

***Consumer Engagement in the Digital Age:
Implications for Health Plans and Other Stakeholders***



October 1, 2014

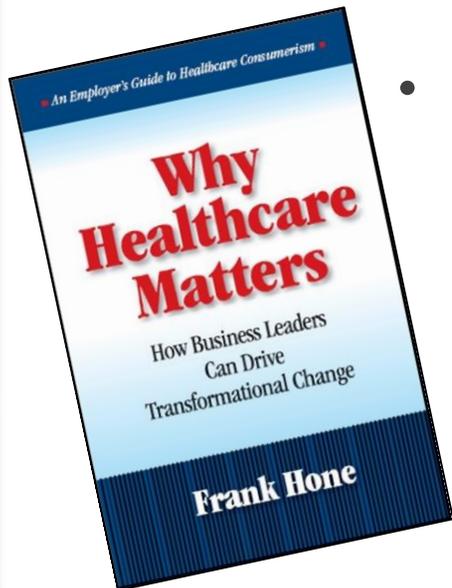
Overview

- *Background/Intro*
- *How Consumers Make Decisions*
- *How Marketers Seek to Influence*
- *Engagement Challenges and Framework*
- *Moving Toward Empowerment*

Frank Hone

Chief Engagement Officer, Healthcentric Partners

- *12 years consumer products advertising and marketing*
- *16 years of direct-to-consumer (DTC) advertising experience*
- *6 years of engagement strategy for employee health and well-being*
 - *Healthways - Director of Sustainable Engagement*
 - *Healthcentric Partners - Engagement strategy and marketing consultancy*



- *2008 book, “Why Healthcare Matters, How Business Leaders Can Drive Transformational Change” written as an Employer’s Guide to Healthcare Consumerism*

