



*Insights into Local Advertising -*  
**HEALTH CARE VERTICAL**



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## Executive Summary

The Health Care Vertical, as defined by the U.S. government, represents an estimated \$10.85 billion of local advertising in 2017. This vertical consists of eight subcategories:

1. Hospitals
2. Physicians
3. Dentists
4. Optometrists
5. Chiropractors
6. Residential Care Facilities
7. *Veterinary Offices*
8. *Pharmacies/Drug Stores*

*Our analysis in this report focuses on the first six categories, excluding Veterinary Offices and Pharmacies/Drug Stores.*

BIA/Kelsey estimates that local advertising for this vertical will be \$10.85 billion in the U.S. in 2017. We project health care advertising to grow at a 1.8% compound annual rate to \$11.56 billion in 2021.

Hospitals constitute the largest sub-category of health care ad spending with an estimated \$4.90 billion in local advertising in the U.S. in 2017.

Hospital advertising represents 45% of the defined vertical and should be a focus of media and platform companies' health care activity. There are approximately 5,564 hospitals in the United States.

BIA/Kelsey projects the average hospital will spend nearly \$880,500 on local advertising during 2017. Among all hospitals, larger marketing budgets are concentrated in research hospitals, where new technology and therapies are developed. Medical innovations provide the highest return to the inventor, often a hospital, early in the adoption cycle.

Research hospitals create market penetration plans for new products and services which they resell to other hospitals until the capability is available universally. Deep engagement with research hospital media planning early in the

market development cycle of new medical services provides media companies a great selling opportunity.

The average local advertising spend for physician offices is estimated to approach nearly \$11,300 in 2017. Other medical offices on average tend to spend far less— offices of chiropractors, optometrist and dentists, are estimated to annually spend around \$1,900, \$3,500 and \$5,300 respectively.

Regarding Nursing and Residential Care Facilities, the market is expected to expand as the population ages.

BIA estimates that the average nursing and residential facility will spend about \$16,600 on advertising in 2017. These in-patient facilities are worthy of attention as they grow.

To bring this data into context, this report offers a comprehensive examination of traditional and digital/online advertising spend for each of these categories and tracks the distribution of health advertising spending by media and online spending for 2017 and 2021.

The report also examines the largest 25 markets in the U.S. and estimates the per capita spend for the local Health Care vertical and its subcategories in the top 10 markets in 2017.

SMBs comprise a significant segment of the health care category, and this report reveals their top marketing priorities (i.e., SEM/SEO, mobile advertising, print advertising and social media advertising) for the coming year.

The report offers prescriptive advice to both media and platform companies on approaching and driving revenue within the health care industry.

The data featured in the report is drawn from BIA/Kelsey's Annual Local Media Forecast, Media Ad View™ Reports, and Local Commerce Monitor™ (LCM), our ongoing survey of small and medium-sized businesses.

## More Local Advertising Research

This report and much more of BIA's local advertising research and analysis available in:



### Realize local advertising revenue with BIA ADVantage

BIA ADVantage is an online dashboard that provides extensive, quality data along with expert analysis to reveal the advertising trends and opportunities in local markets and nationwide.

Learn more at <https://dashboard.biakelsey.com>.

Interested in a demo? Email [advantage@biakelsey.com](mailto:advantage@biakelsey.com).

## About BIA/Kelsey

BIA/Kelsey 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. New for 2017 is our advertising dashboard - **BIA ADVantage** - that provides direct access to our comprehensive industry intelligence and quarterly briefings.

For clients, our promise is to combine quality data with high-powered analytics to help them capitalize on new sources of revenue and make smart, better decisions. [broadcast.biakelsey.com](http://broadcast.biakelsey.com).

Additional information is available at:



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