



# Personal, Transparent, and Local

How Healthcare Companies Can Win in Digital



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## Executive summary

Constant change has become the norm in a world of digital transformation, increased expectations, and consumers who are highly critical of the services they receive. So how are businesses thriving in the healthcare industry?

What does local mean to healthcare professionals? What does “being local” connote emotionally? Personalization, content marketing, and technology play important roles in all verticals—but what is their role specifically in the healthcare domain? What is the key to winning in the age of technology and convenience?

Healthcare is a consumer-centric vertical. From our interviews with industry experts in the US, Canada, and Europe, it is evident that, regardless of region, the industry-wide mission is to cater to the needs of patients to help improve their lives. This makes for an interesting dynamic, because healthcare is a field where data is highly restricted and regulated due to the sensitivity of personal information.

While government regulations and consumer privacy laws are essential in safeguarding consumers’ interests, they continue to pose significant challenges for everyone involved in the healthcare industry. What does all this mean for marketing practitioners in the healthcare industry? In the midst of all these challenges, how are industry experts navigating a tricky system of rules and regulations?

# Introduction

This white paper seeks to address these questions and explore how experts in the field are adapting to and overcoming obstacles in order to cater to the needs of healthcare consumers.

## Who we talked to

DAC spoke with the following industry leaders to gain insight into the healthcare industry as a whole:



**YI GU**

Senior Director of Digital Marketing at Walgreens



**MAGNUS AXLAND**

Director Digital & E-Commerce at ResMed EMEA & Japan



**AMANDA HENSON**

Director of Online Reputation Management at Kindred Healthcare



**MATHIAS KAHL**

Head of Advertising & Communication at VIActiv

## Local = convenience + community + accessibility

According to a report by Healthcare Informatics, the healthcare industry typically lags about a decade behind other industries.<sup>1</sup> For an industry that is still largely offline and slowly integrating into the digital world, “local” is especially important. We asked industry experts what local means to them, and found that it is not only the defining factor for brands against their competitors—local also has an emotional aspect that is just as valuable.

“Community” seems to be almost synonymous with local, especially in healthcare. It’s about being present, being accessible, and serving those in the community. More than just a physical presence, there is also a sentimental value attached to being part of the community. As Amanda Henson, Director of Online Reputation Management at Kindred Healthcare, explained: “Local is really wherever we are. It’s our communities that our hospitals are in, and it’s the communities that we employ from. It really is all about truly being local to the community that we serve.”

Can local be a point of differentiation for healthcare organizations? Customers want more—more personalization, more convenience, and they also want better service. They no longer compare companies to direct competitors. They compare brands to the best experience they ever had—from any company in any industry—and this company is usually Amazon. It’s an interesting dynamic; one that we uncovered when speaking to experts from industries like retail and even travel and hospitality.

Amazon has set the bar incredibly high and has become top of mind not only for consumers but also for businesses. This is true in the healthcare industry as well, where experts are thinking of ways to

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1. Healthcare Informatics, ‘Healthcare Lags Other Industries in Digital Transformation’ (2018)

differentiate themselves from “the Amazons of the world”. Being local, present, and accessible is one of the ways that Walgreens stays competitive: “There’s a Walgreens within five miles of approximately 78% of the population in the US. That’s extremely local, extremely accessible, and extremely convenient. Which means that whenever you need something, we’ll be close by,” explained Yi Gu, Senior Director of Digital Marketing at Walgreens.

Localization has become crucially important when it comes to being accessible and offering customers the convenience of finding what they need, wherever they might be. In an industry that is not yet completely online, local is the differentiating factor and a competitive advantage for many healthcare providers. Managing a local presence in terms of physical locations—as well as fostering a sense of community between local residents and healthcare providers—is key.

“There’s a Walgreens within 5 miles of approximately 78% of the population in the US; that’s extremely local, extremely accessible, and extremely convenient. Which means that whenever you need something, we’ll be close by.”

—**Yi Gu**, Senior Director of Digital Marketing  
at Walgreens

## Personalization versus privacy

Healthcare differs from many other verticals in the sense that healthcare organizations handle highly sensitive personal data. As a result, the healthcare provider-customer dynamic is unique. While consumers often want personalized care and services, they are also hesitant due to the private nature of the information they must be willing to share. Privacy and data security are of paramount importance to customers.

