, except for Cable TV (-5.4% YoY), Magazines Print (-8.6% YoY) and Directories Print (-18.3% YoY). Overall, local ad spend is forecast to increase 10.1% from 2021 to 2022, growing from \$10.7 billion to \$11.8 billion.

In 2021, the digital spend will increase to \$4.1 billion (35.1% of all paid media). This shift to digital continues through the end of our forecast period in 2026.

- The top three media growth categories in the Healthcare Vertical from 2021 to 2022:
 - OTT (+60.3% YoY)
 - Radio Digital (+20.6% YoY)
 - Mobile (+19.0% YoY)

- In terms of actual dollars spent, the biggest gainers in 2022 include:
- Direct Mail (+\$283.0 million YoY)
 - PC or Laptop (+\$237.9 million YoY)
 - TV OTA (+\$164.5 million YoY)

Table 2. 2021-2022 Healthcare Ad Spending by Media (\$000s)

Sorted by % Change

Media	2021	2022	% Change	\$ Change
OTT	\$121,711	\$195,061	60.3%	\$73,350
Radio Digital	\$184,118	\$222,010	20.6%	\$37,892
Mobile	\$631,145	\$751,235	19.0%	\$120,090
Magazines Digital	\$162,908	\$189,231	16.2%	\$26,323
Newspapers Digital	\$380,968	\$439,200	15.3%	\$58,233
PC or Laptop	\$1,644,250	\$1,882,102	14.5%	\$237,852
OOH	\$156,180	\$177,056	13.4%	\$20,876
TV OTA	\$1,563,464	\$1,727,935	10.5%	\$164,471
Email	\$61,404	\$67,572	10.0%	\$6,168
Direct Mail	\$3,233,054	\$3,516,052	8.8%	\$282,998
Directories Digital	\$196,909	\$212,021	7.7%	\$15,112
TV Digital	\$161,248	\$172,963	7.3%	\$11,715
Radio OTA	\$795,877	\$851,179	6.9%	\$55,301
Newspapers Print	\$627,236	\$658,086	4.9%	\$30,851
Cable TV	\$508,640	\$481,164	-5.4%	-\$27,477
Magazines Print	\$146,040	\$133,516	-8.6%	-\$12,524
Directories Print	\$102,490	\$83,748	-18.3%	-\$18,742
Total	\$10,677,643	\$11,760,132	10.1%	\$1,082,488

Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.
Data available in BIA ADVantage™.

2022 versus 2026 Healthcare Spending by Media Channel

When comparing 2022 and 2026 (**Error! Reference source not found.**3) media allocations, we see several changes.

