

LEADING PBM

CRACKS THE CODE ON MAIL-ORDER PHARMACY



HOW NEWRISTICS EFFECTIVELY LEVERAGED HEURISTICS-BASED MESSAGING TO CONVERT PATIENTS FROM RETAIL TO MAIL ORDER PHARMACY FOR A MAJOR PHARMACY BENEFITS MANAGEMENT COMPANY.

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BUSINESS SITUATION

- Company X, the world's largest Pharmacy Benefits Management company was working on a mission critical initiative - Convert the 24 million patients in their network who were taking chronic medications from retail to mail-order pharmacy.
- The company used direct mail, email and outbound telemarketing as the primary channels of outreach and messaged aggressively to all the benefits of a mail-order pharmacy:
 - **Lower cost** – save \$100s on your prescriptions.
 - **More convenient** – Don't have to drive to the store.
 - **More accurate** – 99.9% accurate prescription filling.
 - **More private** – Nobody knows about your prescriptions.
 - **Better adherence** – 90-day automatic refills keep you adherent to your meds
- Despite messaging to all the obvious benefits, Company X had been able to convert only 9 out of 24 million chronic med users from retail to mail-order pharmacy.
- The company had undertaken a large segmentation initiative to segment chronic med users into different behavioral segments and was now interested in applying behavioral science to create segment-based messaging that could drive better conversion.

SOLUTION

- AiGILE identified a list of Top 20 dominant heuristics that serve as barriers to switching from retail pharmacy to mail-order pharmacy even though it makes 100% rational sense to switch.
- Newristics also reviewed Company X's segmentation and identified the Top 3-5 heuristics that applied disproportionately to each segment.
- Newristics engaged the entire Company X marketing team in a series of heuristics-based messaging sessions that led to separate inventories of 100s of heuristics-based messages for each of the 3 segments.
- Messages were tested in quantitative research and optimal bundles of messages were identified for each segment.
- Messaging campaigns were developed for each segment and were subsequently tested both in market research and in-market.

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RESULTS

Insights from the winning messaging

Messages that directly addressed the perceived complications associated with switching to mail-order pharmacy were more compelling than messages that highlighted the benefits of switching.

Strong heuristic themes emerged in the winning message bundle:

- **Diffusion of Responsibility and Complication Bias**

were very strong heuristics and messages that emphasized that Company X would take care of all the paperwork and steps involved during the switch performed very well.

- **Loss Aversion and Hyperbolic Discounting**

also performed very well because people are comfortable with their retail pharmacy setup and don't want to take the risk of switching to mail-order and then have to move back. Even though the long-term benefits of switching are obvious, people need to be rewarded in the short-term to consider switching in the first place.



Campaign Performance

The winning message bundles were used to create omni-channel messaging campaigns for each segment and were tested in the largest in-market of its kind in the PBM industry.

A total of 23 million chronic med users received emails, direct mail and outbound telemarketing calls with control messaging vs. heuristics-based messaging for each segment.

The effectiveness of messaging was measured using multiple metrics:

- Patient Conversion Rate - % of patients who received messaging and converted to mail-order pharmacy
- Prescription Conversion Rate - % of prescriptions that were converted from retail to mail-order pharmacy as a result of the messaging.

Heuristics-based messaging outperformed control messaging by several magnitudes and the conversion rates were 2-6X higher. The marketing team at Company X was expecting an improvement of 15-20% at best.