45.5%

of survey respondents indicated concern about their personal health and fitness data being securely stored online

Kantar Media's MARS Consumer Health Study found that, when asked about attitudes toward mobile health wearables, 45.5% of survey respondents indicated concern about their personal health and fitness data being securely stored online.<sup>2</sup> Moreover, a study conducted by Aetna found that the vast majority of respondents rate privacy (80%) and data security (76%) as the top concerns regarding their healthcare.<sup>3</sup>

Personalization allows healthcare organizations to provide products and services that are tailored to the wants and needs of each customer. However, when using data about customers for personalization efforts, organizations risk getting too close or personal. This "creepiness factor" needs to be understood and managed, especially in healthcare where there is a fine line between providing consumers a personalized service and infringing on their privacy and trust.

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2. Kantar Media, '2017 MARS Consumer Health Study' (2017)

3. Aetna, 'New Aetna Study Finds Consumers Want Easier Ways to Manage Their Health Goals' (2018)

The European market comes with its own set of challenges. There are very stringent data privacy laws, especially after the enforcement of the new General Data Protection Regulation (GDPR), and healthcare organizations in Europe must adhere to a set of standards that simply aren't required in other industries. The European Commission defines GDPR as:

The data protection package adopted in May 2016 that aims at making Europe fit for the digital age. More than 90% of Europeans say they want the same data protection rights across the EU and regardless of where their data is processed. The European Union's ('EU') new GDPR regulates the processing by an individual, a company or an organization of personal data relating to individuals in the EU.<sup>4</sup>

Needless to say, the GDPR has a direct impact on personalization. "We are not personalizing that much. You have to be very careful how you do it, because legal and regulatory compliance doesn't allow you to have too much data on everyone, and user data is much more difficult to collect and use in Europe than, for example, in the US," said Magnus Axland, Director Digital & E-Commerce at ResMed EMEA & Japan.

However, Axland explained that being able to offer the appropriate solutions is a form of personalization, too: "We try to find the right solutions for the right target groups or personas, so that is also a kind of personalization. We are working with different tools using AI and machine learning in order to find the best solutions for our patients and customers."

Admittedly, there are many challenges and obstacles when it comes to providing a personalized service to customers in the healthcare industry. How are healthcare marketing professionals responding to these challenges? Amanda Henson offered some insight into how to approach the privacy versus personalization dilemma, and it revolves around understanding consumers and what they respond to: "I think

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4. European Commission, 'Data protection in the EU'

the most important thing is to listen to the consumers. We all have this idea of what we want to say when we market or how we market our product, our business. But the most important thing is how do our consumers need to be marketed to.” This aligns with how Axland uses surveys and newsletters to maintain good relationships with customers and understand how they like to be marketed to.

**“I think the most important thing is to listen to the consumers.”**

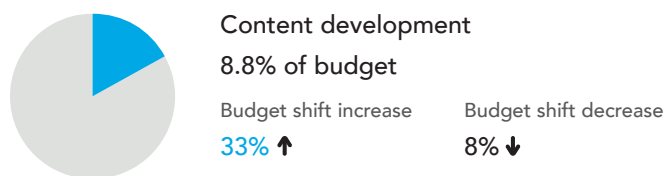
**—Amanda Henson, Director of Online Reputation Management at Kindred Healthcare**

Data is key for effective personalization efforts, but what makes healthcare unique is that marketers must be creative in developing marketing strategies in an industry where data is highly sensitive and, at times, limited. However, even in the most data-stringent environments, personalization can be achieved. It all boils down to understanding what consumers want (and don’t want) in their health journey.

So how do healthcare organizations tread the tricky path of personalization? By listening to customers, maintaining a safe distance to avoid the creepiness factor, and ensuring that customers’ trust is not violated.