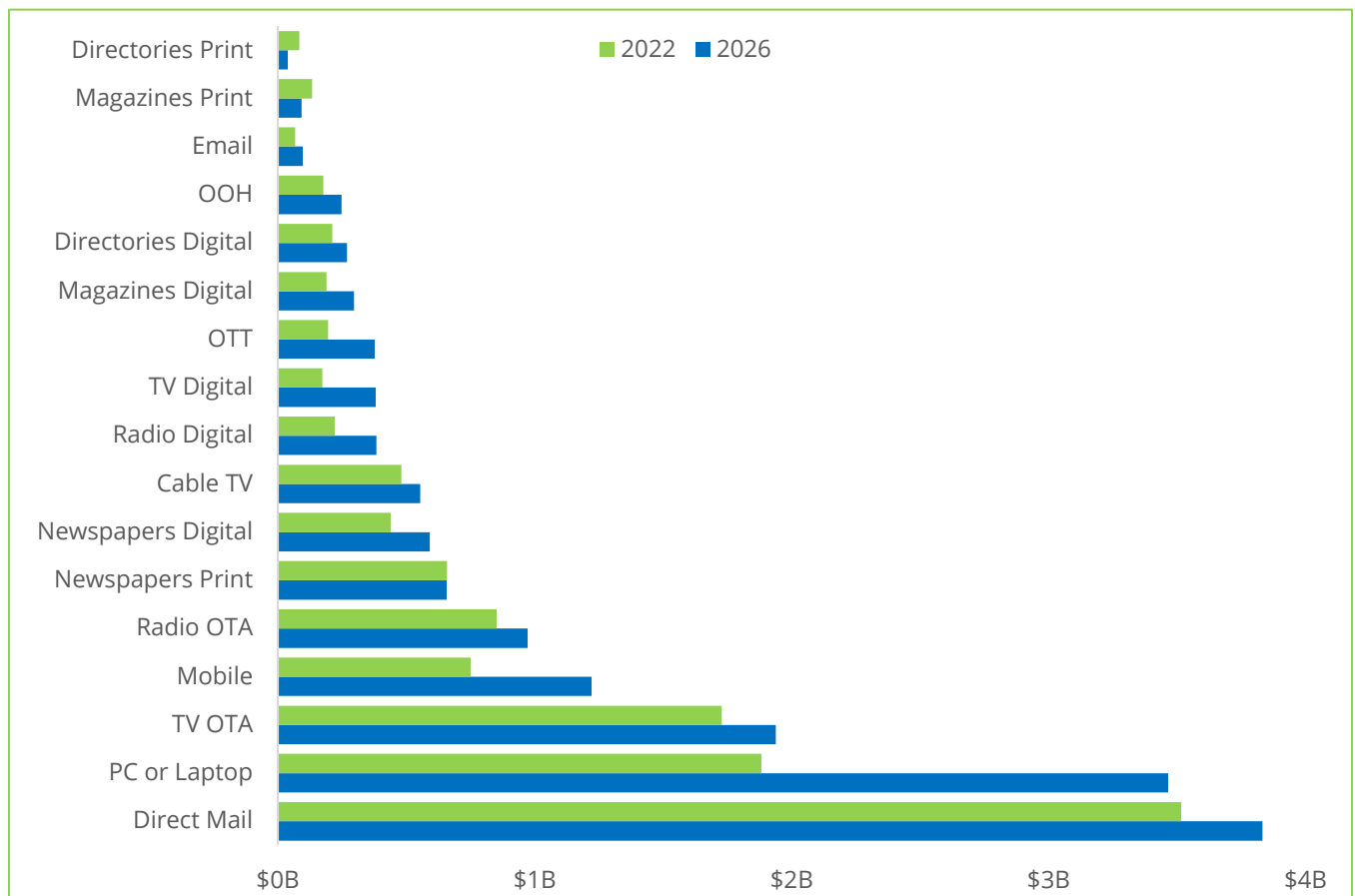
Overall, spending will increase from \$11.8 billion in 2022 to \$15.4 billion in 2026 (7.0% CAGR). In 2026, Direct Mail, PC or Laptop, and TV OTA will be the three biggest ad channels. Other takeaways include:

- Direct Mail will retain its first-place status but will lose share, dropping from 29.9% in 2022 to 24.9% of total spending in 2026.
- PC or Laptop will increase from 16.0% to 22.5% of total spending, remaining in the second-place spot.
- TV Over-the-Air's share of wallet will drop a couple of points, from 14.7% to 12.6%, retaining its third-place spot through in 2026.
- Radio Over-the-Air's share will drop slightly, from 7.2% to 6.3%.
- Mobile's share will increase from 6.4% to 7.9%
- TV Digital will gain one point from 1.5% to 2.5%.

The other media categories will not fluctuate much in share from 2021 to 2026.

Figure 3. 2022 and 2026 Distribution of Healthcare Spending by Media Channel

Sorted by 2026 Ad Spend



Source: BIA 2022 U.S. Local Advertising Forecast, Issued June 2022.
Data available in BIA ADVantage™.

Healthcare Spending in Top 10 TV Markets in 2022

Looking at the per capita spending across the Top 10 Media Markets and the Healthcare sub-verticals can reveal some interesting trends. There is a fair amount of variance across the Top 10 media markets and Healthcare sub-verticals (Table 3).

- For media sellers, overall budgets and trends are insightful but digging beneath some of the topline numbers to a market specific basis provide a selling edge from that deeper local market knowledge.

Overall per capita spending for healthcare advertising varies both overall across the Top 10 media markets and across the sub-verticals. Per capita spending overall is highest in San Francisco-Oakland-San Jose, CA (\$45.27) and lowest in Atlanta, GA (\$33.59).

