Basis® Technologies

HEALTHCARE

VERTICAL KNOWLEDGE BRIEFING

May 2022

The U.S. healthcare industry is growing and becoming more expensive, which is causing many individuals to put their health on hold and focus on other essential priorities.

The U.S. healthcare industry is growing in terms of spending. Over the course of ten years from 2010 to 2020, the U.S. National Health Expenditures increased by nearly 60%. NHE will likely continue rising at a rapid rate, as the nation continues dealing with the pandemic and other chronic conditions. 60% of adults in the U.S. have at least one chronic condition and 40% have at least two. If healthcare systems and brands can attract these patients and get them effective treatment, hopefully chronic condition rates, and subsequently NHE, will decrease.

Opinions on health vary by demographics of U.S. consumers. According to data, men, those of white or black race, and those with higher income have had the greatest share of confidence in their health. Meanwhile, African Americans are most likely to not trust doctors and healthcare providers. This is likely due to historical mistreatment in healthcare and their above average rates. Hispanics have also seen a disproportionately high rate of COVID-19 cases. Healthcare brands and practices will need to consider these factors when promoting their products and services.

The pandemic has caused most individuals to reevaluate their health. Currently, people are more worried about/aware of their health than before, but not all are going to the doctor regularly. According to a recent study, while 94% of U.S. children have been to the doctor in the past year, only 83% of adults have been. When targeting adults for their standard healthcare, brands should use higher impact media to grab the attention of the target and encourage them to get checked by an HCP.

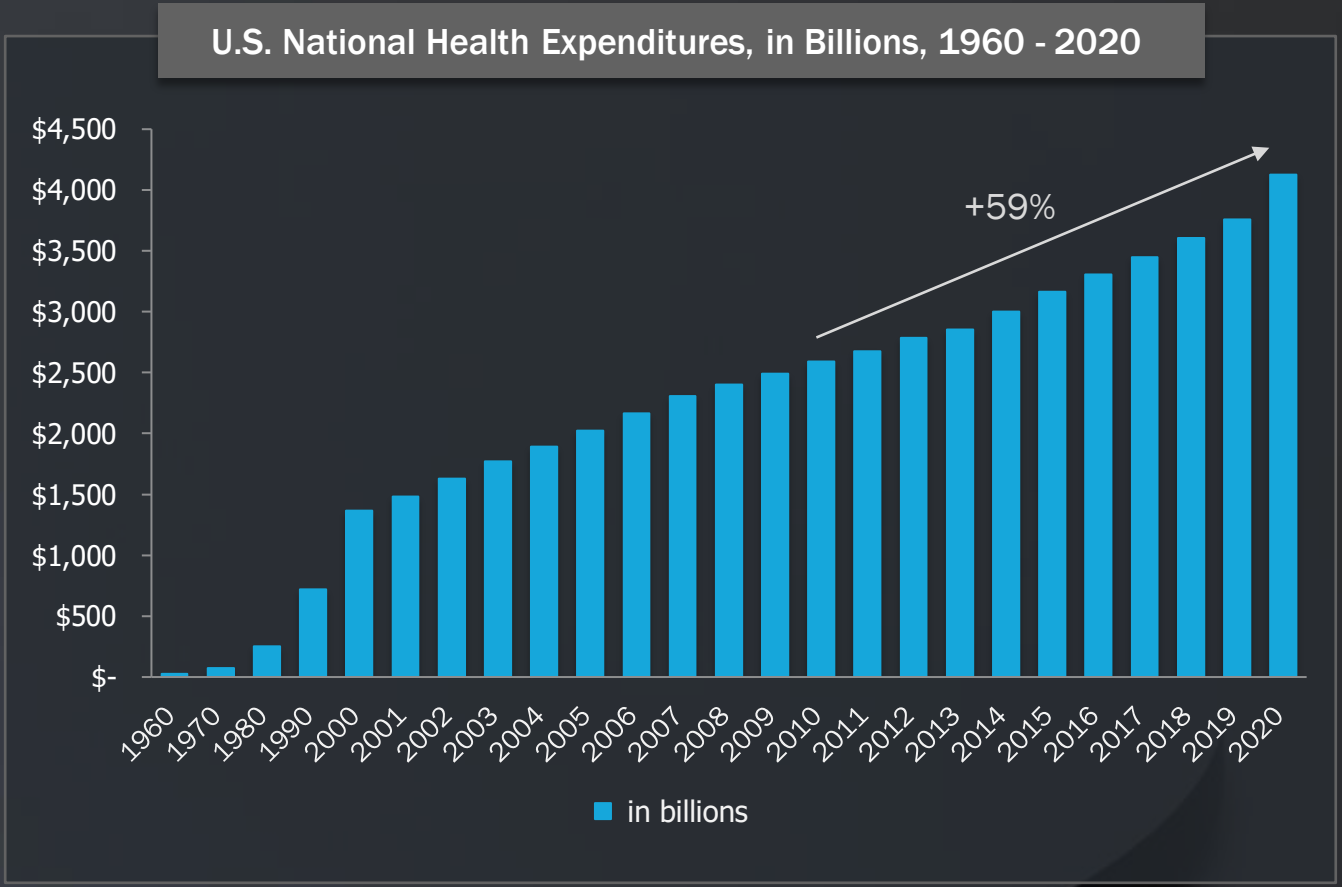
The cost of healthcare is rising and not all can afford it. According to a recent analysis, the cost of U.S. healthcare is expected to increase by 6.5% in 2022. Because of the high prices, a staggering 51% of U.S. adults have postponed or canceled a healthcare appointment in the past year and 29% did not take their prescription medication as directed due to the high cost. Healthcare brands and systems would find success in promoting any payment plan or flexible pricing options they may have.

National health expenditures in the U.S. are increasing drastically year over year

KEY IMPLICATION

Health expenditures in the U.S. are on the rise over the last few decades, and, just between 2010 and 2020, National Health Expenditures increased by 59%. As the nation continues to deal with COVID-19 and the aftermath of the pandemic, we should expect expenditures to continue increasing at a fast rate.

As consumers focus more on their health and many tend to chronic conditions spurred from the pandemic, we can expect demand in the industry to remain high. Healthcare systems should invest in advertising to promote their specialty care practices to garner attention in the space.



Source: U.S. Census Bureau, CDC

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HEALTHCARE

The majority of U.S. adults have at least one chronic disease

KEY IMPLICATION

More than half of U.S. adults have at least one chronic health condition and 40% have two or more showing the long-term demand of healthcare in the U.S.

While targeting for health conditions can be difficult, brands and healthcare systems should consider targeting based on the key lifestyle risks that cause most chronic conditions in the U.S. such as tobacco use, poor nutrition, lack of physical activity, and excessive alcohol use.

