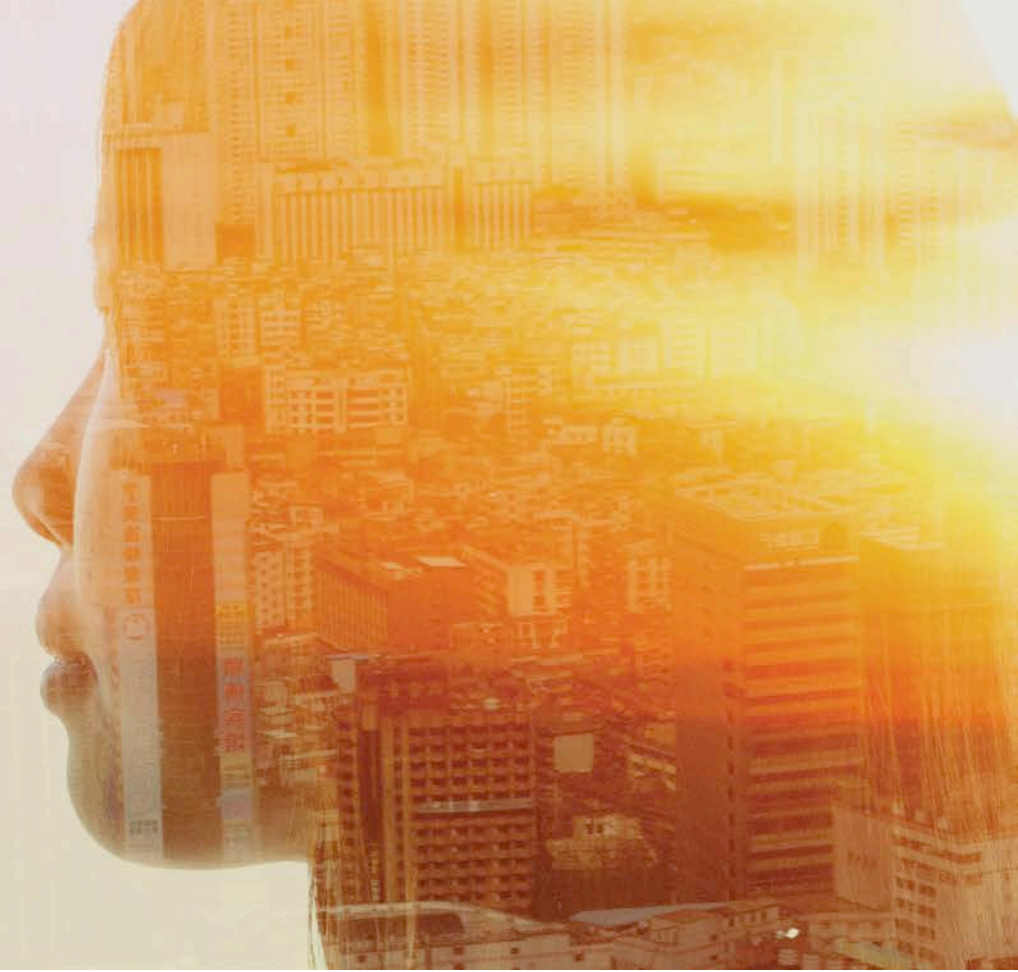


5 Reasons loyalty lacks in healthcare

NRC Health | Market Insights



Your presenters



Brian Wynne

Vice President and General Manager
NRC Health

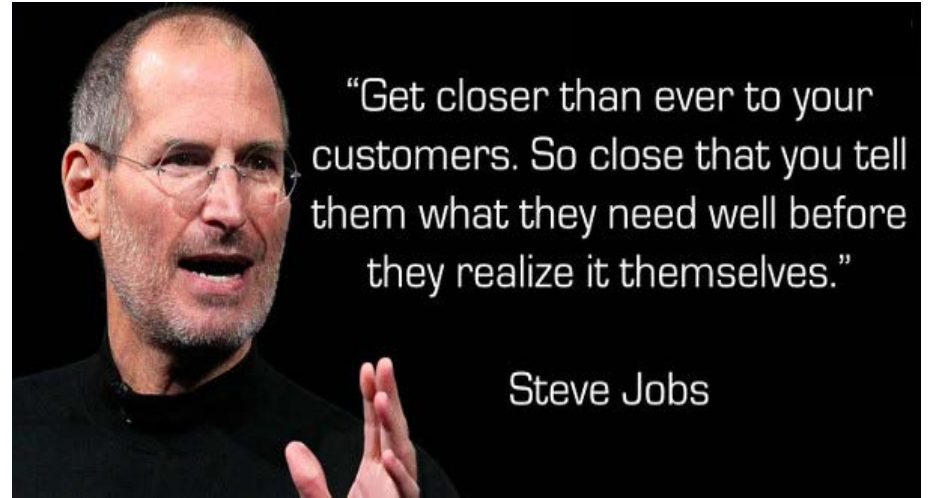


John Palmer

Strategic Analyst
NRC Health

Session roadmap

1. What is loyalty and why should we care?
2. 5 primary reasons loyalty lacks in healthcare
3. How to measure and improve loyalty at your organization