There are large differences by sub-vertical in per capita spending. For example, Boston, MA has the highest per capita media spending (\$16.73) from Hospitals and Atlanta, GA (\$10.36) is lowest. San Francisco-Oakland-San Jose, CA has the highest spend (\$6.96) for Pharmaceutical and Medicine Manufacturers and at \$3.58, New York, NY has the lowest.

Table 3. Per Capita Healthcare Spending in Top 10 Media Markets 2022

Rank	TV Market	Offices of Optometrists	Hospitals	Nursing and Residential Care Facilities	Health and Personal Care Stores	Offices of Physicians/ Dentists/ Chiropractors	Pharmaceutical and Medicine Mfrs	Personal Care Services	Total
1	New York, NY	\$0.51	\$14.49	\$2.33	\$2.14	\$12.93	\$3.58	\$0.60	\$36.58
2	Los Angeles, CA	0.94	12.17	1.44	1.29	16.46	6.95	0.48	39.72
3	Chicago, IL	0.70	14.68	1.92	1.55	13.28	5.04	0.58	37.76
4	Philadelphia, PA	0.62	14.61	2.63	1.53	12.17	4.49	0.58	36.62
5	Dallas-Ft. Worth, TX	0.88	11.29	1.16	1.20	16.65	6.60	0.46	38.26
6	San Francisco-Oakland-San Jose, CA	0.98	16.54	1.54	1.17	17.60	6.96	0.48	45.27
7	Atlanta, GA	0.65	10.36	1.07	1.45	14.77	4.76	0.53	33.59
8	Houston, TX	0.80	14.39	0.81	1.37	11.69	5.89	0.41	35.36
9	Washington, DC	0.80	11.23	2.23	1.92	16.20	5.65	0.89	38.91
10	Boston, MA	0.63	16.73	2.64	1.67	13.12	4.62	0.58	39.99

Average: \$38.21

Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022.*

First Party Data Sources

First party data is critical for all businesses as we continue to inch toward a cookieless advertising environment. The key for the Healthcare sector is that the privacy laws pertaining to health information are, and have always been, restrictive. According to HHS.gov, the major goal for Health Insurance Portability and Accountability Act (HIPAA) laws is to assure that an individual's health information is properly protected while allowing the flow of information needed to provide and promote high quality healthcare and to protect the public's health and wellbeing. Information availability is rampant, and it is commonplace for hospitals, doctors, dentists, and other providers to anonymize their patient data to sell to data brokers for use in marketing. These terms are generally written into all patient documentation someplace.

For healthcare marketers to maintain HIPAA compliance, but still maximize first party data sources, it is important to seek out data partners who have invested in the industry, understand the privacy regulations, and work to ensure no marketing efforts using first party data put the company out of compliance.

First party data sources for the healthcare industry are appearing rapidly as the deadline for the demise of the cookie continues. Major insurance providers like Blue Cross Blue Shield have gotten into the game early and offer a tool called <https://bluehealthintelligence.com>, which offers consumer insights from customer claim history from over 200 million Americans. The data can be used to identify patterns around which to market products and/or services. Data options for marketing are often widely varied and provide extremely granular selection options for a variety of different use cases. Be sure to vet any data provider or data broker to ensure all audience files are opted in for marketing and advertising.

Maximizing available self-generated first party data using surveys on social media, websites and via email is another key strategy for accelerating into a cookieless advertising ecosystem. By leveraging self-generated first party data through internal opt-in sources, healthcare providers are free to maximize those resources in a variety of channels whether direct mail, OTT, email or other addressable programmatic or social campaigns.

Disregarding the trend toward first party data for marketing could be a costly mistake for healthcare marketers looking to grow or expand services. Identifying and partnering with a first party data provider in addition to developing internal, self-generated first party data, healthcare providers could grow not only their marketing presence but also improve communications with customers, patients, providers, and others who are seeking to connect with or work with the office.

Digital Strategies

As we have seen throughout the report and in Table 4 (below), digital media channels are growing at a much faster rate than traditional media channels. The reallocation to digital media from traditional media continues through 2026 with a CAGR of 14.41% for digital growth from 2022 to 2026.

- With the total Healthcare local ad spending increasing just over \$1.5 billion in 2023 (YoY), almost \$934 million or 61.6% of the increased spending is going to Digital advertising channels, it is clear to see that media sellers need to develop and execute competitive digital strategies to win spending increases moving forward.