# Content that speaks

Content marketing is an effective way to reach consumers in this industry, and there has been an increasing emphasis on content marketing and development. According to MM&M's Healthcare Marketers Trend Report, 33% of respondents indicated that there was an increase in their content marketing budget during 2017.<sup>5</sup>



	% OF BUDGET	BUDGET SHIFT INCREASE	BUDGET SHIFT DECREASE
SALES REPRESENTATIVES	17.0%	28%	10%
PROFESSIONAL MEETINGS/ CONFERENCES	14.8%	31%	13%
SALES MATERIALS	9.7%	26%	12%
<b>CONTENT DEVELOPMENT</b>	<b>8.8%</b>	<b>33%</b>	<b>8%</b>
WEBSITES/MICROSITES	7%	29%	11%
DIRECT MARKETING	6.7%	26%	5%
PAID DIGITAL ADVERTISING	5.4%	36%	6%
SOCIAL MEDIA	4.9%	35%	5%
PAID TRADITIONAL ADVERTISING (PRINT/TV/RADIO)	4.8%	17%	13%
PUBLIC RELATIONS/EARNED MEDIA	4.7%	22%	7%
SEARCH ENGINE OPTIMIZATION/ MARKETING	4.1%	33%	9%
VIDEO	3.1%	24%	8%
ADVOCACY RELATIONS	2.9%	17%	6%
SERVICE/BEYOND-THE-PILL OFFERINGS	2.4%	16%	2%
POINT OF CARE	2%	11%	5%

5. Medical Marketing & Media, 'Marketers Trend Report 2018' (2018)



When asked about the role of content marketing in the healthcare industry and for his brand specifically, VIACTIV's Head of Advertising & Communication, Mathias Kahl, emphasized the importance of relevant content: "To identify the best content, the best topics, is really important for us. We have to give our clients more lifestyle content and be more than just a health insurance company. We have to identify those big topics that make us a leader in our market. So, content is really important for us."

Content also needs to be tailored, and this process is two-fold:

1. Understand the audience and what they're looking for
2. Deliver the right message at the right time

Healthcare marketing professionals are better able to cater to customer needs if they understand how consumers search for health-related topics and the type of content they consume. As Yi Gu explained, this involves extensive research and the aggregation of information from various sources to get a robust and accurate picture of the customer:

"How do we understand the most pressing questions our customers have in health, and prioritize these questions in the content that we create? It is so important to listen to our customers and recognize their evolving needs, which is why we capture feedback on the in-store experience as well as make an effort to understand their most searched questions and concerns online. When we combine these data sources, we're able to create some very powerful and useful content that helps us address customer questions."

Now that we know who the audience is, it becomes a matter of delivering the right message using the right channels: "We're trying to be clearer on the purpose or intent of each digital channel. If you think about social versus search versus display, they can actually serve very different needs in different parts of the funnel. You have to make sure that you're serving the most relevant messages to that customer in that moment of need," explained Gu.

However, healthcare marketing professionals have to prioritize data privacy and trust, and learn how not to overstep the line. Knowing exactly who the audience is and who our customers are is a double-edged sword. Over-personalizing poses the risk of treading into “creepy” territory.

With everything that we know about content, marketers are presented with the question of “how much is too much?” Quality trumps quantity, but Gu believes there is still work to be done on this front: “In this day and age, customers are bombarded with advertisements and promotions from every direction. We need to serve them things that will be helpful, address their needs, and be much more customer-centric with the customer lens, while also addressing our business objectives.”

People have a vested interest in their health, and so there is a huge appetite for health content. According to Axland, this is totally different to other product or service purchase decisions, such as mass consumer goods. The opportunities are endless for content marketing within the health space, and those who spend time understanding their customers are most likely to win.



