CONVERTING SOCIAL AVATARS TO HEALTHCARE MEMBERS

Abstract

Health plans will face many challenges from the arrival of Health Exchanges, one of which is to transition information /transaction-based functionalities to a holistic, user experience driven perspective. Conventional thinking says that it is the Gen X and Y populations who are tuned into the digital universe. However, data show that an increasing number of older people, seniors included, are using smart phones, tablets and even social media quite routinely. Health plans need to recognize this trend and take advantage of it.

Consumer acquisition is another challenge. Consumer engagement in the digital world has evolved rapidly and markedly and the trend is likely to continue. This will change the way health plans do business in future. Specifically, it will drive health plans using traditional consumer engagement models to augment their efforts with a model aimed at social consumer engagement. A few progressive health plans have already moved in this direction. Others must act fast, else they will end up as laggards, hard-pressed to acquire new consumers or even hold on to existing ones.

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Introduction

Health Insurance Exchanges, along with other provisions of the Affordable Care Act will bring approximately 30 million uninsured Americans under health insurance coverage to "consumerize" a business that has largely been focused on the group segment.

In the fight for consumers, health plans will face several challenges, not least of which is the alignment of consumer acquisition strategies to the expectations of an increasingly tech-savvy audience who are taking to smartphones, tablets and social media. This shift in strategy will in turn impact health plans' technology systems by transitioning current functionalities – which are largely information and transaction-based – to a more holistic and experience-centric orientation.

The reason is both simple and forceful.

Consumers' expectations from healthcare are colored by their consumption experience in other areas, like retail shopping, banking or telecommunication. Hence consumers are starting to shop around for healthcare products; they're researching online, seeking peer group opinion and tracking patients' experiences before arriving at a decision.

The socialization of health and health insurance

Studies suggest that one in five Internet users have consulted online reviews and rankings of health care service providers and treatments. Seven out of ten U.S. adults seem to have tracked a health indicator for themselves or for someone else. Of those, 34% share their health tracking records or notes with another person or group.

There are many more factors favoring the move to socialization. Health insurance organizations already have a large web presence, now being reinforced by a foray into mobile apps, giving them a reasonable entry platform into social media. More importantly, consumers are ready and willing.

But moving to social isn't about registering a presence on major sites; nor is it about putting the right tools and technology to work. *Health plans need to switch to a distinctly different mindset of customer acquisition and engagement in the social sphere.*

Communication, hitherto a one-way affair with organizations pushing marketing messages and collateral to consumers, is most definitely bidirectional in the social universe. And ownership of communication content isn't as clear-cut, thanks to the emergence of user-generated content.

Traditional versus social

Health plans must next, devise a marketing strategy to support consumer acquisition through social media. Here, the contrast between the traditional and the social leaps out.

Traditional marketing typically works through a progression of steps, called the **consumer decision hierarchy**. It starts out by building awareness among consumers before moving on to creating recognition and top of mind recall for the brand, and from there on to converting conviction into sales. Paid advertisements in various media form a vital element of traditional marketing strategy. Organizations also need to spend a large part of the budget on developing tools, processes and analytics enabling them to understand consumer attitude and behaviour, so they can deploy that knowledge into creating granular customer segments, which they can target with relevant, personalized messages.

On the other hand, social media drives marketing to follow a slightly different approach, best described as a **consumer decision network**. This network is flat, enabling consumers to leapfrog intermediate steps while proceeding directly to the final action – a purchase, product switch, change in lifestyle, and so on. Also, the marketing organization need not take responsibility for every stage like in the traditional model, for e.g. the social network can build brand awareness and conviction.

Consumer decision is no longer a hierarchy model

Consumer Decision Hierarchy-Traditional Hierarchy Model.
Consumers are influenced by the paid medium exposures
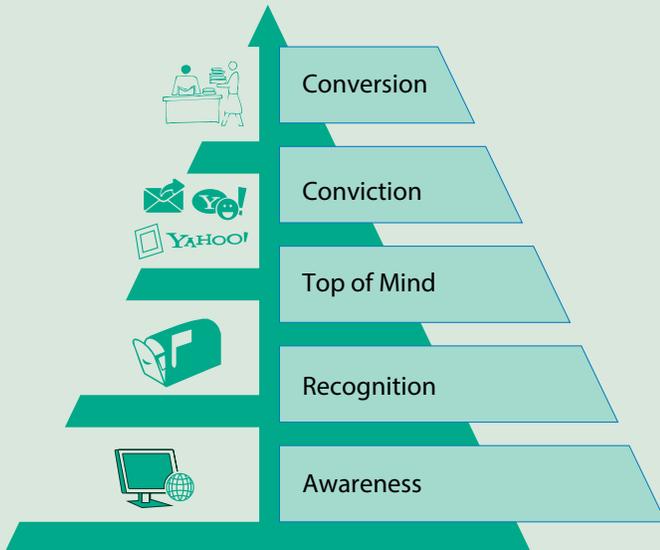
Consumer Decision Network-A flat network.
Consumers are influenced to convert from any stage
of the lifecycle by owned/earned mediums

