The Three "E's" of Healthcare Consumerism: Empathy, Engagement, Empowerment

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Attend any healthcare conference and you will inevitably see a variety of topics focused on consumers—Consumerism in Healthcare. Healthcare Shifts from Business to Business (B2B) to Business to Consumer (B2C). Making the Shift to Healthcare Consumerism.

consumerism [kənˈsümə͟rizəm]
the promotion of the consumer's interests.

Although consumerism is not a new concept, it still makes headlines today with the addition of *healthcare*. Why? Because many industry stakeholders are still in the early stages of implementing a consumer-oriented business model. From boardrooms to break rooms, consumerism has gained significant momentum, but many executives still ask what to do first and how to change. This paper outlines a simple framework for understanding and applying consumerism concepts to the business of healthcare. Several drivers contribute to the accelerating shift to consumerism.

Evolving Consumer Expectations. Expectations are shaped by experiences. Consumers' expectations have been shaped by their experiences with brands such as Apple, which have found effective ways of moving mass production to individual-level customization. Due to advances in communication through digital channels, consumers are accustomed to having access to information at their fingertips—from mobile devices to user-friendly Web applications. This is especially true for emerging generations of consumers who have grown up using mobile technology as an integral part of their personal and professional lives.

Shifting Cost Structures. Most Americans believe healthcare costs are too high but not all understand their own part in the rising cost equation. Total U.S. healthcare-related spending is estimated to be more than $2.5 trillion annually[1]. Health insurers and large employers are attempting to control healthcare costs by modifying benefit offerings, instituting new reimbursement models, and creating incentives for healthy lifestyles. The impact is on the consumer—the person taking on an ever-increasing portion of healthcare costs and decision making.

Healthcare Reform. Though consumerism was a topic of discussion well before healthcare reform passed, the Patient Protection and Affordable Care Act (ACA) accelerated the need for stakeholders to revisit their go-to-market approaches. The core tenets of the law are to create consumer choice and increase affordability, but few consumers understand how ACA will impact them. Consumers will soon shop for health insurance through online marketplaces which must make information transparent and understandable. This is, by definition, consumerism.
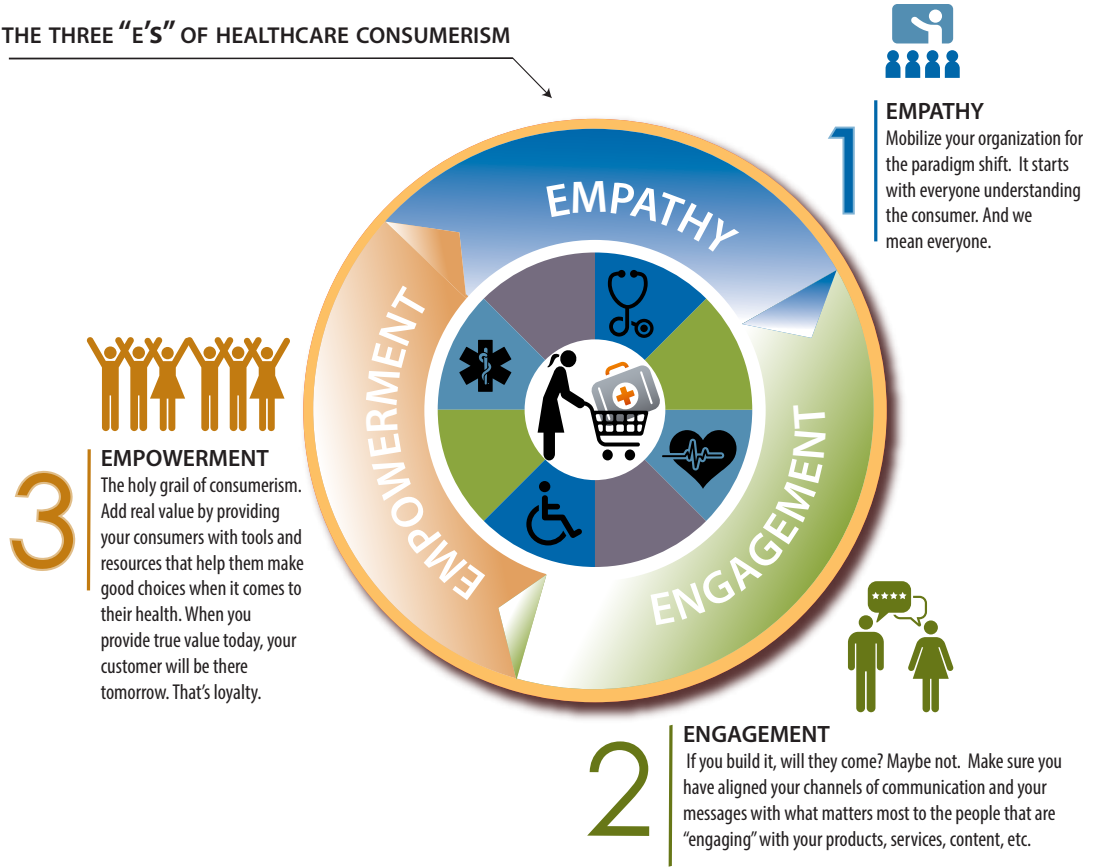
Successful companies apply the three E's of healthcare consumerism as they evolve in response to these industry dynamics: **empathy, engagement, and empowerment.**