6 in 10
U.S. adults have a chronic disease

4 in 10
U.S. adults have 2+ chronic diseases

Leading Causes of Death & Disability


Heart Disease


Cancer


Chronic Lung Disease


Stroke


Alzheimer's Disease


Diabetes


Chronic Kidney Disease

Key Lifestyle Risks for Chronic Disease


Tobacco Use


Poor Nutrition


Lack of Physical Activity


Excessive Alcohol Use

 Source: CDC

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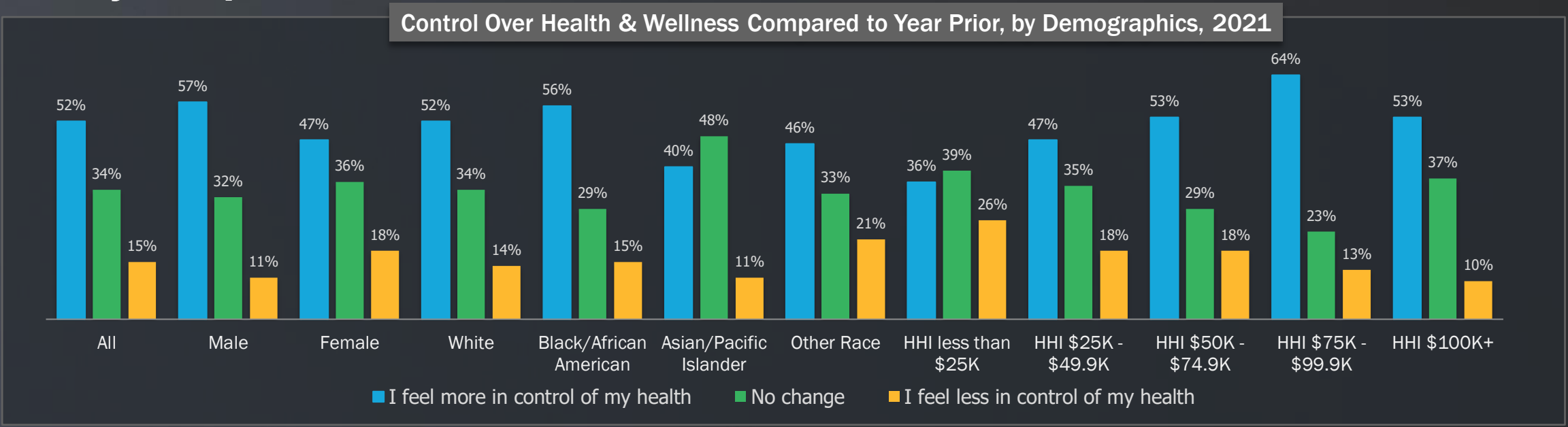
U.S. consumers, especially those of certain demographic backgrounds, feel more in control over their health compared to the year prior



KEY IMPLICATION

After a tumultuous 2020 with COVID-19, U.S. consumers now feel more in control of their health. However, comfort with health varies by demographic background. Men, those of white or black race, and those with higher income have had the greatest share of confidence in their health.

Healthcare systems and brands must be aware of the demographic differences in health confidence. When targeting those more confidence about their health, messaging should be around continued health and allow patients to schedule an appointment. When targeting those feeling less in control of their health, systems and brands should teach consumers about offerings and appointments needed to get health back on track.

Source: Kantar Profiles/Mintel

The U.S. healthcare industry has large disparities based on race and ethnicity

Racial Disparities in Health

- Trust
  - Doctors were the most trusted source for public health information for all races/ethnicities, however the breakout shows lack of trust in doctors among diverse populations
    - Asian: 68%
    - White: 66%
    - Hispanic: 63%
    - Black: 54%
- COVID-19
  - Hispanics represent a higher share of cases compared to their share of the total population (24% vs. 18%)
  - African Americans make up 12.5% of cases and also make up 12.5% of the U.S. population. Still, they comprise a higher share of deaths at 13.8%
  - White people make up a lower share of cases compared to their share of population (54% vs. 60%) but a higher rate of death (63% vs. 60%)
  - Asian individuals pace at a lower case rate and lower rate of death

Source: Deloitte, Kaiser Family Foundation

KEY IMPLICATION

Experience with healthcare in the U.S. varies by individuals of different racial backgrounds. While Asian and White individuals trust doctors at an above average rate, Hispanic and Black patients are less trusting of healthcare practitioners. Additionally, the pandemic is affecting races differently. Hispanics hold a disproportionately high share of COVID-19 cases and African Americans have a disproportionately high rate of death.

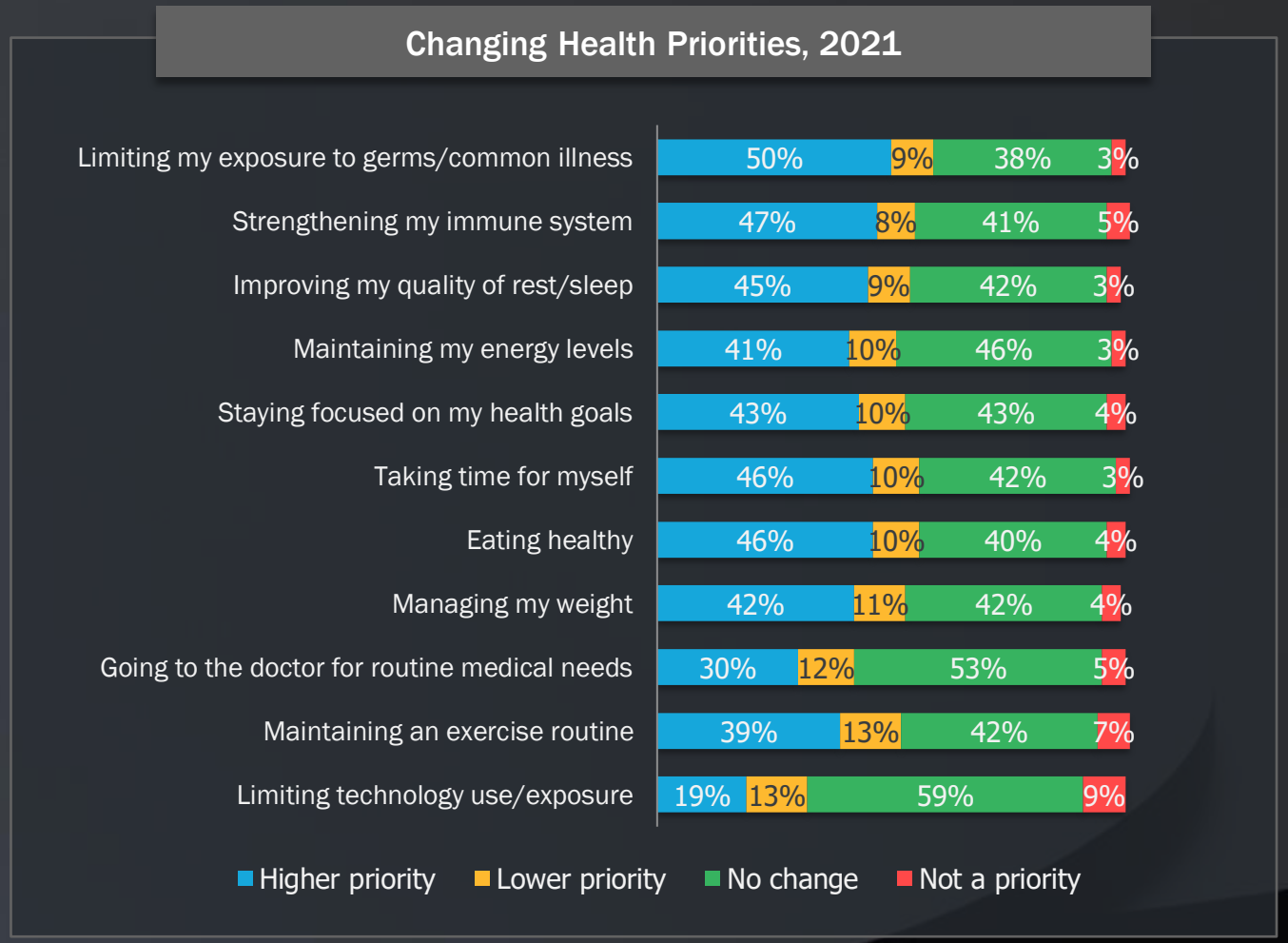
Healthcare systems and brands must be cognizant of trust, or lack thereof, in their system. By using empathetic messaging, discussion of inclusivity of their system, and images of diverse populations, brands can begin to build back trust in the industry.

Consumers are now more nervous about germs and common illnesses than ever before

KEY IMPLICATION

The pandemic has changed many factors in consumers' lives, especially when it comes to safety. Half of U.S. consumers are now placing higher importance on limiting exposure to germs and common illnesses and 47% are focused on strengthening their immune system.