Health plans adopting the consumer decision network to acquire, will need to modify the model of engagement, just as they need to modify their responses to fundamental questions such as who will influence consumers, where will the transactions occur, what will be the nature of consumer transactions, etc.

Health plans have enough incentive to make the shift from a traditional consumer engagement model to one that is social. Going forward, an increasing number of consumers will flock to the Exchanges to compare and contrast various products to arrive at an informed buying decision. Social media can make their job easier by providing keen insights into products and the actual consumption experience – from purchase to enrolment to payment – and a platform for sharing the same. For health plans, this marks an excellent opportunity to pick up the social chatter and let it

inform their consumer acquisition strategy, or exert influence over prospects during the buying process. And the economics is irresistible. With consumers coalescing into voluntary groupings on social networks and generating awareness, recognition and word of mouth, health plans can potentially save enormous costs that they would have otherwise incurred in marketing via traditional channels.

We explain this further with an example. Take the case of a health plan trying to market a Flexible Spending Account (FSA) plan. In the traditional consumer engagement model, it would look for existing users of FSA products, then segment this population using internal and external data, and compare the characteristics of listed prospects to those in this segment to identify likely buyers. This grouping of consumers based on common characteristics of lifestyle,

demographics, interaction history and so on makes marketing easier, efficient and cost effective.

In the social consumer engagement model however, the health plan's role would be to seed the right conversations about FSA products within different communities, and then listen in on those conversations. Once interested users jump into the conversation to form a focus group, the health plan could use its content to create other sub-groups, ascertain new needs, or build innovations like self-help tax calculators, provide tips and podcasts from a tax expert etc. Depending on voluntary consumer behavior rather than expensive statistical techniques for its success, this model of acquisition promises higher return on marketing investment.

Building social media presence

Health plans can build social media presence over a combination of earned and owned channels. Before deciding how, they must gauge the important elements of the social network from a consumer acquisition standpoint. This will clarify whether they should focus more on gaining positive opinion through grassroots action in different social networks or on driving opinion through their own platform or some combination of the two. Health plans would also have to consider the merits of both types of channels. For example, earned channels are readily available and extremely cost efficient. However, because there are so many social networking sites, they must choose wisely to make sure they are represented in the ones with high credibility, traffic volume and members of the right profile.

On the other hand, an owned platform offers health plans greater control and visibility, but at a cost. Success depends on the health plans' ability to enable quick and easy information sharing and collaboration between the stakeholders in real-time.