Loyalty is ~~the latest buzzword.~~
~~difficult to measure.~~
~~impossible to predict.~~
~~not applicable to healthcare.~~

Consumer Loyalty is a behavioral tendency where consumers favor one brand's products over its competitors.

Loyalty is essential to improving
the health of those you
serve and ensuring future
revenue growth.

48%

of all healthcare
consumers are
frustrated

75%

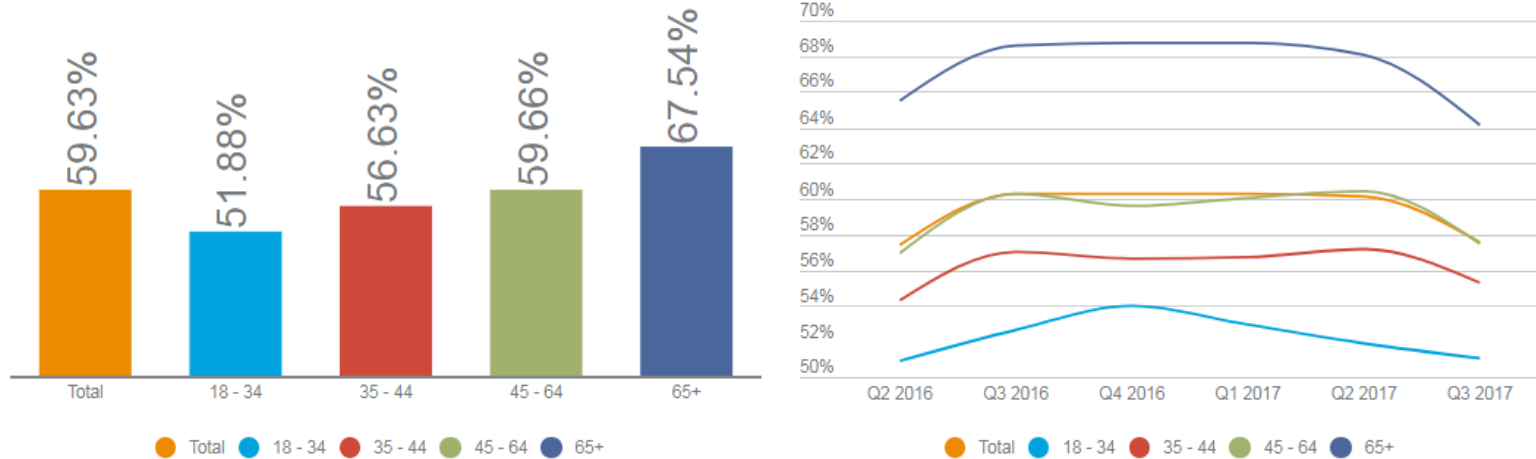
of frequent (3x/yr)
healthcare users
are frustrated