To gather the attention of consumers, healthcare systems and brands should promote tips & tricks for consumers to stay healthy and strengthen their immune systems. After engaging the targets with what they are looking for, systems can then use retargeting to teach consumers about their healthcare offerings and lead them to scheduling options.



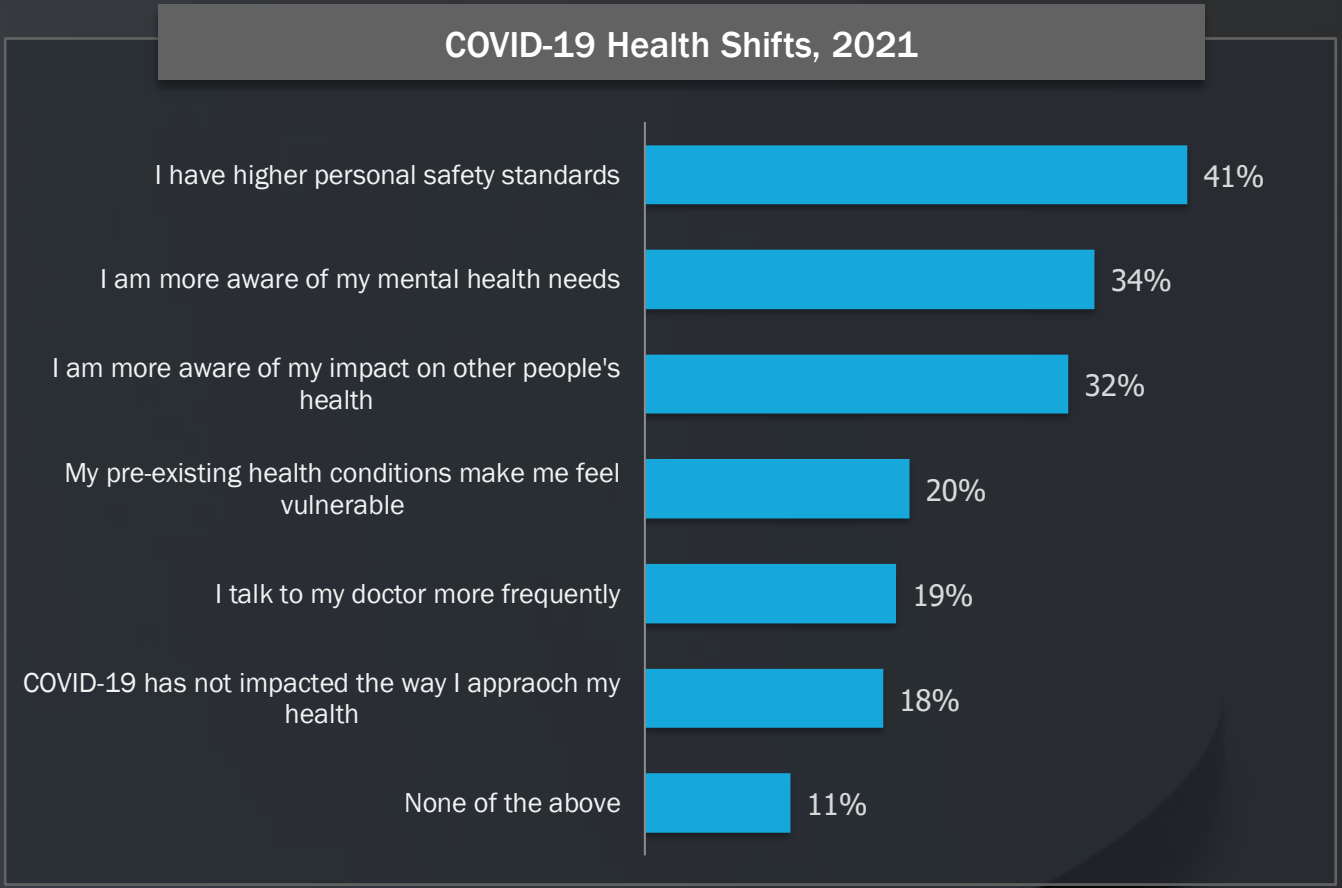
Source: Kantar Profiles/Mintel

Consumers are worried more about their health due to the COVID-19 pandemic

KEY IMPLICATION

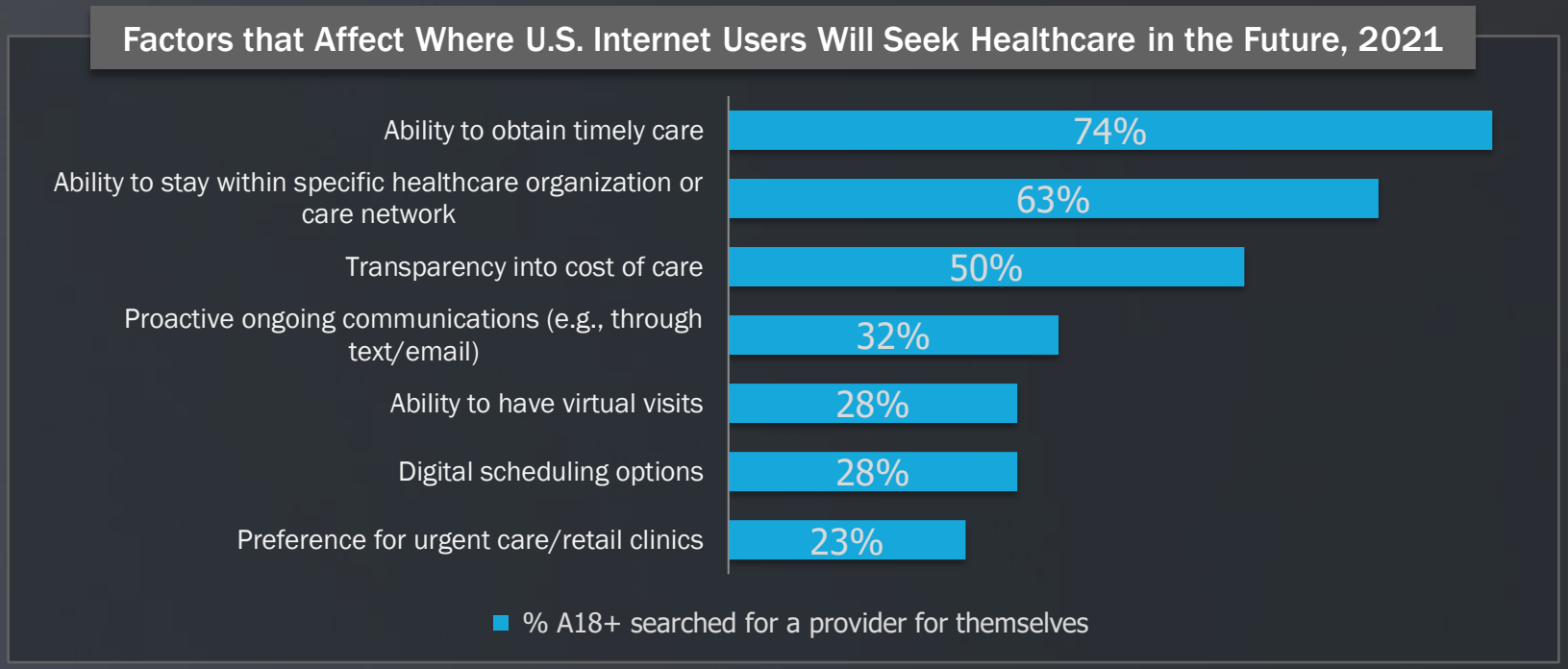
Again, we see that the COVID-19 pandemic has affected the way individuals see their personal health. While we have seen that many are not, or are unable to be, prioritizing their health right now, a large share of consumers are now more likely to have personal safety standards, are more aware of their mental health, and are more aware of the way they impact others' health.