The graphic below shows the dynamics of social media interaction through earned and owned channels in the context of healthcare. Communication exchange on different topics (claims experience, plan benefits, eligibility, etc.) can take place via different channels. This can be achieved through 'earned' social media platforms (depicted on extreme right in the graphic) and 'owned' health plan sponsored collaboration platforms (depicted below) – the choice depends on the strategy the health plan intends to follow.
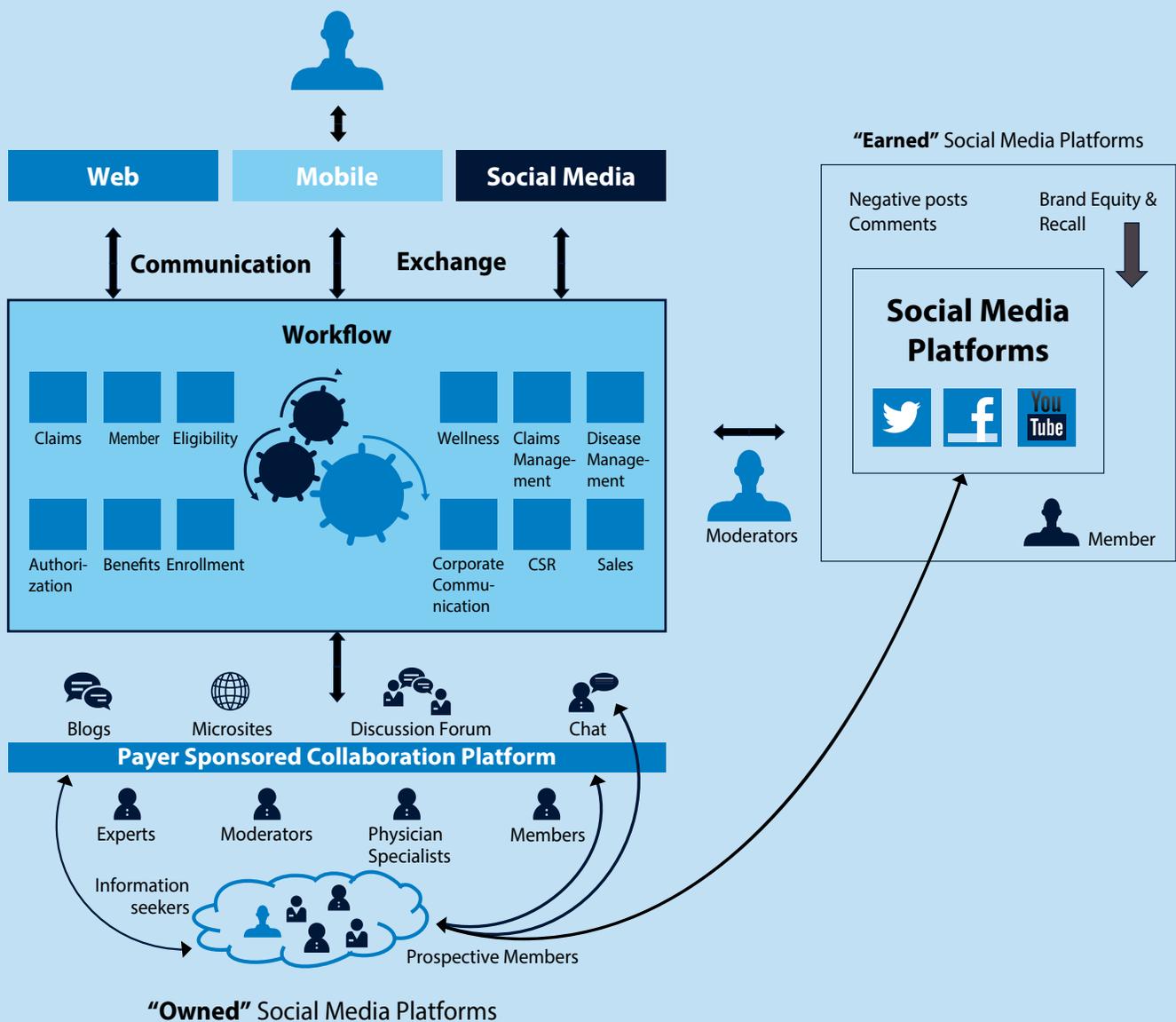
Building your own platform

Health plans who would like to build their own social collaboration platform can leverage a framework with four modules enabling marketers to **Build** digital assets, effectively **Listen** to and **Understand** target segments and easily **Engage** consumers across a wide range of digital channels, including social.

- **Build:** This module is used to build the community or workflow processes for handling digital assets. Existing tools may also be connected to the collaboration platform. The build module helps marketers create, manage and reuse digital properties efficiently, and facilitates seamless collaboration among internal and external stakeholders on a single platform. This reduces time to market and cost by up to 40% and 30% respectively.

- **Listen:** This integrates owned as well as earned digital asset data with data from CRM and other third party sources to allow organizations to set measurement, privacy and security standards. This unified view of consumers can be made available to the organization in real-time and can also be shared with other tool sets.

- **Understand:** The understand module provides advanced intelligence for analyzing consumer behavior across multiple digital channels. Granular, interactive, consumer-centric reports enable better targeting of existing consumers, while real-time and bespoke analytics help identify new segments faster.

- **Engage:** This module helps marketers maintain homogeneity in communication across digital channels. It provides a common gateway to a catalogue of pre-integrated marketing tools to connect with consumers across a range of digital channels, including social media.