Table 4. 2022 to 2026 Media Channel Compound Annual Growth Rate

Sorted by 2022-2026 CAGR

Rank	Media Channel	22-26 CAGR
1	TV Digital	21.8%
2	OTT	18.0%
3	PC or Laptop	16.5%
4	Radio Digital	14.7%
5	Mobile	12.9%
6	Magazines Digital	11.9%
7	Email	9.5%
8	OOH	8.7%
9	Newspapers Digital	7.7%

Rank	Media Channel	22-26 CAGR
10	Directories Digital	6.2%
11	Cable TV	3.6%
12	Radio OTA	3.4%
13	TV OTA	2.9%
14	Direct Mail	2.2%
15	Newspapers Print	0.0%
16	Magazines Print	-8.8%
17	Directories Print	-17.6%

Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.

Media selling strategies with healthcare clients should factor in both *absolute level* of digital spending and the *relative velocities* of spending change in these digital platforms.

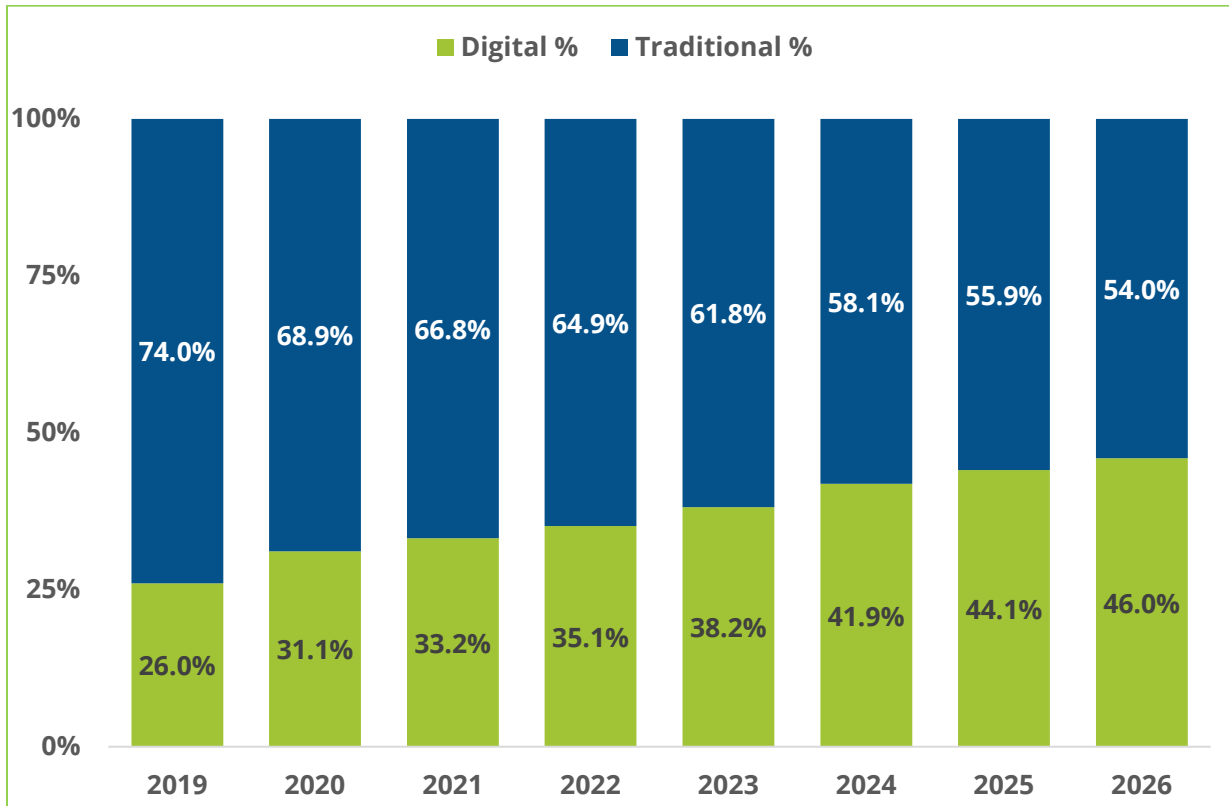
For example, although TV Digital has the highest CAGR from 2022 to 2026, in actual dollars it will increase by \$207.8 million (Yo4Y), this is only a fraction of the almost \$1.6 billion (Yo4Y) growth we are forecasting in PC or Laptop.