Healthcare systems and brands should take advantage of this newfound awareness and interest in health to gain customers and loyalty in the space. Through media, especially longer form channels like digital video, CTV/OTT, and digital audio, brands can explain why their offering is the best and can help consumers stay on top of their health in this uncertain time.



Source: Kantar Profiles/Mintel

Consumers want timely appointments that are easy to schedule



Preferred Means of Making Medical Appts	2017			2021		
	Phone	Digital	Other	Phone	Digital	Other
Millennials	48%	40%	12%	33%	59%	8%
Gen X	64%	24%	12%	46%	44%	10%
Baby Boomers	69%	16%	14%	65%	24%	11%
Total	**62%**	**25%**	**13%**	**50%**	**40%**	**10%**

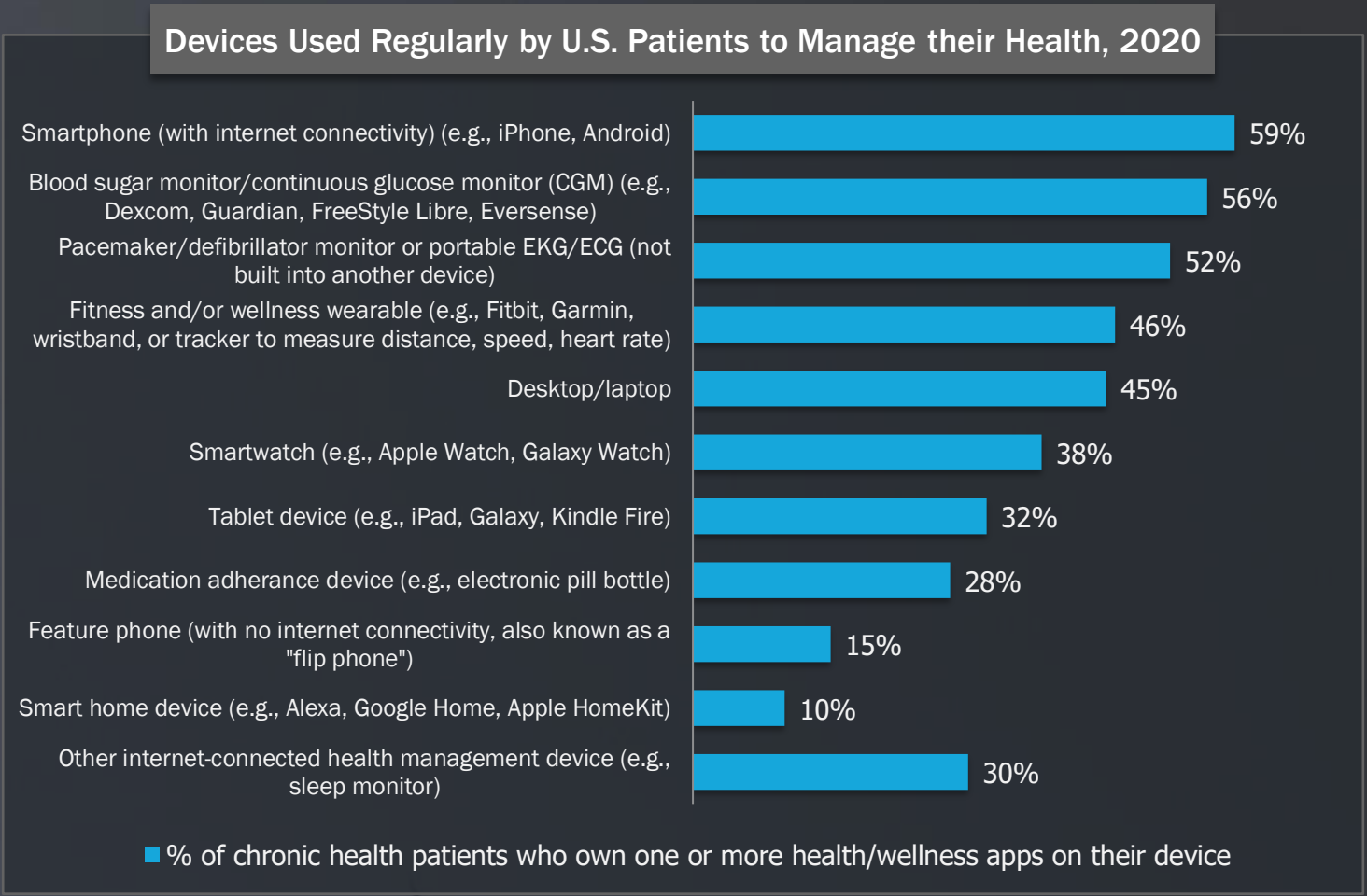
Source: Kyrus

KEY IMPLICATION

U.S. adults are looking for healthcare that is quick and easy to schedule. In recent years, Millennials and Gen X patients have shifted towards a preference of digital scheduling of medical appointments.

As adults are already somewhat hesitant about healthcare appointments, brands and systems must provide patients what they are looking for when scheduling. Ads should focus on the quick care that can be provided and lead consumers directly to schedule their appointment online.

Technology now allows for U.S. chronic condition patients to manage their health away from their providers/hospital



Source: Kantar Profiles/Mintel

KEY IMPLICATION

When looking at specific devices used to manage chronic health conditions, smartphones are the leading technology. Smartphones being an extremely commonplace piece of technology in today's world and the anticipated growth in Remote Patient Monitoring leave large opportunities for health technology companies.

To draw the attention of chronic condition patients, health technology companies should ensure their offerings are as mobile and convenient as possible. Brands should use digital media, especially on mobile, to meet the consumers where they are and build awareness of their products.

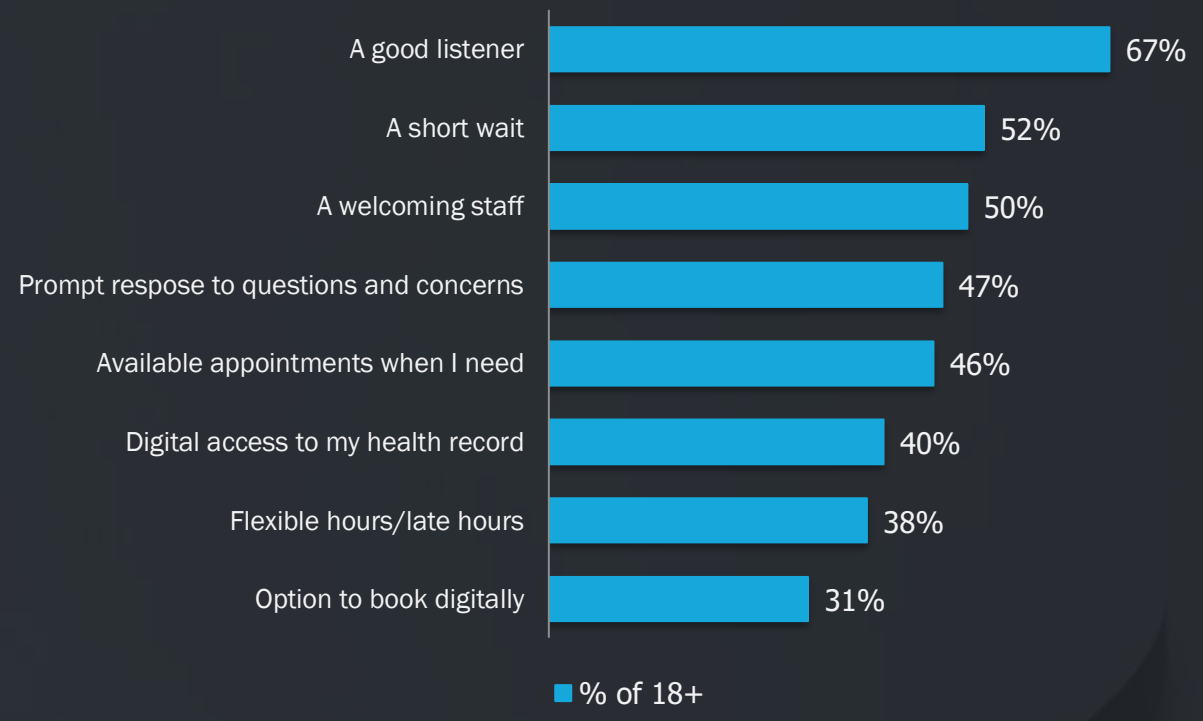
U.S. adults are looking for empathy and understanding from their healthcare providers

KEY IMPLICATION

Beyond technological advancements, consumers are looking for a good listener in their healthcare practitioner. More than two thirds of U.S. consumers want empathy and understanding from their provider.