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[1] Source: Gigi A. Cuckler, Andrea M. Sisko, Sean P. Keehan, Sheila D. Smith, Andrew J., Madison, John A. Poisal, Christian J. Wolfe, Joseph M. Lizonitz and Devin A. Stone, National Health Expenditure Projections, 2012-22: Slow Growth Until Coverage Expands And Economy Improves, Health Affairs, , no. (2013): doi: 10.1377/hlthaff.2013.0721

THE THREE "E'S" OF HEALTHCARE CONSUMERISM

EMPATHY
Mobilize your organization for the paradigm shift. It starts with everyone understanding the consumer. And we mean everyone.

1

3

EMPOWERMENT
The holy grail of consumerism. Add real value by providing your consumers with tools and resources that help them make good choices when it comes to their health. When you provide true value today, your customer will be there tomorrow. That's loyalty.

2

ENGAGEMENT
If you build it, will they come? Maybe not. Make sure you have aligned your channels of communication and your messages with what matters most to the people that are "engaging" with your products, services, content, etc.

EMPATHY [ˋempəthē]
the power to understand and imaginatively enter into another person's feelings.

Traditional advertising has long used empathy to design campaigns that appeal to consumers' sense of self, aspirations, and even fears. But we operate in an industry where, literally, lives are at stake. So, whether you are a provider, insurer, or a life sciences organization, healthcare consumers expect to be understood and cared for on a much deeper level than they might expect from a consumer goods manufacturer.

Unlike products and services that target specific customer segments, healthcare companies often serve all demographics. This makes marketing, service, and care delivery plans that focus on unique consumer needs look like a kaleidoscope—multifaceted and dynamic.

Do Your Research. You cannot "enter into another person's feelings" without talking to them. This may sound like common sense, but research is often cut from budgets or dismissed as taking too much time— with businesses choosing speed to market over effectiveness. In fact, this upfront investment is one of the most important a healthcare leader can make: It saves money and time by avoiding unnecessary rework.

Primary research, such as focus groups and in-depth interviews, provides first-hand insight drawn directly from the people a company seeks to serve. Secondary research, such as literature reviews and environmental scans, makes use of the significant amount of available information and helps identify gaps to fill with primary research.

Develop Targeted Personas. Fictitious biographies of consumer segments called personas are created by combining demographic, psychographic, geographic, and behavioral inputs collected through your audience research. Personas translate research into insights and provide platforms upon which to learn, understand, care, and act with empathy.

An insurer planning to participate in the Health Insurance Marketplace may develop personas combining age, marital status, number of children, location, goals, influencers, approach, and pain points. In the healthcare industry, personas may include how consumers maintain their health, how receptive they are to healthcare messages, and whether they have a chronic disease to manage.

Walk in Their Shoes. Personas are the perfect foundation to develop consumer ambassadors within your organization, even in unexpected places. Finance, operations, information technology, and human resources are more effective when they orient their processes to better serve the customer. Getting all employees engaged and working toward the same goals assures "one voice" in creating a positive end-to-end customer experience. Successful companies develop workshops for employees from every functional area where they have the opportunity to "meet" the representative personas and better understand their motivations and beliefs.

The Role of Information Technology in Supporting a Culture of Consumerism

Technology can play a crucial role in delivering the three E's of healthcare consumerism. For consumers to be more meaningfully involved in their own care, they need to be better educated and knowledgeable about their options. Information Technology (IT) facilitates this transformation by supporting consumers' ability to research and access information easily, and monitor their health.

As your company embarks on building and executing consumer strategies, make sure IT has a seat at the table early in the process. Often, IT is focused on designing and developing the technical solution. To become a key strategic partner in this journey, it is important for IT to understand consumers and offer innovative solutions to meet their needs.