Confusion
remains the
#1 emotion
associated with
healthcare



40.37%

of Consumers are **NOT** Loyal to a Hospital or Health System

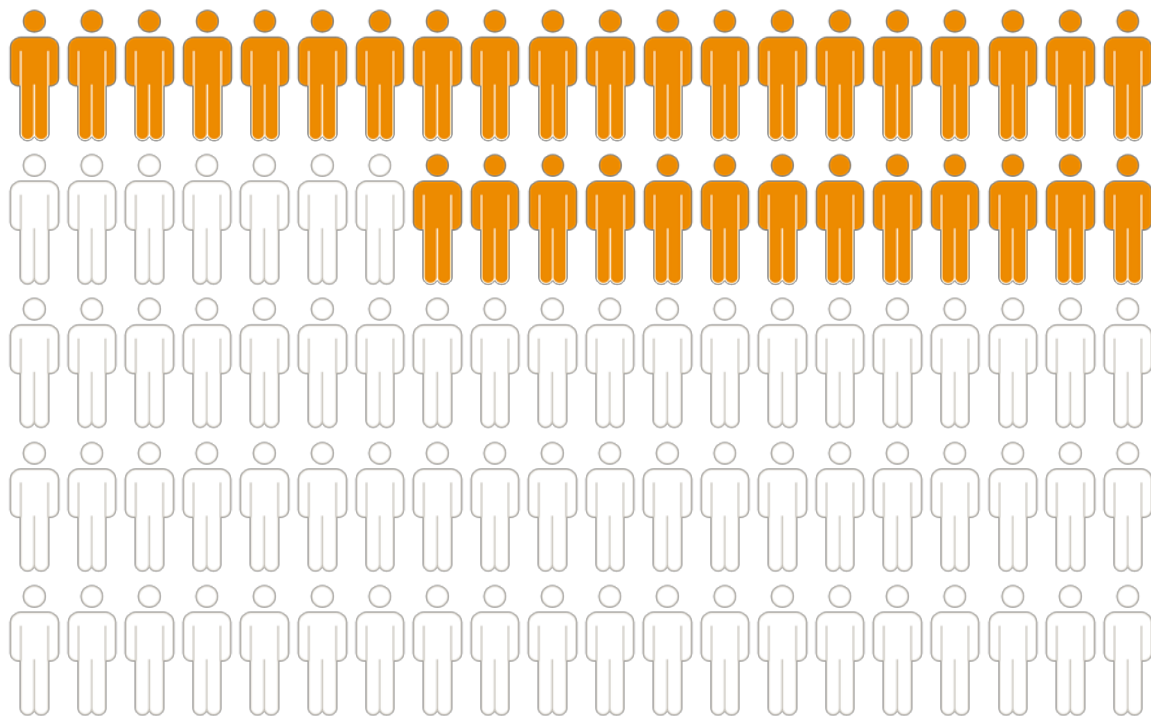


Q: *Would you consider yourself a loyal customer of a local hospital or health system?*

PATIENTS “NOT WILLING
TO RECOMMEND”

33%

2008



PATIENTS “NOT WILLING
TO RECOMMEND”

33% 28%

2008

2016



Why should we care?

The average lifetime value of a healthcare consumer is enormous and continues growing. Lack of loyalty represents an opportunity for millions in additional revenue...or loss.



Average lifetime value
of an individual

\$1.4 Million



Consumers with a consistent
relationship with a PCP cost the system

1/3 Less



Converting loyalty

**Potential
revenue**

The real reason loyalty lacks in healthcare

This article appeared in Becker's Hospital Review, June 2017 - <https://nrchealth.com/resource/real-reason-loyalty-lacks-healthcare/>

Demand for a personalized experience



More choices creates more confusion
Customer confusion = Lost opportunities



Millennials will be driving the loyalty movement

- 70% of the workforce will be Millennials by the year 2025
- Earn their loyalty early (maternity) and keep them for life
- Don't forget about Boomers and Gen Z



Gen Z at a glance:

- 25% of US population
- Twice as likely to book/buy on mobile
- Twice as likely to be diagnosed with depression and anxiety



5

Reasons loyalty lacks in healthcare

Reason 1

Lack of convenience and accessibility to traditional providers

Problem: Convenience (access)

- Healthcare access hasn't caught up to other Industries
- Consumers are busy and demand more than ever
- Armed with the choice, they will choose convenience

Visualize

- What brand do you use the most? Don't overthink, your cell phone, computer, tv, care, etc.
- Think of a brand that makes access easy and convenient (Uber, Amazon)
- How easy is it to use each brand and what makes it easy?

Re-think

- **If you could reinvent access to healthcare, what would it look like?**



Industry leaders have
reimagined access



Reason 2

Organizational confusion on who customers are, what they want, and how they want it delivered

Problem: Lack of actionable consumer intelligence

- Segmentation remains a myth for most
- Some that are attempting to understand their customers are doing so at a simple demographic or awareness level
- Relatively foreign to healthcare psychographic segmentation or generational bias (Gen X, Millennials, Gen Z)

Visualize

- What is a brand that demonstrates they KNOW their consumer? (Netflix/Amazon)
- Using consumer data to predict their likes is only scratching the surface

Re-think

- Think of the amount of data your organization has on those you serve. Consider *one* use for *one* element of that data which could be leveraged to surprise and delight a patient (consumer).



Reason 3

Consumer confusion around the entire industry

Problem: Consumer confusion

- Healthcare is not easy to access
- Consumers don't understand when and where they need to seek healthcare
- Consumers don't understand their choices
- Consumers don't understand their costs
- Consumers don't understand the "brand" they are using

Visualize

- What is the most frustrating customer experience you have had? (cable, airlines)
- What's the most organized customer experience you have had?