To connect with potential patients on a deeper level, healthcare brands and systems should consider using long-form media, like digital audio and video, to show testimonials from patients who experienced great empathy from their providers.

What U.S. Adults Want Most from a Healthcare Provider, 2021



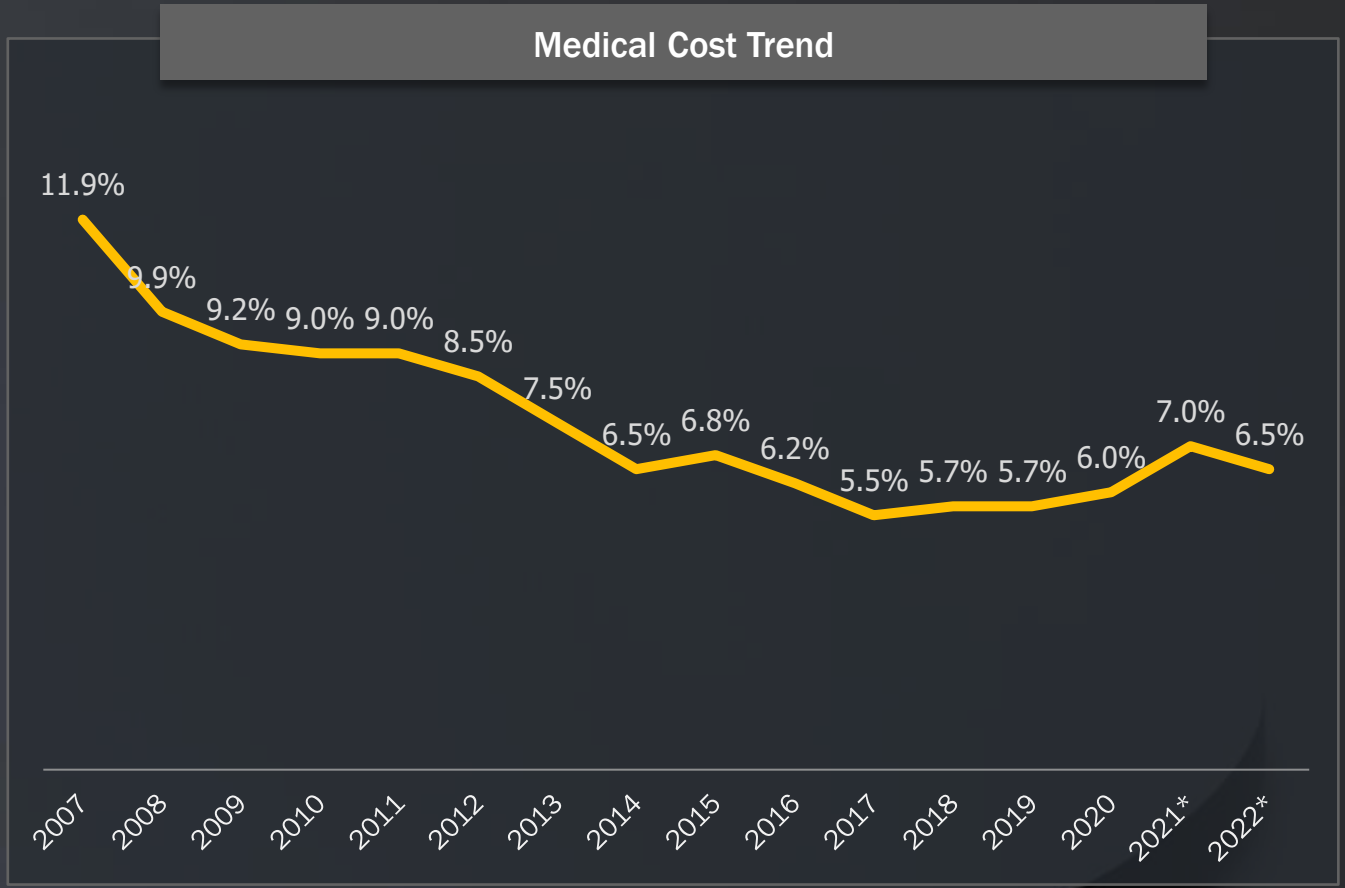
Source: PatientPop

While the growth rate of medical costs is decreasing, costs are still increasing at a significant rate each year making healthcare even more unaffordable

KEY IMPLICATION

This year, healthcare costs are expected to grow by 6.5%. The trend of medical cost growth is downward, but as long as the percentage change is still positive, more and more U.S. consumers will be unable to afford healthcare especially during this time of high inflation.

As costs in the space increase and costs of essential goods in the country are on the rise, U.S. healthcare systems and brands will need to fight for the attention of consumers. By using higher frequencies, systems and brands will consistently remind them the importance of their health.



Source: PwC

High healthcare costs are forcing consumers to place their health on hold

- 55% of U.S. consumers state the pandemic has affected their income
- 69% of U.S. families state the pandemic has affected their income

- 51% of U.S. adults have delayed or skipped a healthcare appointment due to the high costs
- 29% of U.S. adults stated they did not take prescription medication as directed due to the high cost
- 34% of families with children have pushed off paying a healthcare bill during the COVID-19 pandemic

- U.S. hospitals have lost an estimated $54 billion in net income since the start of the pandemic

KEY IMPLICATION

The higher costs of healthcare and general goods in the U.S. are forcing individuals to focus on other factors of life rather than their healthcare. More than half of U.S. adults have pushed off or canceled a healthcare appointment because of the high cost and nearly 30% have not taken prescription medications as directed because of the price. So, while individuals may want to prioritize their health, it is not always possible due to the high price.

Healthcare brands and systems should consider promoting payment plans and alternative financing options to give consumers piece of mind and encourage them to schedule appointments.

Source: AccessOne, Kaiser Family Foundation, Kaufman Hall's

PAID MEDIA

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The top healthcare spenders are starting the transition to digital. In order to attract the attention from and educate younger demographics, brands should continue utilizing digital media and find gaps in the space to effectively target the next generation of healthcare consumers.

The top spending healthcare brands are spending heavily in digital channels, particularly in social and OTT. As younger generations, who are digital natives, begin making their own healthcare decisions, it will be critical in the long term to invest in these channels with high impact and high frequency advertisements to keep healthcare brands top of mind.

More than three quarters of digital ad spend in the healthcare space is purchased programmatically. Brands should continue to invest in this type of media as it targets the needs of specific consumers, much like how healthcare is tailored to an individual patient's needs.

Despite the seasonal effect on healthcare ad spend, overall spend in January 2022 was nearly double that of January 2021. With consumers feeling confident despite the ongoing COVID-19 pandemic, healthcare brands should take advantage of the shifting sentiment to push for their patients to return to more normal and routine healthcare habits.