IT executives build a culture of consumerism within their teams by taking action in several ways:

- **Onboard every team member.** Educate new employees about your company's products as well as the consumers of those products.

- **Learn from the consumer packaged goods industry.** We don't need to reinvent the wheel. Have your team learn more about how technology is used in the consumer goods industry and draw the appropriate parallels to what can be achieved within your organization.

- **Meet consumers and patients.** Get your team members to join marketing events and focus groups to better understand the needs of the consumers by hearing from them firsthand. Share and discuss consumer research with the team.

- **Conduct and participate in healthcare IT roundtables.** Organize and bring together IT executives across the healthcare value chain. The healthcare ecosystem is complex, but connecting the dots between stakeholders can be very powerful in driving innovation.

- **Engage in social listening.** Similar to how your marketing colleagues may use social media tools to better understand the consumer, have internal IT teams do the same. It will foster a team that not only understands consumers' needs, but also effectively supports them.

Healthcare Empathy in Action

Healthcare Providers. Although individual healthcare providers interact with consumers directly, not all providers excel at demonstrating empathy. A number of training programs have been developed that focus on building this trait, improving patient relations, and incorporating not only clinical research but behavioral and psychographic research with patient groups. With the rise of consumerism, more opportunities have emerged for provider organizations to listen, understand, and respond to consumer needs.

Health Insurers. Insurers have to make significant conceptual, cultural, and operational shifts to integrate empathy into their business models. Successful companies invest in consumer-level research that provides key insights into the hearts and minds of its customers. With this foundation, they are better positioned to reinvent their products and services to better meet the needs of today's healthcare consumer.

Life Sciences Companies. Companies in this sector began to use empathy by incorporating research into their operational models, especially in clinical trials—partly by design and partly due to regulatory requirements in the research and development lifecycle. However, many organizations are just beginning to find additional ways to incorporate the voice of the customer across functional areas. By continuing to incorporate consumer research and insights, life sciences companies are positioning for long term success.

ENGAGEMENT [in`gājmənt]
the act of drawing favorable attention, interest or commitment.

Healthcare consumerism is exemplified by the move to a two-way conversation where both parties have a voice. This concept of engagement not only assumes proactive involvement but also requires that health companies and consumers maintain an ongoing connection. Stakeholders across the continuum of care have a role to play in creating an environment that facilitates consumer engagement.

Employ a Multifaceted Plan. Launching new health tools and promotional tactics does not result in sustained, active engagement without being part of an overall, integrated plan for ongoing interaction with consumers. Successful companies establish a roadmap that includes business objectives, audience insights, strategic positioning, product differentiators, recommended distribution channels, and marketing messages—in addition to tools and tactics.

Although you may be tired of hearing that "content is king," it does not make it any less true. Identifying what's important in your target consumers' lives through research—and creating content that engenders conversations around those issues—not only attracts and holds audience interest, but also establishes the "pull" that positions your company as a sought-after partner in healthcare.

Map Consumer Touchpoints. Every time and place that consumers are exposed to your organization's products or services, they are left with an impression that fuels their attitudes about your company.

Understand the full customer experience by identifying all the ways that individuals interact with your brand both online and offline. Draw a map of the end-to-end consumer experience, which will identify engagement opportunities.

Use this map as a training tool across functional areas to plan for creating positive engagement and to proactively respond to negative customer experiences. Be sure to establish an associated decision tree and method for regular reporting to facilitate continuous improvement.

Enlist Key Influencers to Access Hard-to-Reach Audiences. Recruiting credible and influential people in your target consumers' lives can be one of the most effective ways to deliver your message. For example, insurers may engage adult children to remind or encourage seniors to schedule an annual Medicare physical. Public health agencies have leveraged musicians to help shift young adults' attitudes and decisions about flu vaccinations. Think creatively about your consumers' social norms and networks to find effective spokespersons to deliver your message.

Sample Consumer Engagement Touchpoints

- **Customer Service**
  Ensure two-way information sharing between marketing and customer service teams.

- **Sales and Distribution**
  Train sales and distribution network to act on engagement tactics at the point of sale.

- **Community Outreach**
  Establish community partnerships and prioritize visibility with a service focus.

- **Key Influencers**
  Identify and engage with key influencers who can become your allies and messengers.

Healthcare Engagement in Action

Healthcare Providers. Telemedicine, mobile apps, health portals, and social media are both challenges and opportunities for healthcare providers. While some providers find consumer-facing health and pharmaceutical information to be a challenge to effectively manage, others use them as an opportunity to educate and engage their patients in achieving improved health outcomes.