Healthcentric Partners consulting areas

Engagement Strategy and Marketing

Engagement
Strategy
Assessment

Positioning,
Packaging, and
Promotion

Communications
Strategy and
Planning

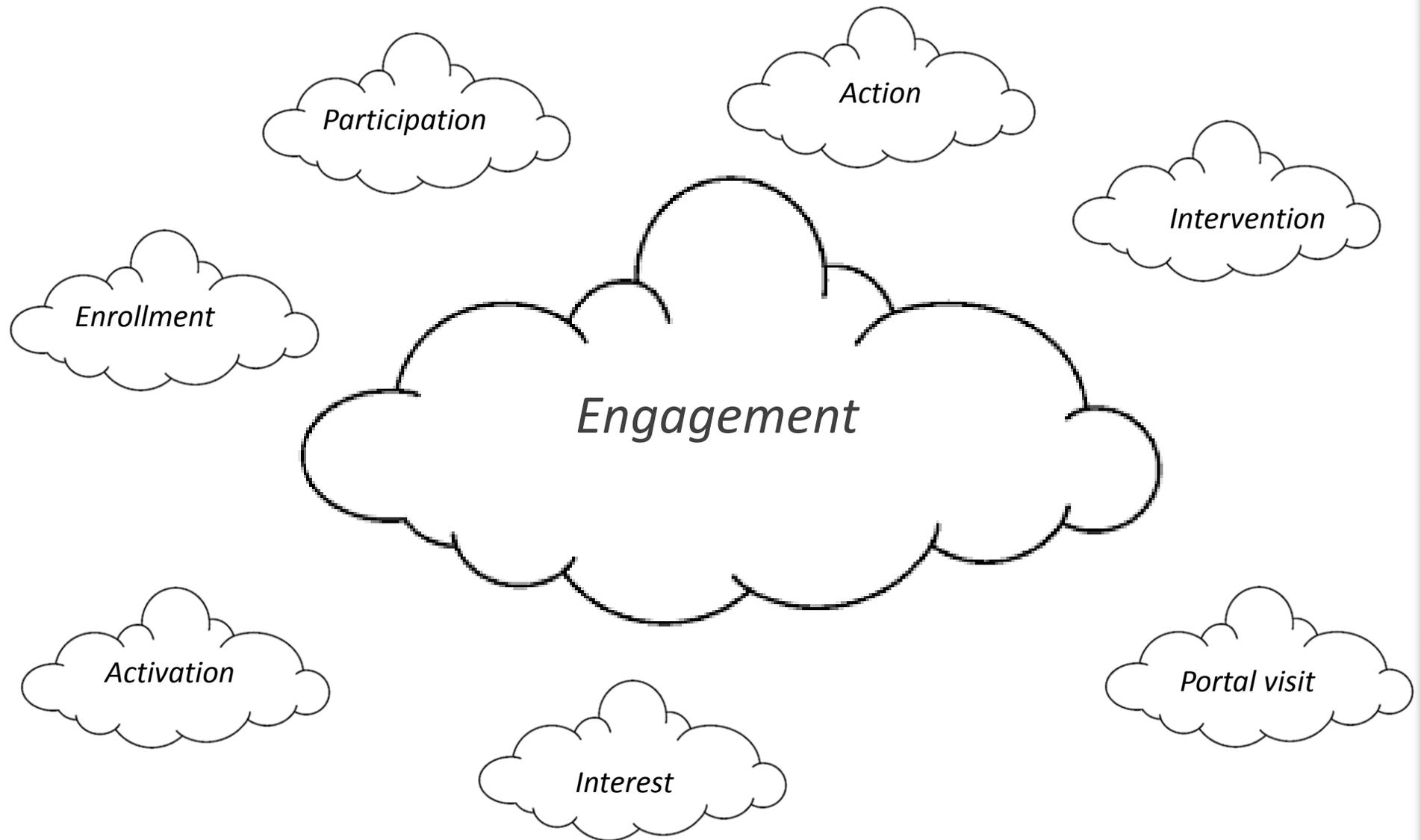
Process Flow
Mapping

Measurement
Design and
Planning

Describe healthcare...



Describe engagement...



Engagement...

We see Engagement as a “means to an end”

Sponsors need to be clear about what they want to accomplish with health and well-being improvement

*Which generally involves
consumer health behavior change...*

How do consumers make decisions..?

Rational Decisions



- Important/big purchases
- Many considerations/options
- At least some research
- Price/quality important

Impulse Decisions



- Low risk
- Emotional reward
- Little to no research
- Value may be irrelevant

Irrational Decisions



- Everyday choices
- Behavior-based
- Habit or inertia drives action (or inaction)
- Hard to address with rational “interventions”

How Marketers Influence Decisions

Brand Marketers follow a sequential process in creating consumer advertising campaigns...



Advertising drives consumer demand

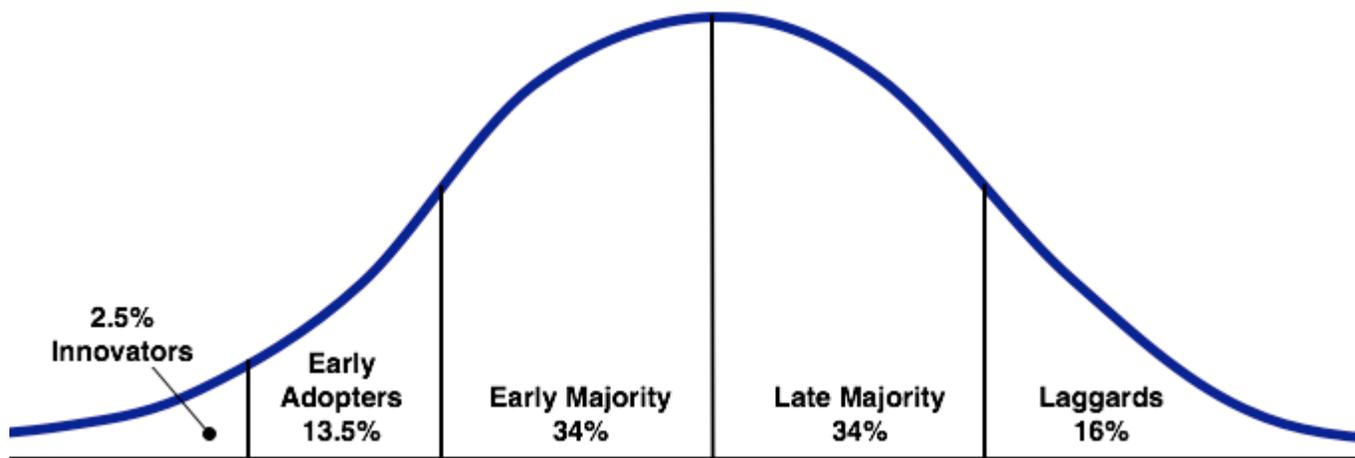


Consumers respond at different paces



Transtheoretical Model

Consumers move through stages at different paces



Source: Everett Rogers (Diffusion of Innovations model)

Diffusion of Innovation Model

Segmentation helps target relevant consumers



Leading The Way - Health-focused, Holistic, Proactive

"I'm responsible for my wellbeing—and have a good handle on all aspects of my life. Being healthy is about your entire being, not just doctor visits."