Although sellers should not overlook the increased growth in TV OTA (2.9% CAGR) and TV Digital (21.8% CAGR) and Radio OTA (3.4% CAGR) and Radio Digital (14.7% CAGR) they also need to include mobile, OTT and other online offers. TV and Radio OTA have tremendous strength as the reach medium in advertising campaigns, however, buyers are now shifting their media investments more into digital for targeting, optimization, and attribution.

Figure 4 (below) shows that throughout our forecast digital spending on Healthcare will not overtake traditional spending. Overall (Total U.S. Advertising Spend), BIA forecasts digital spending to surpass

traditional spending in 2023. Although the digital transformation in Healthcare advertising lags Total U.S. digital ad spend, Digital ad spend will continue to grow its share through 2026.

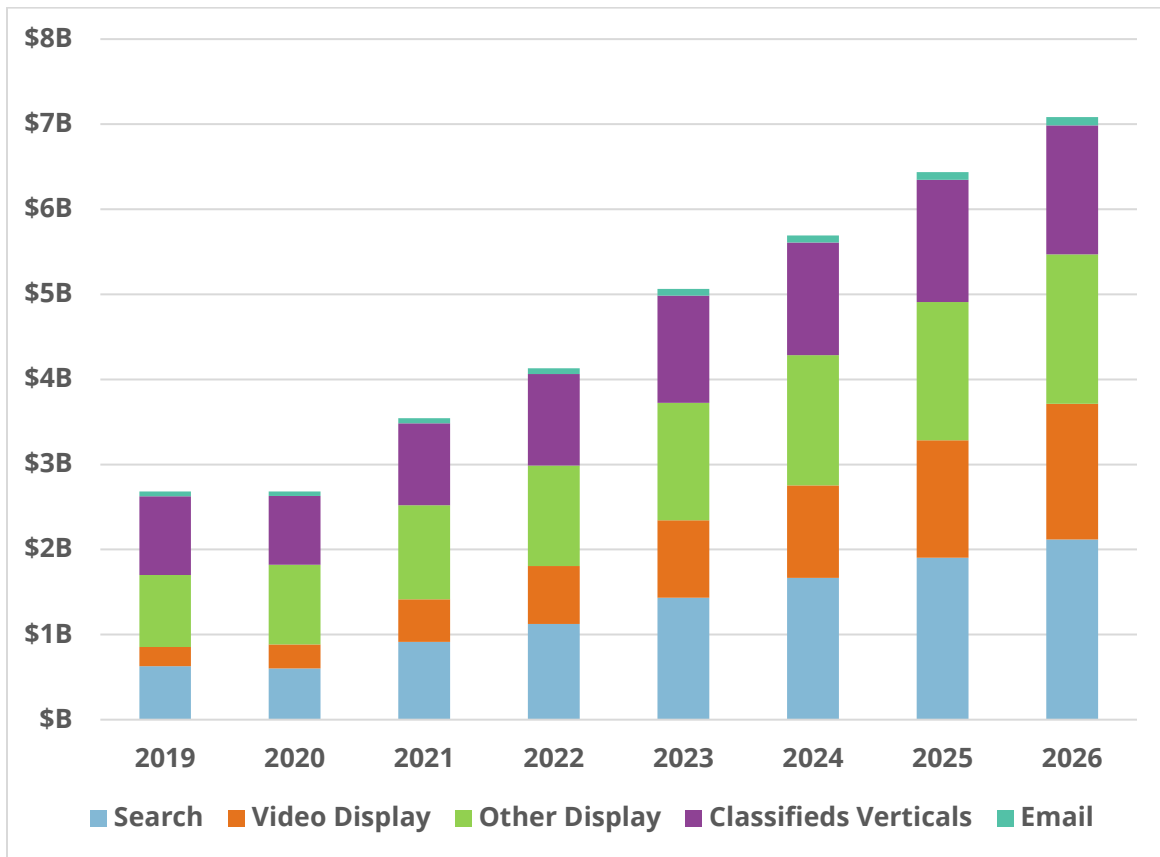
Figure 4. Healthcare Spending in Digital vs. Traditional Media



Source: BIA 2022 U.S. Local Advertising Forecast, *Issued June 2022*.
Data available in BIA ADVantage™.