# Trust and loyalty, hand in hand

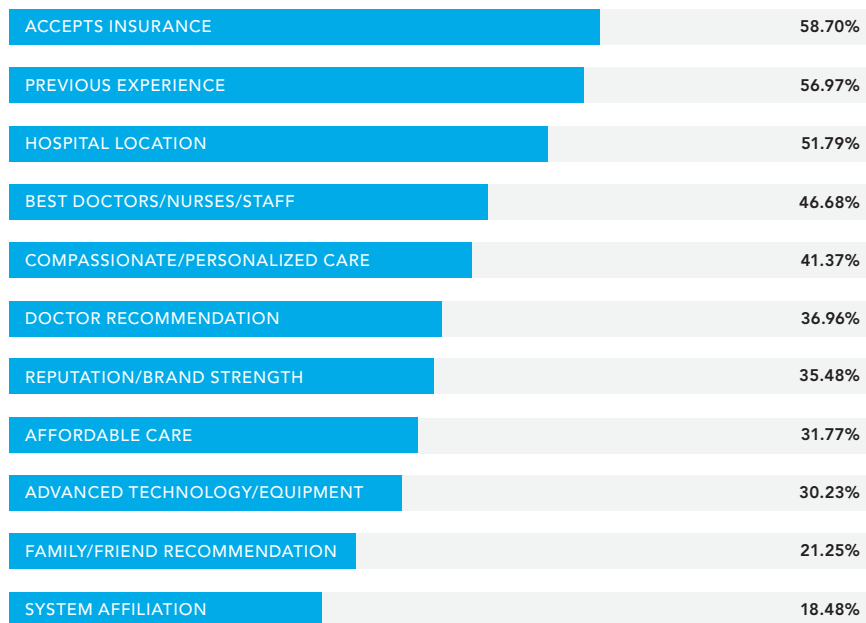
With personalization and personal data usage comes the topic of trust. In this industry, trust is much more than a buzzword, and marketers are making every effort to build and maintain trust with patients and customers. Trust is also needed to build relationships that, in turn, foster customer loyalty with healthcare providers.

This is aptly summarized by Amanda Henson: “We work really hard to build that trust and to retain that trust, not just at an online level, but also specifically within our facilities. They pride themselves on providing care that makes people want to come back.”

In a study by NRC Health, a sizeable number of survey respondents indicated that factors such as reputation/brand strength and compassionate/personalized care are very important in driving loyalty to a hospital or a health system.

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## Which of the following do you feel drives your loyalty to the hospital or health system?



N=192,936 | Error Range = ±0.2%

NRC Health Market Insights - National healthcare Consumer Study | 2017 (Jan-Aug)

But the question remains: how should healthcare professionals go about building trust? Going back to the importance of creating content that speaks, organizations should develop resources and tools that address consumer needs.<sup>6</sup> Additionally, allowing consumers to own their health data—and ensuring privacy, confidentiality, transparency, and clear communication on how the data will be used—will help overcome consumers’ lack of trust.<sup>7</sup>

Loyalty is very much alive for modern consumers and, together with trust, can make or break any business in any industry. This is especially true in healthcare, where it is crucially important for patients and customers to feel like they can completely rely on and trust their healthcare providers.

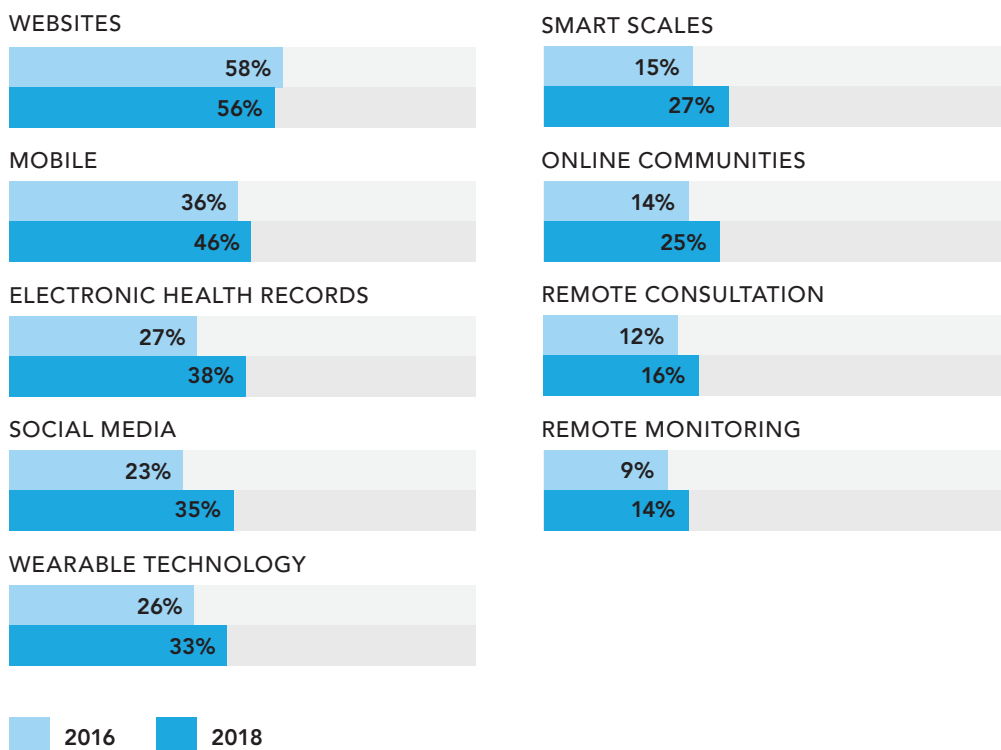
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6. Deloitte Insights, ‘Inside the patient journey: Three key touch points for consumer engagement strategies’ (2018)