13%



In It For Fun - Goal-oriented, Fitness, Social

"I know I'm capable of pushing myself to great limits, so I set the bar high... Being healthy is another sign of success, and staying fit will help me thrive socially and mentally."

24%



Value Independence - Skeptical, Do-it-Yourself, Self-Reliant

"Do what you feel is right—don't always be so quick to take somebody else's advice. As for my health, I figure out what works for me, and if it's not right, I just move on."

11%



I Need A Plan - Advice-seeker, Risk-averse, Need Coaching

"I don't like surprises. I need a set plan for my life, for my health. But sometimes I need some help to stick to it. Regular checkups and screenings help me keep on plan."

19%



Not Right Now - Time-pressed, Health Bystander, Family First

"Sure, I could probably spend more time on my health—but I have so many other things going on in my life! Besides, my health is pretty good"

21%



Get Through The Day - Health-challenged, Overwhelmed, Stressed

"I'd love to enjoy life more and have the energy to do all of the things I could when I was healthier. I know I could be better off—but I'm not sure how to begin."

13%

Engagement Challenges

The Engagement Gap

Disease Management, Care Management, Well-Being, Fitness

***70-75% of the cost of
healthcare is behavior based***

***Engagement
Gap***

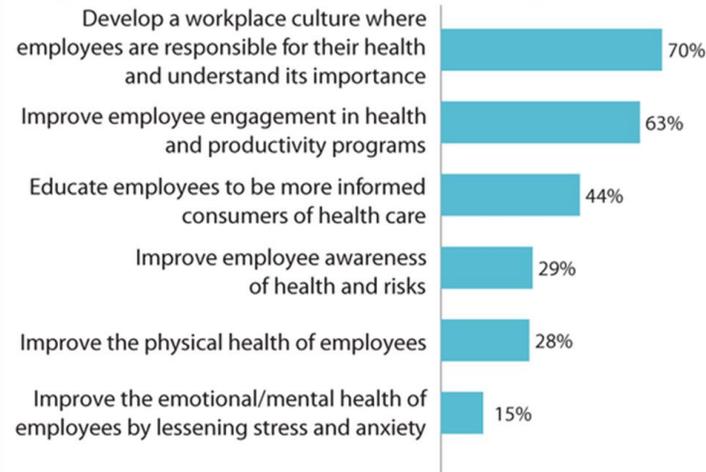
***Leadership
Communications
Culture
Incentives***

Employee/Member Health Behavior Change

Engagement Challenges - Employers

Corporations struggle with employee health engagement, despite new solutions, apps, competitions, incentives - and they have to address trust and privacy concerns.

Top priorities for health and productivity programs



Note: Based on a survey of 199 employers taken between May and July 2013.

Source: "2013/2014 Staying@Work Report," Towers Watson and the National Business Group on Health.

- 1. Behavioral Economics** - Addresses irrational behavior, but can be hard to implement well
- 2. Outcomes-based Incentives** - Will get people to act, but impact is short-lived
- 3. Tiny Steps** – Making it simple helps a lot, but it takes lots of tiny steps to form a habit
- 4. Social Wellness** - Harness peer influence, but it's like a game and impact dies out
- 5. Gamification** - Makes it fun, but not serious enough
- 6. Mobile Apps** – Ubiquitous SmartPhones make this a natural, but apps don't often deliver results

Many employees “opt out” of employer-sponsored programs, by just “checking the box” rather than changing their behavior