Within Digital, the Figure 5 (below) breaks out the different types of ad inventory Healthcare clients are spending on. Search, Classified Verticals and Other Display are the anchor categories in digital spending in 2022 and will continue to attract more spending through 2026, although by 2026, Video Display will grow its share of wallet to factor in as heavily as Search, Classified Verticals and Other Display.

Figure 5. Healthcare Digital Ad Channel Spending 2019-2026



Source: BIA 2022 U.S. Local Advertising Forecast, Issued June 2022.
Data available in BIA ADVantage™.

Strategies for Selling into the Healthcare Vertical

Here are five strategies local media sellers might adopt to become better marketing partners with their current and prospective Healthcare clients.

1. **Prioritize the Growth Sub-verticals:** The two big growth sub-verticals from 2022 to 2023 are Hospitals and Offices of Physicians/Dentists/Chiropractors, which combined account for \$1.4 billion or 93.1% of the entire growth in the healthcare vertical.

Take-away: Health concerns continue to top the news and Hospitals and Offices of Physicians/Dentists/Chiropractors are still reaching out to pull in the patients. With their big jump in spending, sellers can help them set and activate campaign goals to keep their practices top of mind.

2. **Ad Platform Insights:** The Healthcare vertical is forecast to place much of its 2023 spending increases into three ad platforms: PC or Laptop, Direct Mail and Mobile. Of these Mobile will attract the highest percentage increase in spending at 24.3% which equates to \$182.5 million. PC

or Laptop is close behind growing at the next highest percentage increase of 23.6% and \$443.8 million more in spending. The big platform is Direct Mail and even though the 2023 increase will be 11.7%, that equates to \$410.7 million in YoY spending growth.

Take-away: PC or Laptop, Direct Mail and Mobile will attract the lion's share or 68.5% of the 2022 to 2023 spending increases. Media sellers able to work with buyers to match their strategies to consumer journey purchases that involve PC or Laptop, Direct Mail and Mobile touchpoints can put together very competitive cross-platform campaign activations for clients. For TV and Radio sellers without a Direct Mail offer, it still makes sense to bring OTA and PC or Laptop and Mobile campaign proposals to clients and use testimonials or research to show how these channels can drive lift in Direct Mail campaigns.

3. Trending into 2026: For clients interested in the long view in the Healthcare vertical and how they should anticipate competitor media investments, PC or Laptop and Direct Mail continue to be workhorses and are attracting the highest levels of spending. PC or Laptop spending will grow from \$1.9 billion in 2022 to nearly \$3.5 billion in 2026. Advertisers will be slowly pulling money away from Direct Mail as it will decrease its share of wallet between 2022 and 2026.

Take-away: Client media selling strategies should factor the increased reliance Healthcare providers are expected to place in PC or Laptop and the slow pullback from Direct Mail. Selling into these changes by helping clients see where the market is going, you can help them with their share of voice in these platforms to be more competitive. And sellers without Direct Mail offers can show how healthcare advertisers are pulling away from this medium and offer solutions for their advertisers that would also like to pull away from Direct Mail.

4. Healthcare Vertical Lags Market Shift to Digital: While BIA sees that overall ad market shifting to most of the client spending in digital ad platforms by 2023, even by 2026 most (54.0%) of Healthcare spending will still be in traditional media.

Take-away: Most business verticals continue to move their media investments rapidly from traditional into digital ad platforms. There is much more friction in the Healthcare vertical as media buying will continue to emphasize traditional over digital platforms for the next several years. Work with your specific clients to see if they (a) fit this trend and want to continue weighting their investments in traditional media, or (b) if they see an opportunity to move more aggressively into digital to have a bigger share of voice and drive performance in these channels ahead of their competitors.

5. Digital Ad Channel Weights: For digital spending, the biggest growth channels from 2022 to 2026 will be Search (\$1.1 billion to \$2.1 billion) and Video Display (\$682.9 million to \$1.6 billion). By 2026, Search, Video Display, Other Display, and Classified Verticals will each account for between 21% and 30% of the digital spending, Email is almost left out of the healthcare spending picture with only a 1.4% share of wallet in 2026.