Health Insurers. The massive shift in the insurance landscape offers multiple opportunities to engage consumers in education opportunities, health management, and lifestyle improvements. For example, strategic use of social media puts consumers front and center in the feedback loop and establishes an open community for ongoing dialogue. Proper monitoring—along with service support and message mapping—supports an integrated system of engaged consumer conversation.

Life Sciences Companies. When it comes to consumer engagement tactics, pharmaceutical and life sciences firms continue to be heavily regulated and therefore are conservative in evaluating feasibility of new engagement approaches. These companies have well established business models, internal policies, and processes to manage engagement but they also have an opportunity to evolve and improve in light of changing industry dynamics and consumer expectations. Pharmaceutical and life sciences firms are well positioned to lead with innovation if they stay abreast of evolving trends and monitor consumer behavior.

EMPOWERMENT [ĕmpouˈərment]
the giving of an ability.

Serious time and attention among providers, health insurers, and pharmaceutical companies has been devoted to creating tools and resources that help individuals make informed healthcare choices. The trick is getting consumers to use them.

Inject Transparency into Every Facet of Your Business. Consumers cannot act on something they do not understand, and they cannot understand without access to information. Approximately 30 provisions in the Affordable Care Act include transparency initiatives. Consumers increasingly demand a greater degree of transparency before choosing to do business with a service provider. Forward-thinking companies build transparency into their operating models to ensure long-term sustainability but deliver it in a way that is understandable and meaningful for consumers.

Provide Tools to Support Consumer Choices. Research shows that a majority of consumers turn to the Web to do health research using provider finders, prescription drug price comparisons, member liability estimators, and more. By providing your customers easy access to the information they seek, you make them customers for life. Consumers will gravitate to companies that best facilitate a positive experience in navigating the complexities of the healthcare system.

Healthcare Empowerment in Action

Healthcare Providers. Most people do not have a clear picture of how much medical services actually cost, and this is complicated by significant variation. Providers have an opportunity to provide patients better information about their options, the true need for certain health services, and the cost of those services.

Health Insurers. Insurers strive to meet the needs of individual and group members by providing tools and resources that illustrate the cost and quality of healthcare. In fact, insurance companies may be best positioned to aggregate cost and quality data and provide it to consumers in an understandable way. By making improvements in how this information is communicated—especially through digital channels—insurers can lead the way to consumer empowerment.

Life Sciences Companies. The life sciences industry is in no way immune to the push toward transparent information. Individuals use social media to create and participate in information sharing about clinical trials and drugs while using tools to understand prescription drug costs. Successful companies actively participate in building and supporting these communities and tools, building stickier connections with their customers. Treatment adherence is another specific area where pharmaceutical companies may differentiate their offerings by providing value-add tools such as applications that monitor adherence and send reminder alerts.

READY, SET, GO!
embark on the journey and find ways to improve it.

Whether your company is well into its transformation to a consumer-oriented business or beginning the journey, take a step out of your daily routine and a step into your customers' shoes. Map their journey from every point of potential interaction illustrated below and explore how it can be improved. Better yet, *ask them*.

AWARENESS ▸ **RESEARCH** ▸ **PURCHASE** ▸ **EXPERIENCE** ▸ **RENEWAL** ▸

Armed with consumer intelligence, your company will be better positioned to empathize with your target consumers and understand what drives their decisions. This, in turn, allows you to find ways throughout their journey for proactive engagement, one of the first steps to brand loyalty. Once you have their attention, and empower them with the tools and resources they need to make informed decisions, you will be in a position to provide value and be recognized for it.

The combination of these three elements results in an ecosystem of healthcare consumerism that positions your organization for competitive advantage in an ever-changing environment. And remember: It's okay to start small—but you do have to start somewhere. Begin by taking stock of where your organization is by applying the Three E's: empathy, engagement, and empowerment. Next, take action to evolve and improve.

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At ICF, we partner with clients to conceive and implement solutions and services that protect and improve the quality of life, providing lasting answers to society's most challenging management, technology, and policy issues. As a company and individually, we live this mission, as evidenced by our commitment to sustainability and carbon neutrality, contribution to the global community, and dedication to employee growth.

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Alane Bearder has more than 20 years of experience in strategic development, program planning, and campaign management. Her expertise includes integrating traditional communication channels and translating brands and services for the Web, including strategies for audience engagement through rich media and social media. Ms. Bearder has worked across a broad spectrum of business and consumer industries, including consumer products, retail, insurance, pharmaceutical, medical device, provider, and patient communications.

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