Engagement planning needs a business strategy

*1. Business
Discipline*

*Clear goals, dedicated resources,
smart strategies, measurable
outcomes*

+

*2. Consumer
Marketing*

*Use brand marketing and “selling”
techniques to position and promote
programs*

+

*3. Health and
Well-Being
Context*

*Provide greater transparency and
convey behavior change rationale
and benefits*

Strategic process drives sustainable engagement



1. *Business Objectives*



- *What specific outcomes we trying to achieve?*
- *How will those outcomes impact our business results?*
- *What are the interim milestones that mark our progress?*

2. *Consumer Insights*



- *What are the environmental and cultural aspects to address or overcome?*
- *How do we identify barriers to change in the consumer decision pathway?*
- *What kind of research has been done/can be done to understand influence and actions?*

3. *Effective Communications*



- *What's the best communications strategy for this population?*
- *What's the optimal plan for messaging and media that will drive intended action?*
- *How do we best organize the sequencing and timing of information outreach?*

4. *Relevant Incentives*



- *How do we design incentives best suited to the population?*
- *What is the right balance of “carrot” vs. “stick”, immediate vs. intermittent, tangible vs. nontangible?*
- *For what behaviors or actions should incentives be offered?*

5. *Appropriate Interventions*



- *How do we ensure that the interventions are tailored and best suited to each individual?*
- *What is the optimal combination of available modalities to maximize efficiency and impact?*
- *What methods will enable us to transfer greater personal responsibility to each member?*

6. Measurable Outcomes



- *How and when do we assess the program impact?*
- *What are the specific data sets we need to access and assess?*
- *How can we take the lessons learned and best practice from our work and apply it toward continuous improvement?*

7. Supportive Environment



- *How conducive is the working environment to health and well-being improvement?*
- *How can we best assess the impact of environment?*
- *What changes can be made to improve it?*

Strategic process drives sustainable engagement



The move from volume to value...

Health plans will need to re-orient their mindset and priorities to effectively compete:

Assess current member engagement strengths and weaknesses. A thorough and honest review of all member outreach, all on-going interactions, customer service function, etc.

Understand how consumers think and operate in their own health and healthcare world. Behavioral economics and consumer insight will help in crafting an engagement strategy and messaging approach for members.

Integrate member communications outreach. Make the content meaningful, relevant, and credible to the recipient.

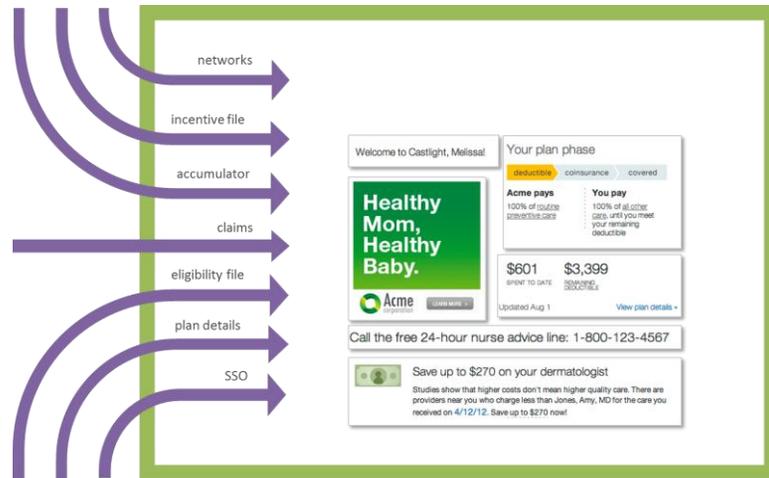
Adopt a member-centered marketing system. Design and develop an approach from the “outside-in.” Be a valued resource through all member touch points.

Align all health improvement services. Move strategically toward integrated process flows, bringing them all together as a seamless solution is what member truly need.

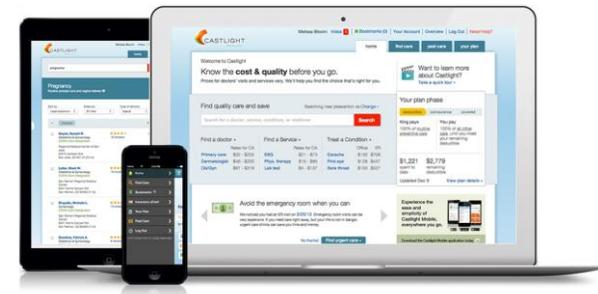
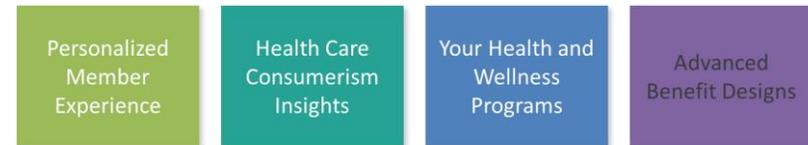
...and from engagement to empowerment