Take-away: Digital selling strategies need to factor in Search, Video Display, Other Display and Classified Verticals into the proposed media mix. Show how these four digital channels work together, but also how other cross-platform channels contribute to overall campaign ROI.

Conclusion

To conclude, final take-aways to consider:

- **Lead with Traditional Media:** Direct mail that is geo-targetable for reaching consumers not wanting to travel far for healthcare services is now, and will remain, the lynchpin media strategy around which other media investments are made. TV OTA brings reach and branding to the geo-targetability of Direct Mail in the Healthcare media strategy.
- **Prioritize Media by Consumer Segment:** While many procedures and services may target older consumers who can be delivered in the traditional media they prefer; it is important to show how younger health consumers can be reached more effectively in digital media. Some digital media, such as OTT/CTV can be used in premium video and targetable campaigns to achieve branding, targeting and engagement campaign KPIs.
- **Build the Stories for Your Market:** National trends are one thing, but each market has its own competitive set, consumer profiles, and local factors that allow Healthcare providers to stand out differently. For media sellers, overall budgets and trends are insightful but digging beneath some of the topline numbers to a market specific basis provides a selling edge from that deeper local market knowledge.
- **Grow Digital Spend by Weaning Clients Off Direct Mail:** Show the consumer profiles of who is using different digital ad platforms and services. Media sellers can target some of the Direct Mail investment to put into digital channels with specific KPI and ROI metrics aligned with client strategies to show success. In many cases, healthcare clients may be over-invested in Direct Mail as geotargeting, and data-driven strategies are core to their marketing operations. Show how digital can deliver.
- **OTT and TV Digital:** These are a fast-growing but under-utilized local advertising channels. Help your clients understand how these channel work, how they can plan, activate, and optimize their OTT and Digital TV investments. As new and growing channels, your clients have a chance to be early in and dominate these local ad channels with a heavy share of voice in a cost-effective manner.

Local Ad Forecasts & Analysis

This report and market specific spend and trends in other verticals are available in: BIA ADVantage™.



BIA ADVantage™, the leading local advertising intelligence dashboard, provides extensive, quality data along with expert analysis to reveal the advertising trends and opportunities in local markets and nationwide. Realize local ad revenue with BIA ADVantage™.

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About BIA Advisory Services

BIA Advisory Services is at the forefront of local media analysis, creating and delivering unique data to examine traditional and digital advertising, advertiser trends and activities, local market profiles and station ownership/operational details.

We offer comprehensive local and nationwide advertising research, competitive intelligence services and strategic and valuation consulting. Our forecasts and projections are easily accessible from our advertising dashboard - [BIA ADVantage™](#) - that provides direct access to our comprehensive industry intelligence and quarterly briefings.

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Appendix A: Healthcare Sub-Verticals

There are seven sub-verticals from the Healthcare vertical covered in this report (Veterinary Services has been excluded):

Health and Personal Care Stores: Industries in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.

Hospitals: Industries in the Hospitals subsector provide medical, diagnostic, and treatment services that include physician, nursing, and other health services to inpatients and the specialized accommodation services required by inpatients. Hospitals may also provide outpatient services as a secondary activity. Establishments in the Hospitals subsector provide inpatient health services, many of which can only be provided using the specialized facilities and equipment that form a significant and integral part of the production process.

Nursing and Residential Care Facilities: comprises establishments primarily engaged in providing inpatient nursing and rehabilitative services. This industry also comprises establishments (e.g., group homes, hospitals, intermediate care facilities) primarily engaged in providing residential care services for persons diagnosed with intellectual and developmental disabilities, and the elderly and other persons who are unable to fully care for themselves and/or the elderly and other persons who do not desire to live independently.

Offices of Optometrists: comprises establishments of health practitioners having the degree of O.D. (Doctor of Optometry) primarily engaged in the independent practice of optometry. These practitioners examine, diagnose, treat, and manage diseases and disorders of the visual system, the eye, and associated structures as well as diagnose related systemic conditions. Offices of optometrists prescribe and/or provide eyeglasses, contact lenses, low vision aids, and vision therapy.

Offices of Physicians/Dentists/Chiropractors: comprises establishments of health practitioners primarily engaged in the independent practices of general specialized medicine/surgery, or specialized dentistry, and chiropractic.