Creative messaging among the top healthcare brands centralizes around patient first method of care, quality of care, and medical technologies.

Overall, the healthcare industry ad spend is up from the previous 6 months, reflecting seasonality and a shift toward normalcy despite the COVID-19 pandemic.

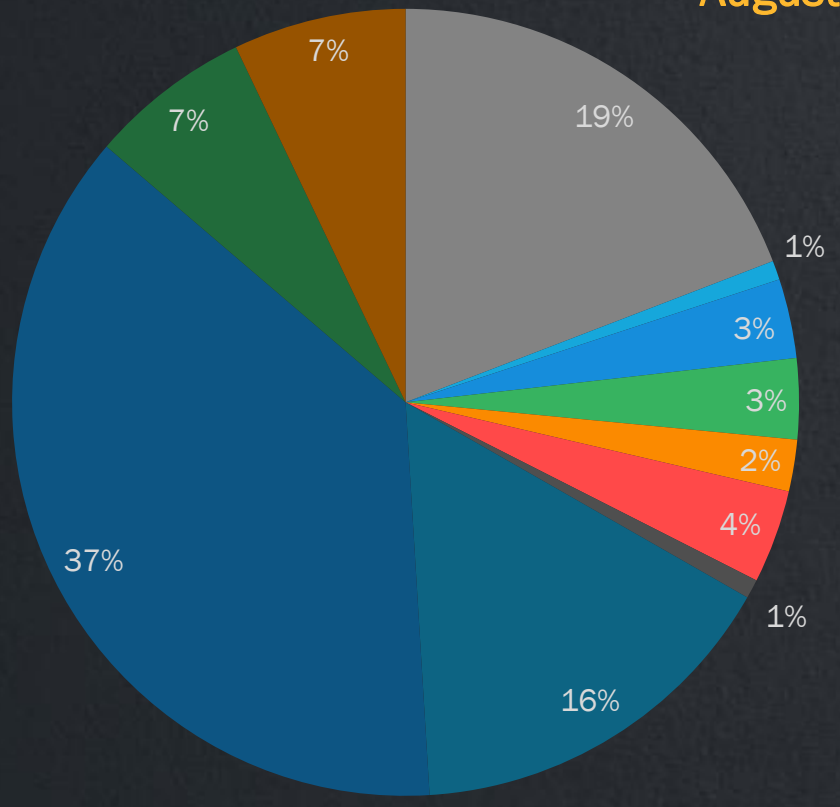
The top healthcare companies spend two thirds of their advertising on digital platforms with an emphasis on programmatic and social.

AUG 2021 – JAN 2022	HEALTHCARE OVERALL	HOSPITAL & MEDICAL CARE SYSTEMS	PEDIATRIC CLINICS	SPECIALTY CLINICS
TOTAL AD SPEND	$2,792,509,168 +60% from prior 6mo.	$600,814,121 +16% from prior 6mo.	$100,728,851 +9% from prior 6mo.	$953,416,984 +6% from prior 6mo.
TRADITIONAL AD SPEND	34%	64%	6%	62%
DIGITAL AD SPEND	66%	36%	94%	38%
DIGITAL MEDIA TRANSACTION TYPE	Ad Network/Direct: 24% Programmatic: 76%	Ad Network/Direct: 21% Programmatic: 79%	Ad Network/Direct: 32% Programmatic: 68%	Ad Network/Direct: 26% Programmatic: 74%
TOP BRANDS BY TOTAL AD SPEND	St Jude Children's Research Hospital Smile Direct Club BetterHelp	St Jude Children's Research Hospital AdventHealth Shriners Hospitals For Children	Blueberry Pediatrics Center Nemours Cohen Children's Medical Center Of NY	Smile Direct Club BetterHelp Aspen Dental

Source: Kantar Media

66% of media purchased by the healthcare industry is digital, particularly social, which accounts for 37% of overall spend

Hospitals, Clinics & Medical Centers Industry Ad Spend
August 2021– January 2022



Source: Kantar Media

$2,792,509,168

TOTAL AD SPEND

Key Implication

Digital channels account for the majority of ad spend across the healthcare category, with TV coming in next at 19%.

Although digital media is reigning supreme in the healthcare industry, challenger brands may want to compete with their competitors in less utilized channels like mobile web, search, and digital OOH. To ensure Baby Boomers, who are large consumers of healthcare, are still being reached, brands should still utilize traditional channels, like TV, while also using digital channels heavily used by this demographic, like Facebook.

**Social includes Facebook, Instagram & Twitter when present*

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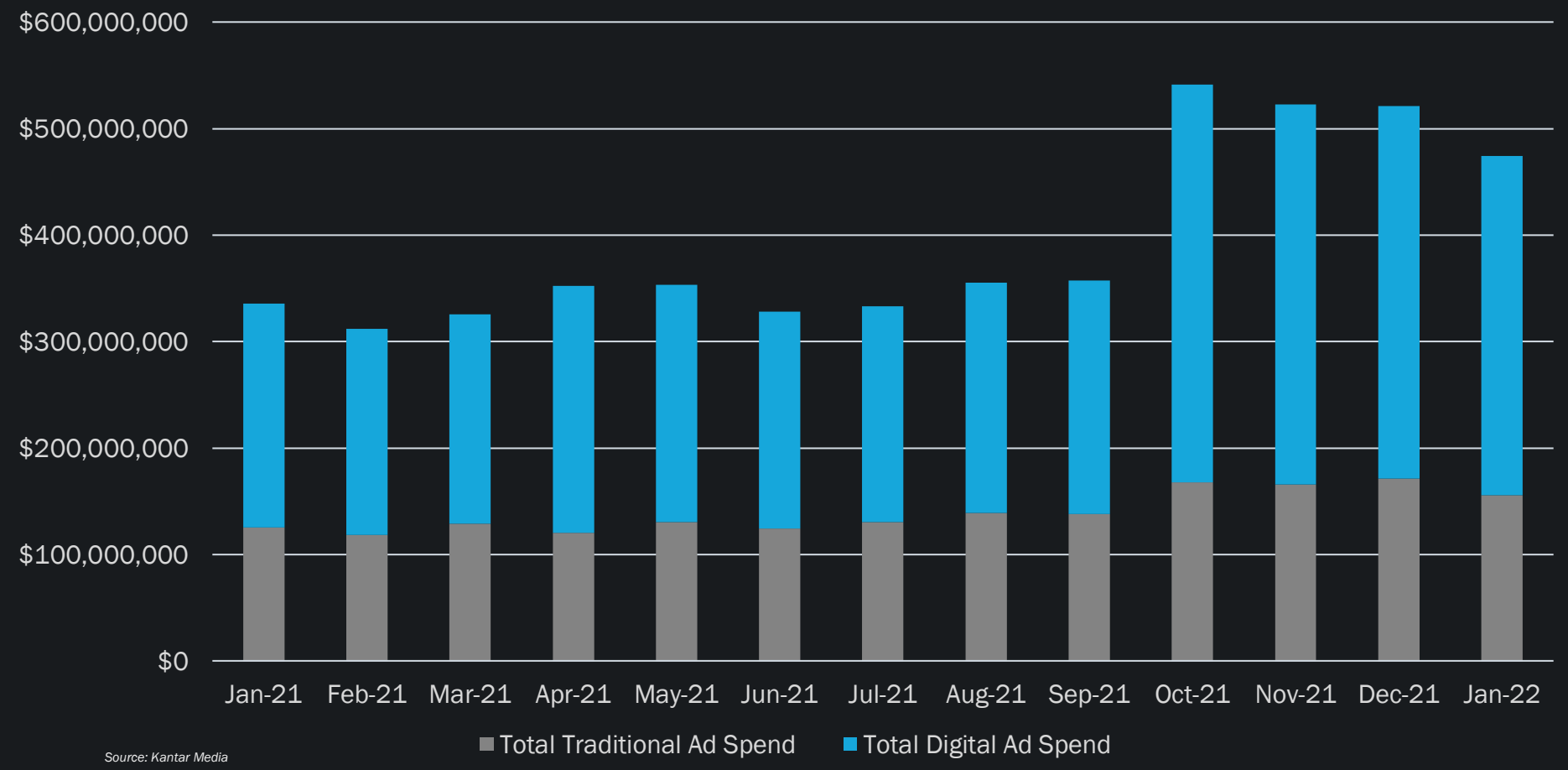
Peak months for spend among healthcare brands are at the end of the year, correlating with when consumers hit their deductibles and can get care at a lower cost