Re-think

- **Don't underestimate the value of clarity in relation to loyalty**





Northwell
HealthSM

They see simplification as a competitive advantage

Reason 4

Consumers visualize personal wellness, not sickness

Problem: Misalignment with consumer goals

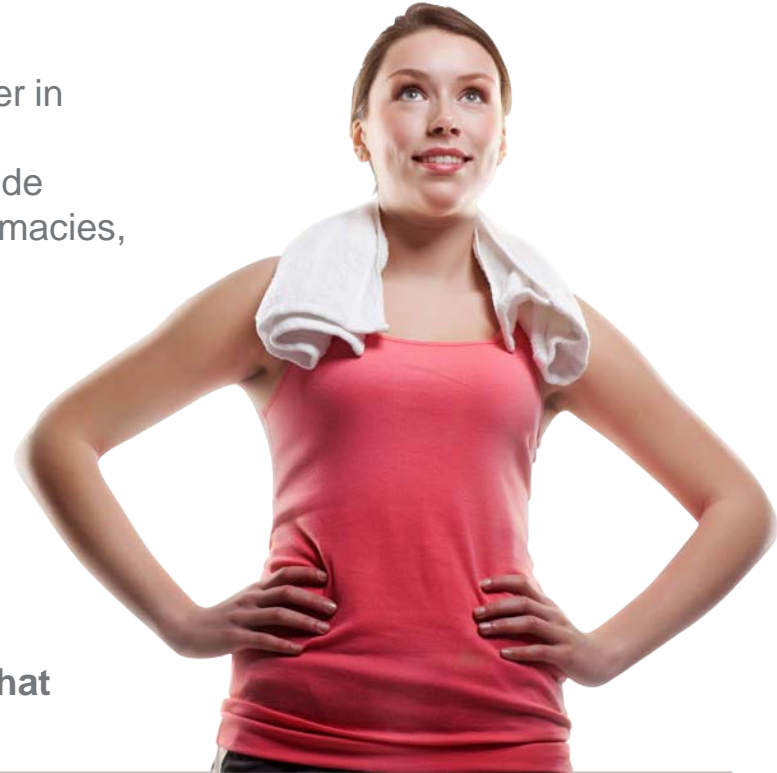
- Healthcare is still a “treat the sick” industry instead of a “partner in health and wellness” industry
- Traditional healthcare resistance to change leaves the door wide open for non-traditional competition (mobile apps, Apple, pharmacies, etc.) which look/act/feel like the other products and services consumers use every day

Visualize

- What would it look like to compete with Apple in the realm of healthcare?
- Is your Brand stronger than Apple, Amazon or even Walmart?

Re-think

- Does your organization promote wellness or *sickcare*? What would it take to change it to *wellcare*?



Reason 5

Consumers readily accept innovation or disruptors

Problem: Disruptors/alternatives in care

- There isn't a current Amazon or Uber in healthcare
- Disruptors in the past are competitors of today (Urgent Care)
- 48% of consumers would get an MRI at Walmart

Visualize

- Consider how quickly disruptors in other industries were adapted (Facebook, Uber)
- How can healthcare operators behave more like other industries? (affinity programs)

Re-think

- **Sometimes it isn't about creating but recreating**
- **What service in healthcare today could be recreated to become a disruptor?**