Personal Care Services: comprises establishments primarily engaged in providing personal care services (including hair, nail, facial, nonpermanent makeup, or non-medical diet and weight reducing services).

Pharmaceutical and Medicine Manufacturers: comprises establishments primarily engaged in (1) manufacturing uncompounded medicinal chemicals and their derivatives (i.e., generally for use by pharmaceutical preparation manufacturers). Also includes establishments primarily engaged in manufacturing in-vivo diagnostic substances and pharmaceutical preparations (except biological) intended for internal and external consumption in dose forms, such as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.

Appendix B: Media Definitions

Cable Television: All revenues generated by local cable systems for sale of time to either national or local advertisers on all their aired networks. Does not include any advertising sold by national cable networks.

Direct Mail: All revenue spent (including postage and production) by direct mail local and direct mail national advertisers in promoting their products/services through printed mailings and catalogs. The average split of national/local is 90/10.

E-mail: All revenues spent by national and local advertisers in e-mail solicitation.

Internet Yellow Pages: All revenues generated by local directory companies for their digital/online listings.

Magazines - Digital: All revenues generated by local market magazines from either national or local advertisers from their digital activities. Includes the share retained by local magazines after reselling other online platforms (e.g., Google AdWords). Does not include any advertising generated by magazines with a national subscriber base.

Magazines - Print: All revenues generated by local market magazines from either national or local advertisers from their print editions. Does not include any advertising generated by magazines with a national subscriber base.

Mobile: All revenues generated from advertising on mobile devices and targeted devices are Phones, tablets. This includes in-app advertising as well as mobile web and messaging advertising. Formats include display, search, SMS, video, and native social advertising (i.e., Facebook news feed ads).

Newspapers – Digital: All revenues generated by local daily and weekly newspapers from national and local advertisers from their online editions. Includes the share retained by local newspapers after reselling other online platforms (e.g., Google AdWords). Does not include revenues generated from subscriptions.

Newspapers – Print: All revenues generated by local daily and weekly newspapers from national and local advertisers from their print editions. Does not include any revenue generated from subscriptions.

Out-Of-Home (OOH): All revenues generated from sale of advertising in locations outside of homes. Includes traditional billboards, digital billboards, digital signage, taxi cabs, and digital cinema.

Over-the-Top Media (OTT): OTT advertising is local targeted advertising included on streaming video delivered to TV sets via Internet connections and includes both IP set top boxes that receive signals from digital video ad servers (and widgets on them) as well as USB and HDMI multimedia devices.

PC or Laptop: All revenues generated by online companies selling locally targeted advertisements to be displayed on a PC or Laptop. These advertisements could be sold by local pure-play online companies, or national companies selling geo-targeted advertising. Four subcategories within the PC or Laptop category are:

- Search includes all advertising spending with online local inquiries with search engine sites (such as Google, Microsoft, Yahoo, Ask, AOL).
- Other Display include amounts spent targeting local audiences on various sites through banners surrounding content.
- Video Display include amounts spent targeting local audiences with online video ads that launch before, during or after other video programs.
- Classified/Verticals advertising is a wide category that includes advertising on vertical websites (e.g., AutoTrader.com, Trulia, etc.), as well as purchased classified advertising on various websites. Classified/vertical advertising is a wide category that includes advertising on vertical websites (e.g., AutoTrader.com, Trulia, etc.), as well as purchased classified advertising on various websites.

Print Yellow Pages: All revenues generated by local directory companies for their printed listings.

Radio – Digital: Digital radio advertising includes local advertising sold by local stations (streaming and website advertisements) and pure play streaming services. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).

Radio Over-the-Air (OTA): All revenues generated by local radio stations for sale of time to either national or local advertisers from their over-the-air broadcasts. Does not include any advertising sold by the national radio networks.

Television – Digital: TV digital advertising includes local advertising sold by local broadcast stations (owned and operated streaming and website advertisements). Includes the share retained by local television stations after reselling other online platforms and products (Not owned and operated e.g., Google AdWords, targeted display, social media advertising).

Television Over-the-Air (OTA): All revenues generated by local television stations for sale of time to either national or local advertisers. Does not include any advertising sold by the over-the-air national networks, nor any retransmission consent revenues generated by these local television stations.