Health plans can implement the framework in its entirety or in parts. For instance, they could choose to only listen to start with, and engage at a later stage. The decision depends on considerations such as goal and budget.
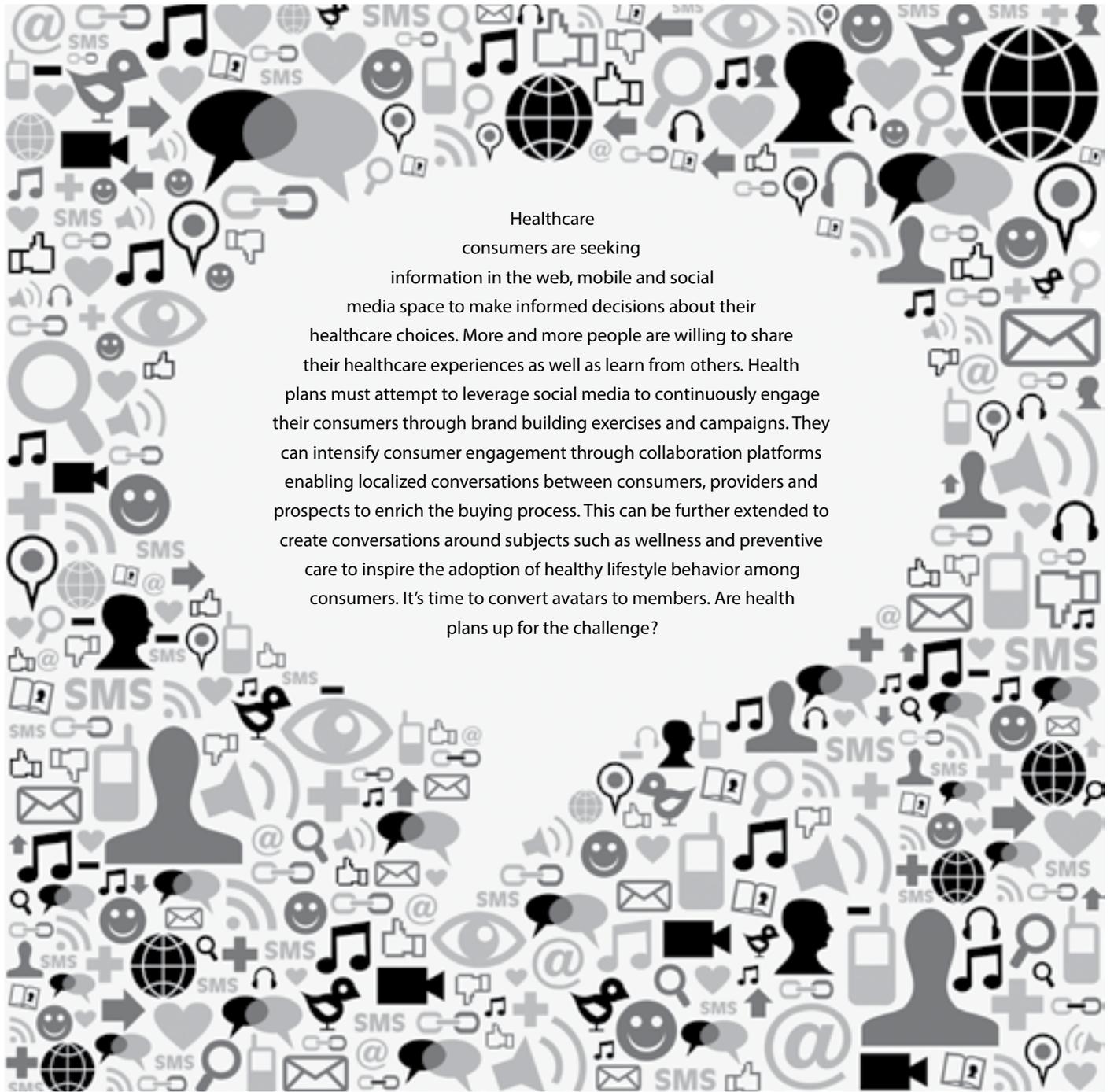
Healthcare consumers are seeking information in the web, mobile and social media space to make informed decisions about their healthcare choices. More and more people are willing to share their healthcare experiences as well as learn from others. Health plans must attempt to leverage social media to continuously engage their consumers through brand building exercises and campaigns. They can intensify consumer engagement through collaboration platforms enabling localized conversations between consumers, providers and prospects to enrich the buying process. This can be further extended to create conversations around subjects such as wellness and preventive care to inspire the adoption of healthy lifestyle behavior among consumers. It's time to convert avatars to members. Are health plans up for the challenge?

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