7. Ibid.

# Technology: enabler or substitute?

Notwithstanding data privacy concerns and government regulations, technology is still a big part of healthcare—and healthcare customers are increasingly using technology to manage their health.<sup>8</sup> Moreover, according to Econsultancy, healthcare and pharma marketers seem to be particularly excited by the opportunities that technology brings to their organizations as well as the healthcare vertical overall.



Source: Accenture, 2018

According to the survey, 31% of respondents said that the most exciting opportunity for their company in 2020 is the Internet of Things (IoT), a network of internet-connected objects—including wearables—that can collect and exchange data and track audience activity.<sup>9</sup> Additionally, 26% mentioned VR, and 6% mentioned voice interfaces.

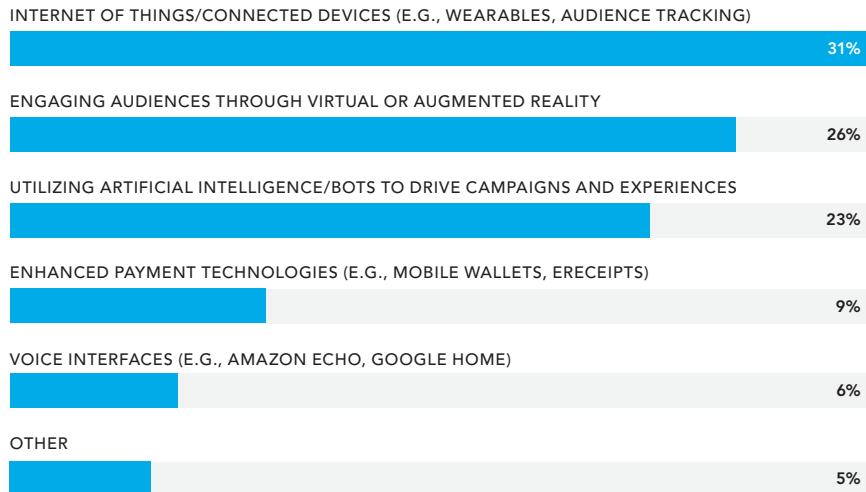
8. Accenture, 'New Care Team: Patients + Doctors + Machines' (2018)

9. Business Insider, 'What is the Internet of Things (IoT)?' (2018)

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## Most exciting opportunity for their company in 2020 according to healthcare & pharma professionals worldwide

% OF RESPONDENTS



Note: n=352

Source: Econsultancy, "Digital Intelligence Briefing: 2017 Digital Trends in Healthcare and Pharma" in association with Adobe, June 21, 2017

[www.emarketer.com](http://www.emarketer.com)

Although the pace of technology adoption in healthcare has been slow, the industry is making headway. Experts are starting to realize that times are changing and that they need to adapt in order to stay relevant to their customers. "[It is a] high priority for ResMed to invest in digital human resources, tools and processes—in digital strategies, on which channels to play, what communication to provide, which channel to increase awareness in the digital field," said Magnus Axland.

Technology has a unique function in the healthcare vertical in the sense that it is not primarily used for ecommerce and tracking online purchase behavior. From driving foot traffic to establishing trust and enabling communication, each expert in our panel sees the use of technology in the healthcare industry differently.

For Amanda Henson, technology is a good communication enabler because it allows her to engage with Kindred's patients: "Technology has allowed us to be able to have a two-way conversation where you, as a consumer, can speak to me, as the business owner, and make changes and adjustments to our strategy based on what we're finding."