63%

of consumers
received care from
a non-traditional
healthcare provider
last year

New entrants are refusing to accept the status quo

PRIMARY CARE



AT-HOME VISITS



CASH-ONLY HOSPITAL



URGENT CARE



TELEMEDICINE



AI-DRIVEN PERSONALIZATION



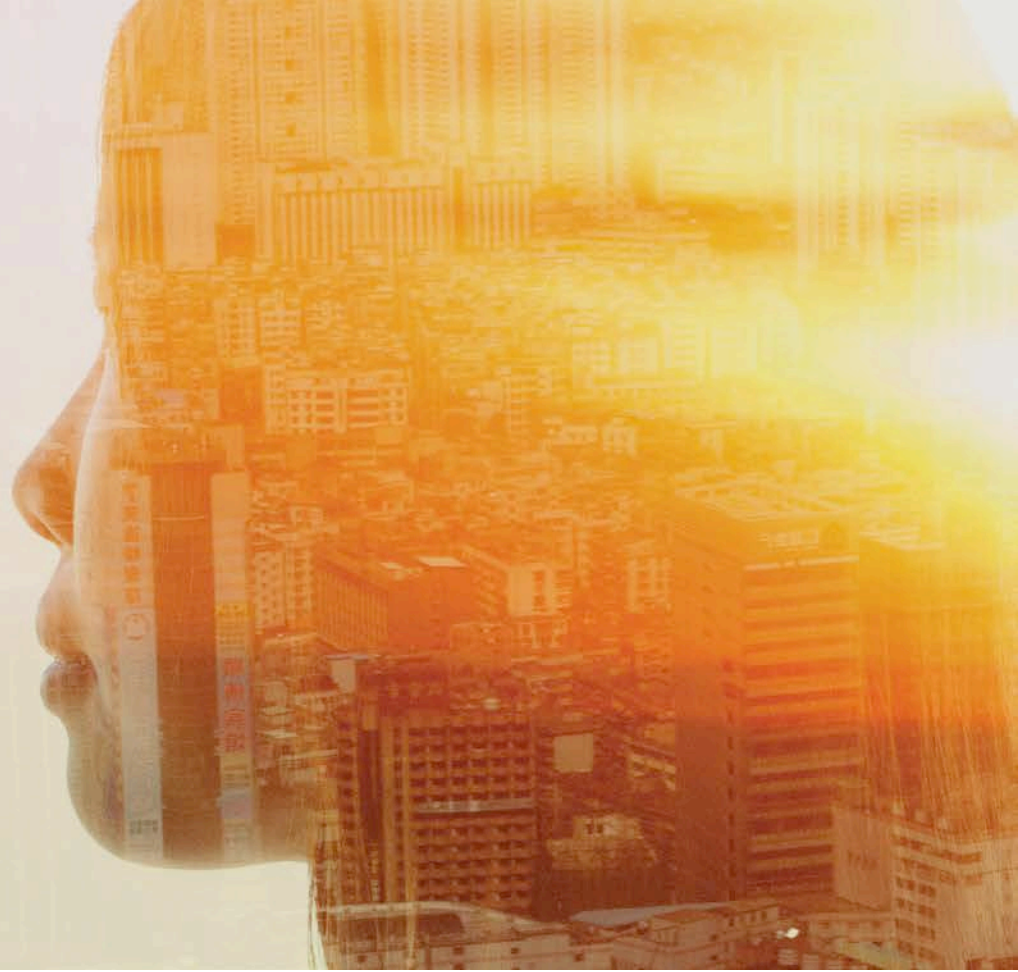
2ND OPINION SPECIALISTS



LOW COST MRI



Measuring loyalty



Measuring loyalty through NPS

Net promoter score is used in and out of industry as a way of measuring loyalty with 1 simple question:

“How likely are you to recommend <<brand/product>> to a friend, family member, or colleague?”



Costco

Type: B2C
Size: Large

45



Walmart

Type: B2C
Size: Large

40



Starbucks

Type: B2C
Size: L

77



Macy's, Inc.

Type: B2C
Size: Large

32



Microsoft Office

Type: B2C/B2B
Size: Large

33



Tesla Motors

Type: B2C
Size: Large (>100M \$)

97

How do we know what to measure?

Brand

- **87%** of consumers say reputation is very important or important when selecting a facility

Engagement

- **61%** of consumers say online ratings and reviews are very important or important in selecting a facility

Need

- **88%** of consumers say a facility covered by their insurance is very important or important in selecting a facility

Access

- **77%** of consumers say convenient location is very important or important in selecting a facility

Motivation

- **72%** of consumers say cost of service is very important or important in selecting a facility

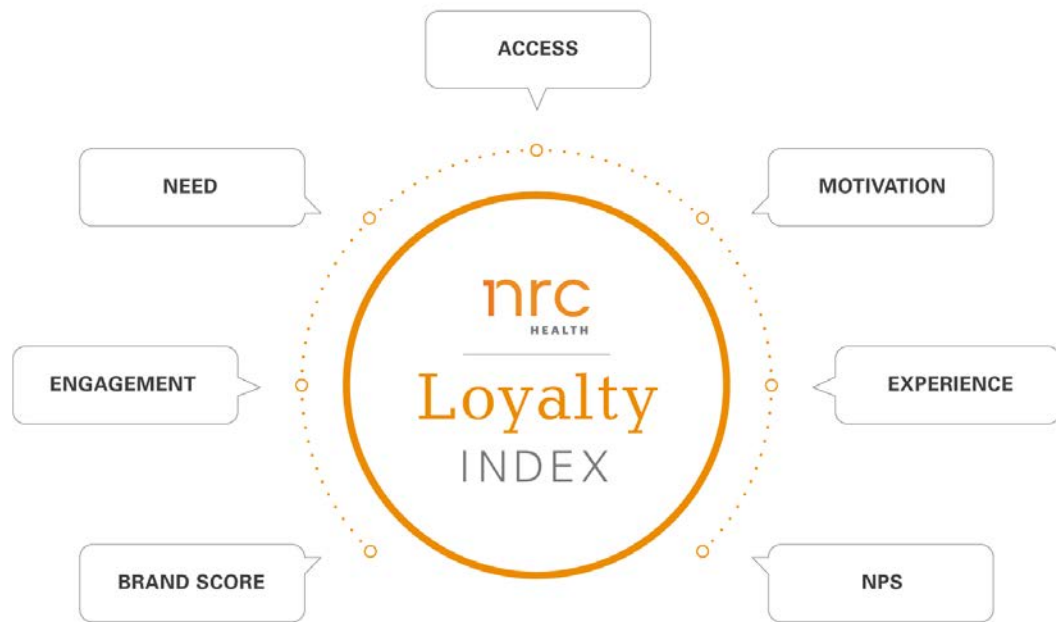
Experience

- **80%** of consumers say previous experience is very important or important in selecting a facility

NPS (Advocacy)

- **62%** of consumers say recommendations from family and friends are very important or important in selecting a facility

A single metric for healthcare loyalty



SIMPLE

Use a single, trackable metric to inform marketing strategy, report on marketing ROI, and gain leadership buy-in for marketing campaigns.