Healthcare Shopping

- *Consumer choice expands as price and quality tools and resources proliferate, and patients go “shopping” for value*

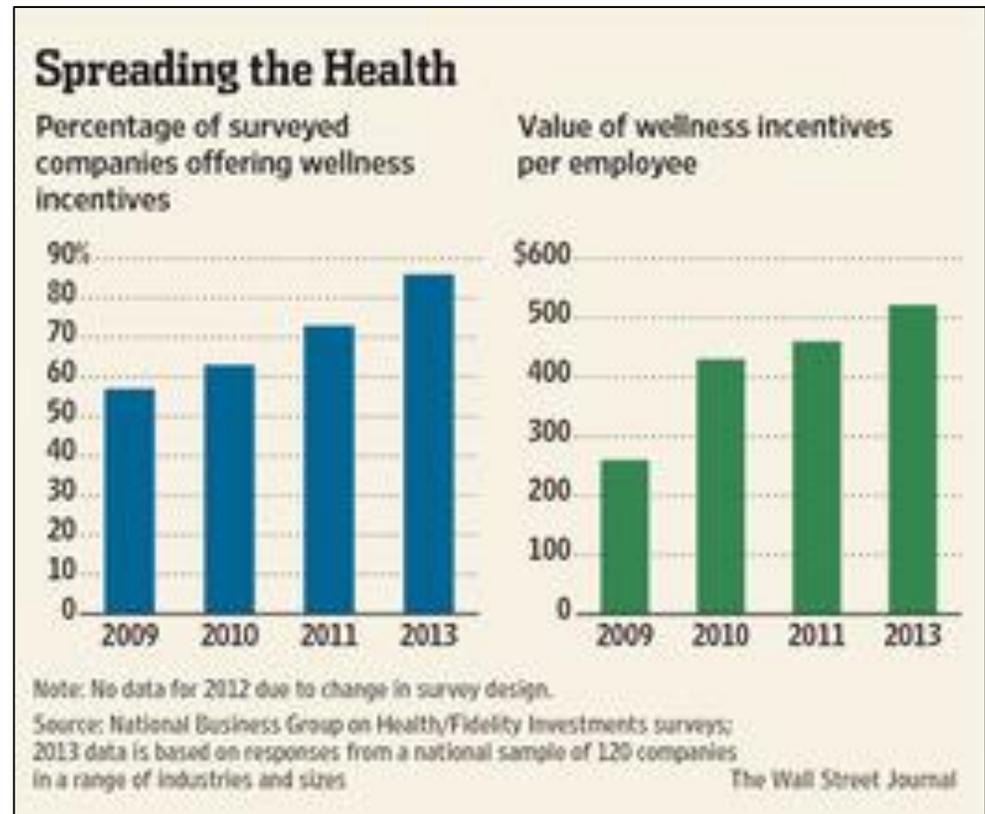


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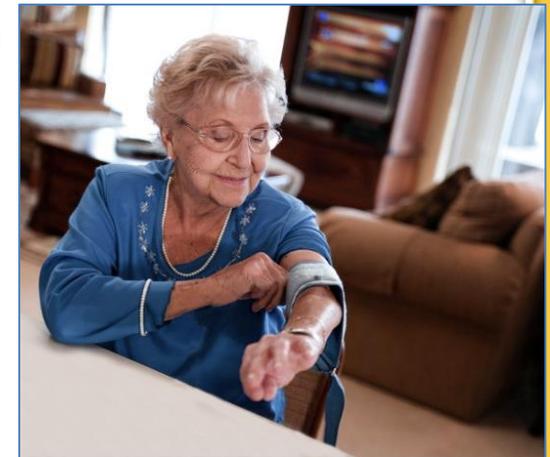
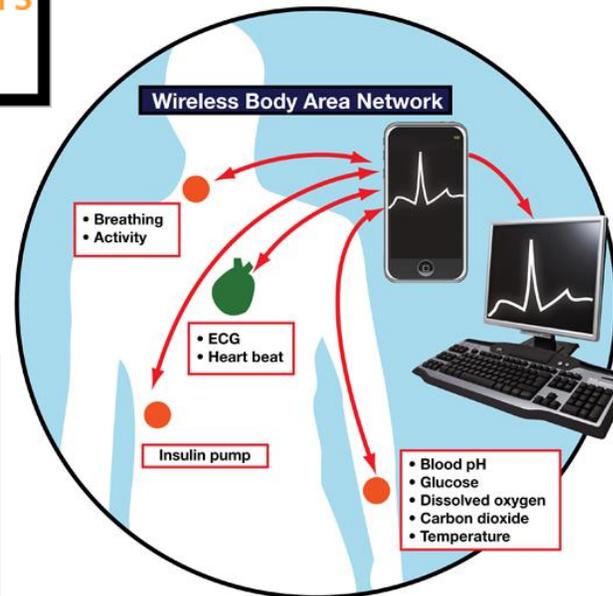


Financial Incentives

- *Financial incentives and behavioral economics will evolve from employer-focused, participation-based nudges to broad-based and system-wide levers (e.g. auto insurance market)*
- *Consumers will assign value to their decision processes and actions*