Additionally, Yi Gu and Mathias Kahl believe that technology plays a big role in providing consumers with greater convenience in healthcare: "What technology has done is it changed the expectations consumers have on convenience. If you're trying to fill and pick up a prescription quickly, with Walgreens Express Pickup you can skip the line and go up to the counters, scan our QR code, and pick up your prescription," explained Gu.

In a similar vein, Mathias Kahl also firmly believes that technology (and specifically the app that VIACTIV will be launching in the near future) greatly improves customer convenience: "The purpose [of the app] is to make the customers' lives a little bit easier." He explained that, when somebody gets sick, the process of reaching out to the health insurance company is very long and tedious, and that apps and technology will play a crucial role in simplifying the process for customers.

**"The purpose [of the app] is to make the customers' lives a little bit easier."**

**—Mathias Kahl, Head of Advertising & Communication at VIACTIV**

This helps to highlight the importance of quality care. As organizations strive to make the lives of their customers and patients better, customer satisfaction increases, leading to customer loyalty. This, ultimately, should have a positive impact on the organization's bottom line.

However, in trying to make customers' lives easier with the use of technology, marketing professionals must balance convenience and privacy—but the latter should always take priority. Organizations should listen to their customers as they dictate how much privacy they will relinquish in exchange for more convenience. As customers come to see the value of improved processes, they may be willing to give up more personal data—but only if companies use that data in a transparent way, and only if they prove that they are trustworthy.

One critical question remains: can technology take over the role of healthcare providers? Can it replace the human touch in healthcare? Can empathy be automated?

Particularly in this industry, it is a question of *complementing*, not *replacing*. Technology in healthcare is seen as an enhancer to the products and/or services that healthcare providers offer. Additionally, although patients are embracing technology to manage various aspects of their health, 28% of respondents to a Deloitte survey claimed that they have not opted for a virtual visit with a doctor or nurse due to the loss of the personal connection with their doctor.<sup>10</sup> Therefore, although technology is changing the way consumers and patients interact with healthcare organizations, human contact is still as valuable as ever.

While technology offers benefits to providers and patients/customers, balancing the need for technology and the human element is of paramount importance. Industry professionals are also keeping an eye on mobile tech, and there is an interest in how it can enhance the patient/consumer experience in healthcare.

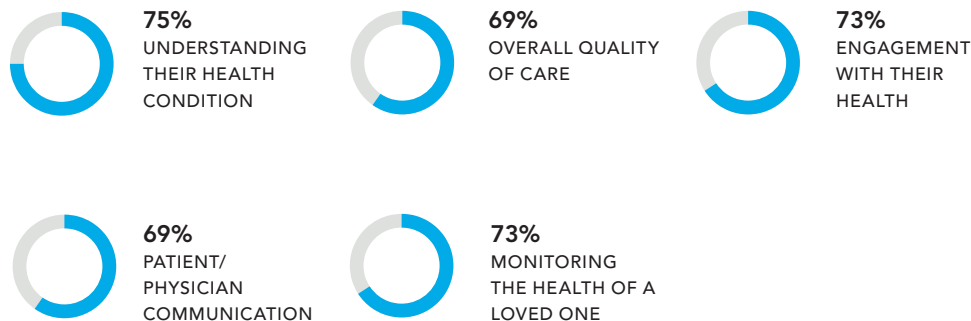
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10. Deloitte Insights, 'How do health care consumers and physicians perceive virtual care?' (2018)

# The next frontier in healthcare: mobile and wearables

Although slower to implement digital technologies, healthcare industry professionals are very active in the mobile space—and for good reason. A study conducted by Accenture found that consumer use of mobile/tablet health apps has tripled over the past four years, from 16% in 2014 to 48% today. Likewise, the use of wearable devices by consumers has nearly quadrupled in the past four years, from just 9% in 2014 to 33% today.<sup>11</sup>

Consumers are also seeing wearables as beneficial for their health, with three quarters of respondents indicating that wearables and apps help them in understanding their health condition:



Source: Accenture 2018

Marketing professionals are investing heavily in the mobile app space for lead generation and customer convenience. “What we shifted to is paying more attention to the mobile search space than we’ve done in the past to really drive home that convenience factor,” explained Yi Gu, who also spoke about the fact that customers are always searching on-

11. Accenture, ‘New Care Team: Patients + Doctors + Machines’ (2018)

the-go. How can healthcare providers reach them whenever, wherever? The answer to that question is by investing in the mobile space and in mobile search. This would be a big differentiator for a healthcare provider.