HOLISTIC

Hone in on the most important aspects of consumer loyalty by assessing your strengths and weaknesses across each of the seven aspects.

COMPARABLE

Know where you rank amongst peers in various geographic regions and understand the strengths and weaknesses of your competitors.

INSIGHTFUL

Use the correct data to design informed marketing strategies focused on driving patient acquisition, and ultimately growing consumer loyalty.

A deeper look...

Awareness & Brand Score

It all starts with awareness.

"When you think of hospitals in your area, which one comes to mind first?"

Once consumers are aware of you, what do they think of your quality?

"How would you rate the overall Image/Reputation or (Brand)?"

Engagement

Increase the number of touchpoints your customers have with you

"In which ways have you interacted with (Brand)?"

Need

Supply and demand, the more need the more loyalty

"To what extent do you agree or disagree with the following statement: (Brand) offers services that meet my health and wellness needs"

Access (CES)

Can consumers easily navigate access into your system?

"To what extent do you agree or disagree with the following statement: (Brand) makes it easy for me to access their services"

Motivation

Are your consumers motivated to use your Brand over your competitors?

"Which of the following best describes how strong you feel about using (Brand)?"

Experience

Surprise and delight your customers through unique experiences

"Please rate the most recent experience you have had with (Brand)?"

NPS

Are your customers willing to bet their reputation on you?

"How likely would you be to recommend (Brand) to a friend or family member?"

Loyalty Index in action



Market Average:

	Brand Loyalty In..	Brand Score	Engagement S..	Need Sc..	Access S..	Motivation Sc..	Experience ..	NPS Score
	59.2	78.2	26.0	76.9	62.9	70.1	80.2	19.8

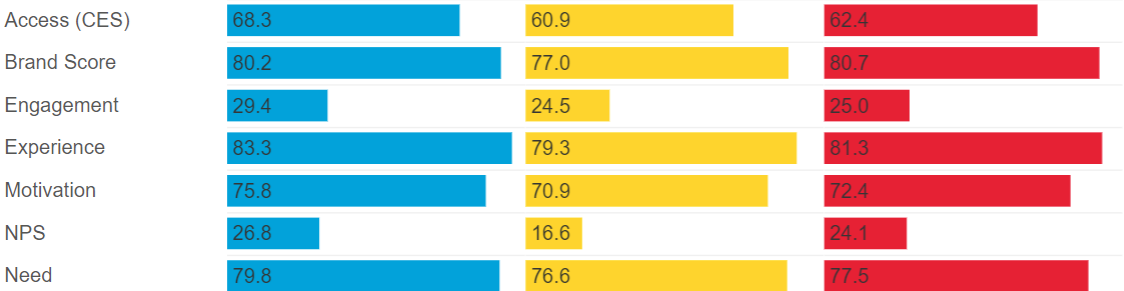
Measure Loyalty Index against competitors