Self-Monitoring



*“You can’t manage what you can’t measure”
Individualized and personal data promotes
better regimen adherence and individual value*

Consumer Engagement in the Digital Age...

Meaningful Engagement

+

Strategic Marketing

+

Customer Value

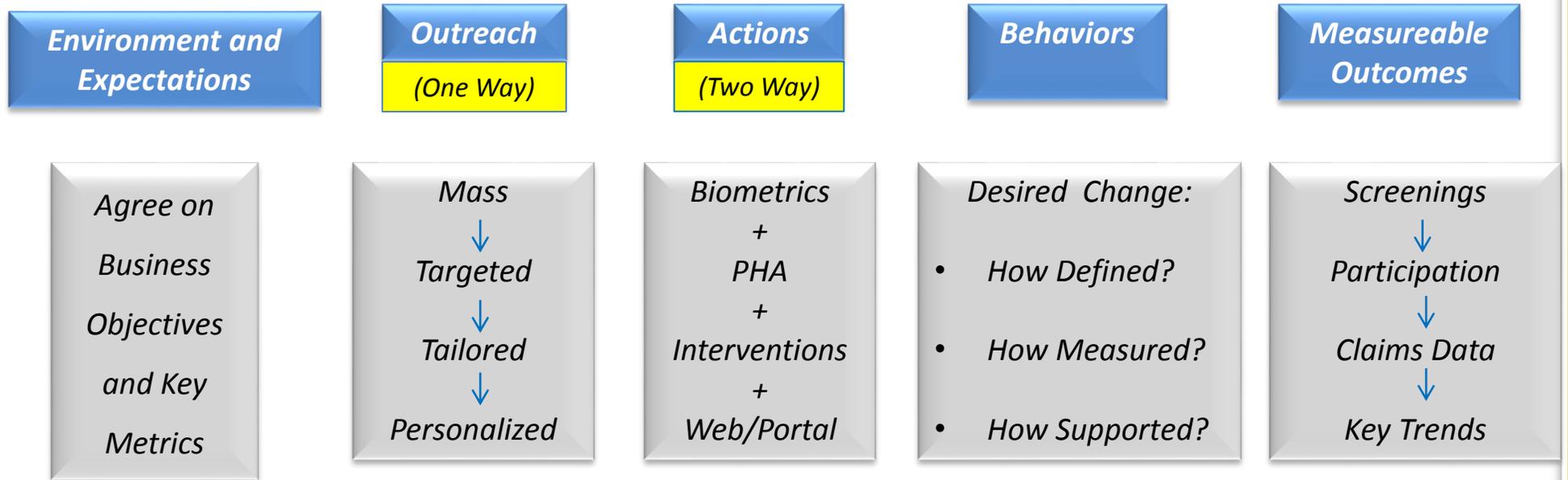
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Measurable Outcomes

The End...

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Consumer Engagement Model



Levers for creating interest and generating response...

Branding – Incentives – Culture – Leadership – Social Influence – Marketing – Gaming