Monthly Ad Spend Trends for Hospitals, Clinics & Medical Centers Industry Ad Spend
January 2021 – January 2022



Source: Kantar Media

*Total Ad Spend includes TV, magazine, newspaper, radio, internet display, mobile web, online video, Facebook mobile, internet search, and outdoor ad spend

Key Implication

Monthly advertising spend peaked at the end of 2021, a time when many have hit their deductibles and can get care at lower cost. Additionally, overall spend during January 2022 was nearly twice that of January 2021 showing a return to confidence and normalcy in the world.

In 2022, we can expect ad spend, especially digital, to continue increasing in this vertical with large jumps towards the end of the year. Brands will need to invest heavily in media to remain top of mind among consumers and encourage them to utilize healthcare resources.

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AUDIENCE SEGMENTS

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Understanding the similarities and nuances between healthcare audiences will improve how they interact with healthcare brands and systems and in turn improve their health.

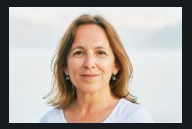
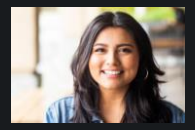
Even given the pandemic's disruption of the healthcare industry, many U.S. adults engage with the vertical in some manner. This analysis looks at five major segments within healthcare: recent patients, mental health patients, parents, those who haven't been to the doctor recently, and healthcare practitioners. As the analysis will show, these consumers will each require a different approach and channels.

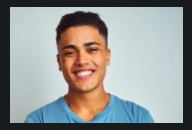
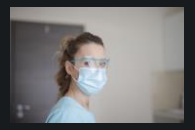
Consumers who engage with healthcare, both as patients and practitioners, tend to skew female. Though age ranges and incomes vary, most healthcare consumers fall in the A25-54 with moderate-to-high income. The younger, lower-income, male non-patient audience demonstrates the demographic juxtaposition of those who actively engage with health and those who do not.

Each of the five healthcare segments has attitudes and behaviors that make them unique from one another and will dictate media approaches. Recent patients actively seek out high-quality ways to improve their health. Mental health patients are also more proactive in their approach to health but put a premium on routine building over perceived quality. Much like their role as health authorities, HCPs put in the time and energy to become experts before making recommendations. Parents/caregivers prioritize their family's well-being while making decisions. In contrast, non-patients have more hurdles than motivations: juggling tight budgets, limited time, and overall mistrust of healthcare.

The five consumers are moderate-to-heavy digital users and spend 25+ hours online each week. Healthcare brands should utilize digital channels for advertising as consumers often seek out expertise using search, social, and healthcare sites like WebMD to CDC.gov. Given that all five audiences are heavy streamers, brands/systems have a heightened opportunity to reach them as they unwind with their favorite shows, songs, and podcasts.

Healthcare consumers vary in how they interact with health & wellness

	RECENT PATIENT	MENTAL HEALTH PATIENT	PARENT/CAREGIVER	NON-PATIENT	HEALTHCARE PRACTITIONER
SIZE	202,493,000	9,692,000	75,656,000	49,611,000	7,834,000
DEMOGRAPHICS	Adults 45+ Women Married/Divorced Some College+ HHI $60K+ White	Adults 18-54 Women Single/Living w/partner w/children High School+ HHI less than $200K White	Adults 25-54 Women Married w/ children College+ HHI $75K+ Hispanic/Asian/Black	Adults 18-44 Men Single/Living w/partner w/children High School - Some College HHI less than $60K Black/Hispanic/Asian	Adults 25-54 Women Married w/ children College+ HHI $75K+ White/Asian
MEDIA INFLUENCES	Spends free time **streaming** their favorite shows, connecting with loved ones on **Facebook** and seeking out products and information on **Google**	**Streams** favorite shows while playing on their **phones**, seeks out new information and products on **Google**, as well as streaming music and **podcasts** on **Spotify**	Entertains their children by singing along to **Pandora**, streams family friendly shows on **Hulu,** and shares photos with loved ones on **Instagram** and other **social platforms**	Spends time listening to music and **podcasts** on **Spotify**, binging their favorite shows on **Hulu** and scrolling through **Instagram** and **Twitter**	Unwind from their busy jobs by playing on **mobile phones**, **streaming** the latest binge-worthy shows, scrolling through the latest trends on **social media** and **Googling** everything in between
BEHAVIORS	They actively take steps to make sure they are living their healthiest life They trust their doctors and other healthcare professionals to give them the best advice on how to handle their health Cost isn't as important to them as quality, especially when it comes to their health	They have acknowledged the toll that their condition has taken on their life and see the value in treatment They tend to rely on their friends and community they've built around them They try to combat the toll that their condition and busy lifestyle takes by utilizing preventative care when possible	Their family is at the core of all the decisions they make They like to be perceived as the first in their community to adopt the latest and greatest health trends Their lifestyle is so hectic that they often prioritize availability of appointments over HCP reviews	They are too busy to go to the doctor unless it is absolutely necessary to seek treatment They don't have much trust in the healthcare industry Their budget significantly impacts everything from their purchase decisions to their healthcare choices	Much of their life and identity are wrapped up in their career as a healthcare professional They strive to be an expert on the products and services they engage with and are willing to put in the time and research to do so They like to feel like they are getting the best value out of the purchases they make
CHALLENGE	May be dismissive of newer treatments & products that have a less established history in the industry	Depending on the ebb & flow of their condition, they may not be actively addressing their health	Encounters a lot of noise, especially on social media, when making a healthcare decision	Distracted by everyday stressors and unable to focus on their health	Longer purchase journey and high need for perceived value
OPPORTUNITY	Engaged in proactive life choices and willing to do more for a healthier life	Often invested in creating healthy routines to keep their wellbeing on track	Always looking to have the latest and greatest for their children	When they can focus on their health, they look to trusted sites for reviews and details	Provide many opportunities to engage with brand media while researching and building expertise
INSURED	84%	85%	78%	56%	88%
OVERLAP	5% are Mental Health Patients 30% are Parent/Caregivers 0% are also Non-Patients 3% are also HCPs	100% are also Recent Patients 33% are Parent/Caregivers 0% are also Non-Patients 3% are HCPs	80% are also Recent Patients 4% are Mental Health Patients 20% are also Non-Patients 5% are HCPs	0% are also Recent Patients 0% are Mental Health Patients 31% are also Parent/Caregivers 3% are HCPs	84% are also Recent Patients 3% are Mental Health Patients 44% are Parent/Caregivers 16% are also Non-Patients

Source: MRI Market-by-Market Study 2021

RECENT PATIENTS prioritize finding high-quality, expert-backed ways of living a healthy life