nrc HEALTH John Palmer ▾

Brand ABC Health ▲ State of California ▲ Year ▲ 2017 ▲

◀ Loyalty Index Profile Trend

📄 🖼️ 📄 📧



Metrics

- Access (CES)
- Brand Score
- Engagement
- Experience
- Motivation
- NPS
- Need

Competitor Set

- Competitor 1
- Competitor 2

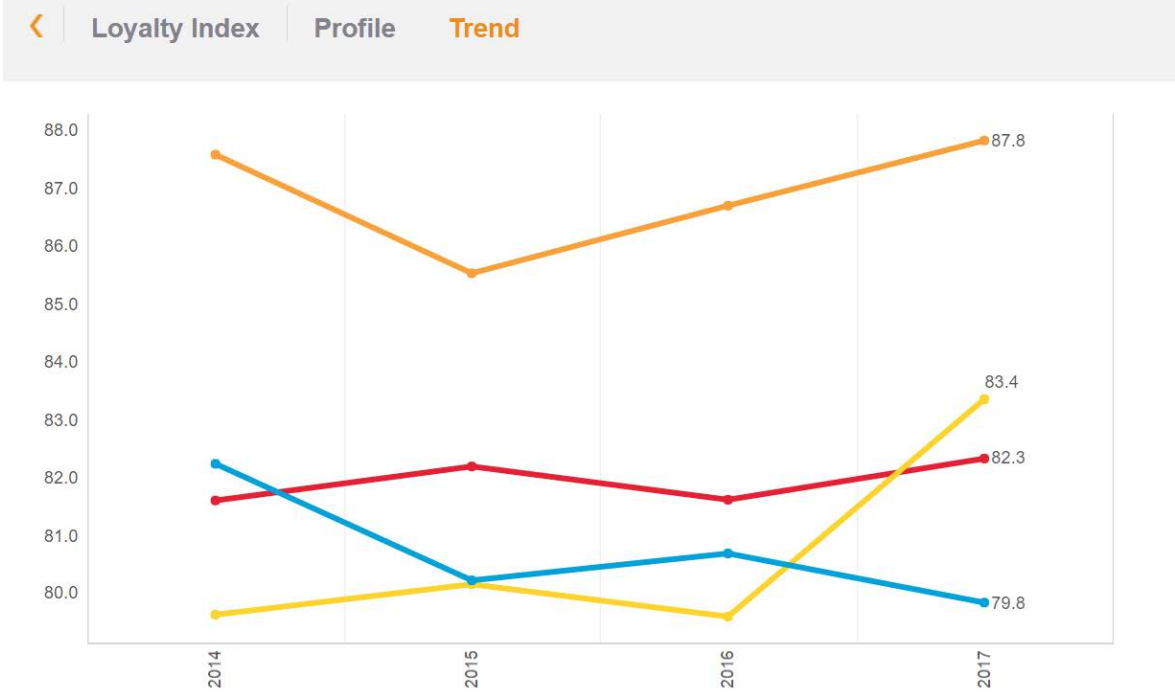
Understand competition in relation to national percentiles

Competitors	Competitor 1		Competitor 2		Competitor 3	
	(Percentile rank)		(Percentile rank)		(Percentile rank)	
Loyalty Index	61.3	45%	57.1	25%	66.9	80%
Brand Score	80.3	40%	79.0	35%	88.1	90%
Engagement	28.0	65%	29.6	75%	26.6	55%
Need	78.8	50%	75.0	20%	82.2	75%
Access	65.2	45%	53.2	15%	72.1	95%
Motivation	70.6	40%	71.8	45%	74.2	70%
Experience	78.6	25%	79.1	30%	85.9	75%
NPS	28.2	50%	11.8	25%	38.9	70%

Measure your own facilities

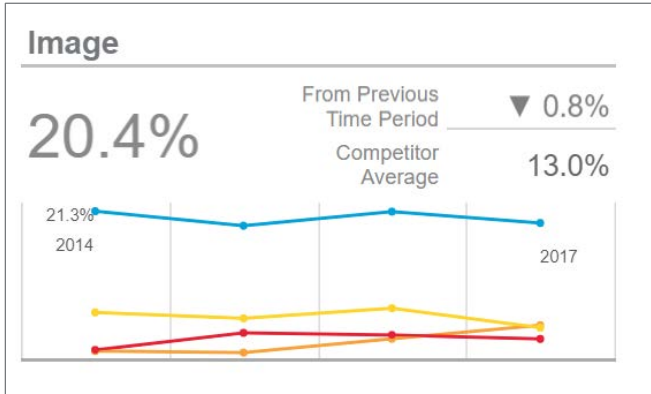
	ABC Hospital	DEF Hospital	GHI Hospital	JKL Hospital	MNO Hospital	PQR Hospital
Loyalty Index	53.4	65.8	60.2	56.6	49.3	61.2
Brand Score	79.1	87.0	81.1	77.7	68.0	86.4
Engagement	19.2	22.5	21.0	26.9	20.7	13.7
Need	73.5	82.9	79.0	77.2	63.8	85.2
Access	49.8	69.6	67.5	60.8	57.8	79.8
Motivation	67.1	73.0	68.6	63.2	62.9	67.8
Experience	81.3	86.1	86.3	72.5	70.4	83.9
NPS	3.7	39.8	18.2	18.2	1.9	11.9