Other apps are being developed by companies and healthcare organizations to serve specific purposes. Magnus Axland mentioned that ResMed has several apps that patients can use to track their sleep behavior, for example. He also said that they are investing a lot in their technical products and software.

Amanda Henson sees the development of mobile apps as a means to enhance the consumer/patient relationship and personalization efforts: "We have the opportunity to build mobile apps that are specific to our patients and to their needs and their journeys. And then we can use the ways the patients and their caregivers are interacting with these apps to tailor web content."

While the purpose of mobile may differ from one healthcare provider to the next, it's evident that investment in mobile ads and apps is a priority. Mobile is a valuable channel for relationship management, lead generation, and improving convenience for customers.

## Ask the crystal ball: what does the future hold?

What does the future of healthcare look like? Industry experts believe it's more digital but will always demand a combination of consumer-centric online and offline experiences.

For Yi Gu, improving the omnichannel experience and focusing on the seamless integration of online and offline interactions is top of mind: "Consumers don't think of the difference between interacting with a brand online versus in-store, they just think of Walgreens. So, we have to connect these activities and make sure we're delivering a seamless, positive brand experience to our consumers across the board."

Amanda Henson takes a slightly different angle when thinking about the future of healthcare. She places a lot of emphasis on customer-centricity, saying: "Our caregivers, our patients, they should absolutely inform all of our decisions moving forward. I think how we talk to both online and offline patients is going to change."

As for the EU market, healthcare is moving towards digital and increasing customer convenience. Magnus Axland explains: "In the future, things will be even better connected so that the patients are able to see what's happening with their health, the progress, and the solutions that exist. Our platforms will be used just to make everything more efficient and more easily available and quicker for everyone."

**"If you need some health services, it has to be just in time, and that just works with digital. People want to have the things just in time. Now."**

**—Mathias Kahl, Head of Advertising & Communication at VIACTIV**

Likewise, Mathias Kahl indicated that the future will revolve around convenience and digital services: “I think the big trend is going to be to consult your doctor very fast without waiting for an appointment, by video or something like that. That’s going to be the next step. If you need a doctor, if you need some health services, it has to be just in time, and that just works with digital. People want to have the things just in time. Now.”

Although experts are seeing different trends in the future of healthcare, the common thread is the movement to become more digital in order to offer customers more convenience and accessibility. In this unique space, the future is neither online nor offline—it is where the customers and patients choose to be.



Key takeaway

## Win in healthcare: listen to your customers

The healthcare industry is riddled with challenges, but some might argue that it is also ripe for transformation. As marketing professionals think about the industry and how to win, they are left to ponder: how do we thrive in the age of Amazon?

In the healthcare industry, everything is interrelated: more convenience leads to higher customer satisfaction and, in turn, customer loyalty. However, in providing more convenient and personalized services, organizations need to think about consumer privacy and how to market to their customers. Content needs to be tailored, but that opens up difficult questions around privacy. Moreover, in order to build trust, content needs to be credible. With a number of competing priorities and interrelated elements, how can healthcare organizations ensure profitability while maintaining excellence in care along with high levels of customer satisfaction?

As industry experts have said, it all boils down to taking a customer-centric approach and listening to your customers. Listen as they dictate how much privacy they are willing to forgo for the sake of convenience and personalization—and respect where they draw the line. Seek to understand how they want to be marketed to, and then only serve them useful content that answers questions, addresses their needs, and helps build trust through credibility. Highlight the human element, and emphasize being local, accessible, and part of the community.

As Magnus Axland puts it: “We need to find a way to best serve our patients and their needs, and to be everywhere, on every touchpoint where our patients are, offline and online within an omnichannel approach.”

Are you ready to win?



# Contributors

## Industry contributors

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at Walgreens

### Amanda Henson

Director of Online Reputation Management  
at Kindred Healthcare

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Let's talk.

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