Adults 45+ | Women | Married / Divorced | Some College+ | HHI $60K+ | White

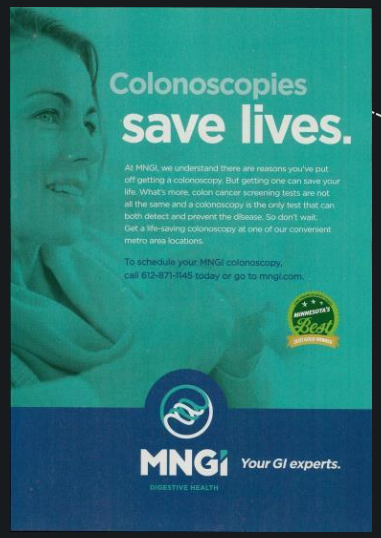
I actively take steps to make sure I am living my healthiest life	
I go to the doctor regularly for check-ups	**Key Implication:** These consumers are always prioritizing their wellbeing with preventative treatments and healthy lifestyle changes. Brands can appeal to their proactive nature by aligning with preemptive treatment messaging and utilizing search to meet them in their active health journey.
I frequently take preventative medicine	
I am always looking for new ways to live a healthier life	

I trust my doctors and other healthcare professionals to give me the best advice on how to handle my health	
I always do what my doctor tells me to do	**Key Implication:** Recent patients trust that healthcare professionals and their treatments will benefit their lives. Brands can benefit from this trust by leveraging healthcare professionals in their creatives, placing ads on sites associated with trusted health resources, and targeting HCPs for B2B.
Normally, I only use drug brands that are recommended by my physician	
Medication has improved the quality of my life	

Quality is more important to me than cost, especially when it comes to my health	
I am willing to pay extra for prescription drugs not covered by health insurance	**Key Implication:** While cost is a constant factor in patient decisions, those who frequent the doctor place a higher priority on quality. Messaging that emphasizes quality and reputation will help sway this audience's decisions.
Compared to others, I don't struggle to pay for the cost of healthcare	
If a product is made by a company I trust, I'll buy it even if it is slightly more expensive	

Source: MRI Market-by-Market 2021

RECENT PATIENTS spend their free time streaming their favorite shows, connecting with loved ones on Facebook and seeking out products and information on Google



77% are magazine readers
While reading they will see...

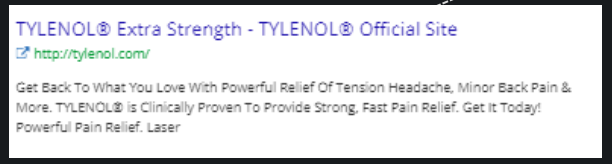
65% use Facebook
While browsing they will see...

85% use Google
While searching they will see...

57% use mobile apps
While engaging they will see...

54% use YouTube
While watching they will see...

68% use CTV
While watching they will see...



Source: MRI Market-by-Market 2021, Kantar Media, Pathmatics, SpyFu

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RECENT PATIENT

Media Channel Comparison
91% watch traditional TV
37% read newspapers
77% read magazines
78% listen to the radio
95% drive outdoors
91% use digital

Device Ownership
92% own a smartphone
59% own a tablet
68% own a smartTV or internet-connectable device for TV

Spends
28
hours/week
online

Mobile
56% use mobile apps
55% search for information about a product on their smartphone
55% purchased a product on their smartphone
55% watch videos on their smartphone

Search
89% uses any search engine
85% uses Google
73% use a search engine on their smartphone

Social
83% use a social media
59% use social media on their smartphone
47% watch videos on social media
54% use YouTube
65% use Facebook
37% use Instagram
17% use Twitter

Streaming
77% use a video streaming service
30% use Hulu
64% use an audio streaming service
25% listen to podcasts
27% use Pandora
25% use Spotify

Source: MRI Market-by-Market 2021, Kantar Media

Audiences to consider & explore in the future

MINORITY HEALTHCARE PATIENT

Those of minority backgrounds are less likely to trust the U.S. healthcare industry and have regular visits

CHRONIC HEALTH PATIENT

60% of U.S. patients have at least one chronic health condition

MEDICAL DEVICE PATIENTS

The pandemic has spurred remote patient monitoring and usage in the medical technology space has increased

FEARFUL OF MEDICINE TARGET

As vaccines become a more relevant topic of conversation, consumers who do not agree with medical science are coming to light as a significant group

OF THE DIGITAL MEDIA BEING PURCHASED, 76% IS PURCHASED PROGRAMMATICALLY

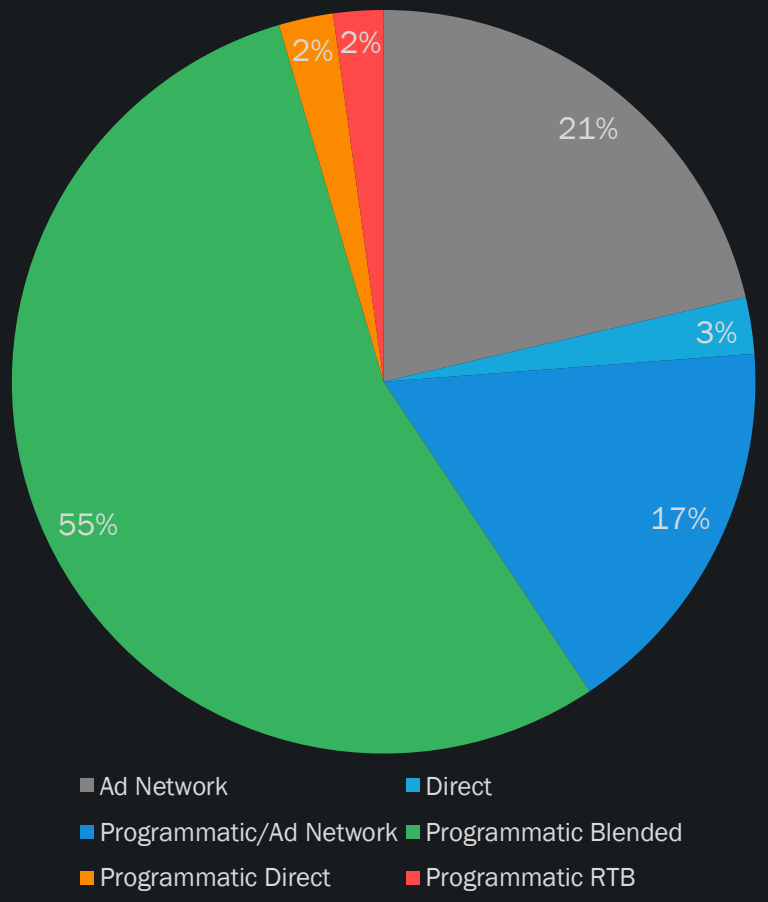
Transaction Types:

- Ad Network: Media were bought and sold through an ad network where there was not a programmatic mediator involved.
- Direct: Typically a traditional insertion order transaction, where there is a direct relationship between the buyer and seller. There were no programmatic or ad network mediators involved.
- Programmatic Blended: Media purchased through multiple programmatic means.
- Programmatic Direct: Media were bought and sold via a private marketplace (auction) or via an automated guaranteed deal.
- Programmatic RTB (Real Time Bidding): Media were bought and sold through an open exchange, via real-time bidding.
- Programmatic/Ad Network: Media were bought and sold through an ad network where there was a programmatic mediator involved. For instance, an advertiser may have placed a buy through an ad network, and the ad network sourced the inventory through an ad exchange where the publisher had made the inventory available. So each party to the transaction may have a different view on how it was bought versus how it was sold.

Source: Kantar Media

Hospitals, Clinics & Medical Centers Digital Media Transaction Type

August 2021– January 2022



Key Implication

More than three quarters of digital ad spend in the Hospitals, Clinics & Medical Centers industry was purchased through programmatic means.

The most popular programmatic purchasing type was Programmatic Blended, which is an available transaction type in the Basis DSP.

*Media channels measured for transaction type are Internet Display, Mobile Web, Online Video

Basis Technologies