Trend individual metrics using online tool - BRAND



Understanding Brand

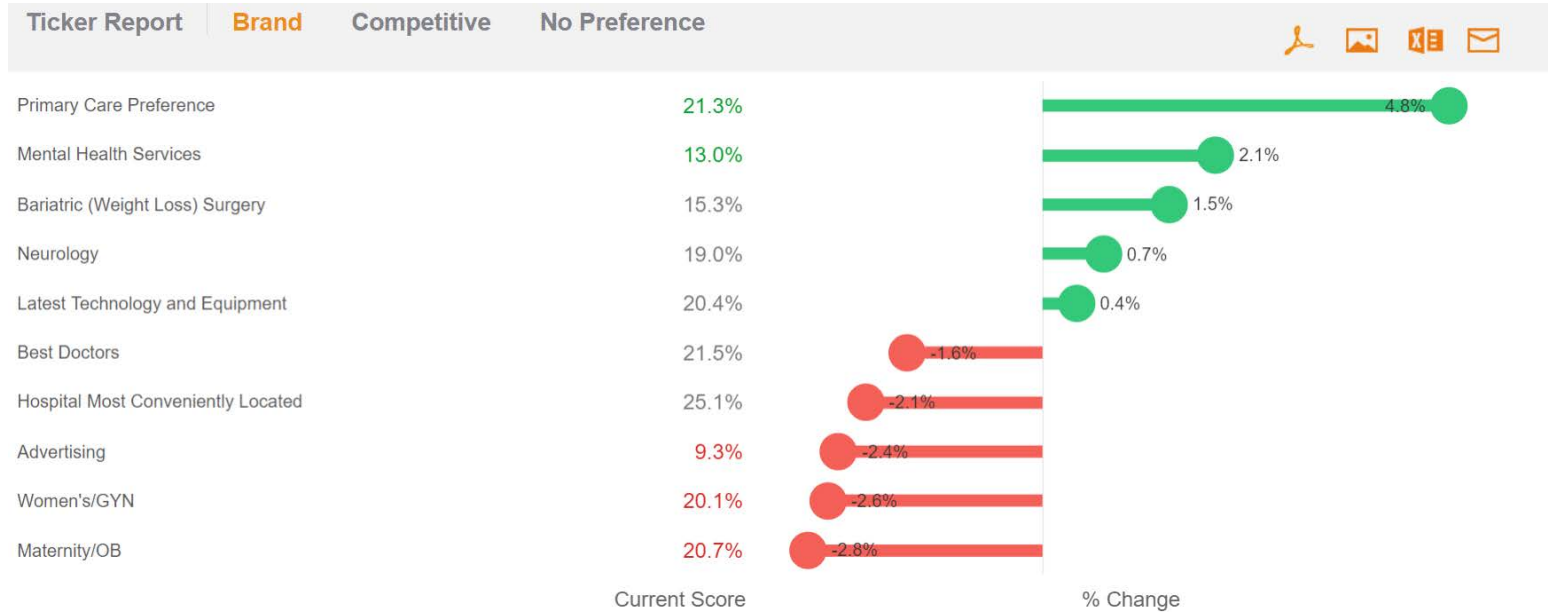
Image section in online reporting portal



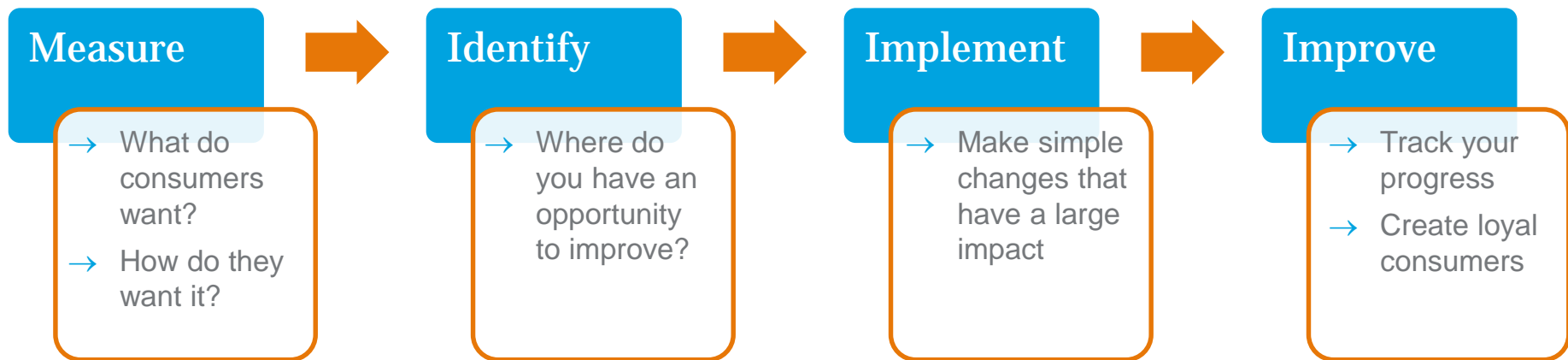
% of Consumers Mentioning as First Choice

Where is Brand building?

Ticker Report in online reporting portal



The Loyalty Roadmap



Thank you for joining us!

Please email questions to:

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