



ABOUT LENATI

Lenati is a professional services firm offering strategic methods for clients to have meaningful connection with their customers in order to elevate performance, revenue, and market share. Lenati offers a variety of solutions to help companies effectively develop products and experiences that are valuable to their customers. Based in the Pacific Northwest, Lenati is well-known for intellectual rigor, expertise, and an uncanny ability to perceive and meet clients' needs.

Lenati recognizes the critical and changing role of health care in our economy and the imperative to bring a consumer focus and culture of improvement and innovation to the industry.

Our healthcare practice is focused on:

- Helping healthcare companies and institutions of all kinds establish stronger relationships with consumers and design better consumer experiences.
- Helping to facilitate or improve the relationships between "new economy" healthcare firms (ecommerce software etc.) and traditional industry players (hospitals, physician practices, health plans).
- Optimization of our client's strategic position relative to the markets they serve

Driving Consumer Engagement with Online Health Content

THE CHALLENGE

Consumers clearly go online to seek health related content. (Up to 75% of internet users according to a recent survey from the Pew Internet Project.) The majority of these consumers go to major internet portals such as WebMD or to one of thousands of "long-tail" sites such as PatientsLikeMe or Diabetesmine.com. Google, Yahoo, and MSN are other de-facto entry points for many consumers seeking health-related information.

In contrast, traditional industry players such as health plans or hospitals have struggled (rare exceptions exist, such as the Mayo Clinic and Group Health Cooperative) to drive traffic to and engagement with their online properties.

THE OPPORTUNITY

Health plans and provider organizations can drive significant consumer engagement with their online content and tools. What it will take is a new perspective on segmentation and a focus on the consumer experience. The imperative to drive engagement has never been stronger. With unprecedented change on the industry's horizon, consumers are likely to increase their focus on managing their health affairs and will be looking for guidance from institutions that they trust. Among the winners as these changes accelerate will be those organizations that take steps now to create true engagement and loyalty.

Segmentation: Thinking differently about the health care consumer

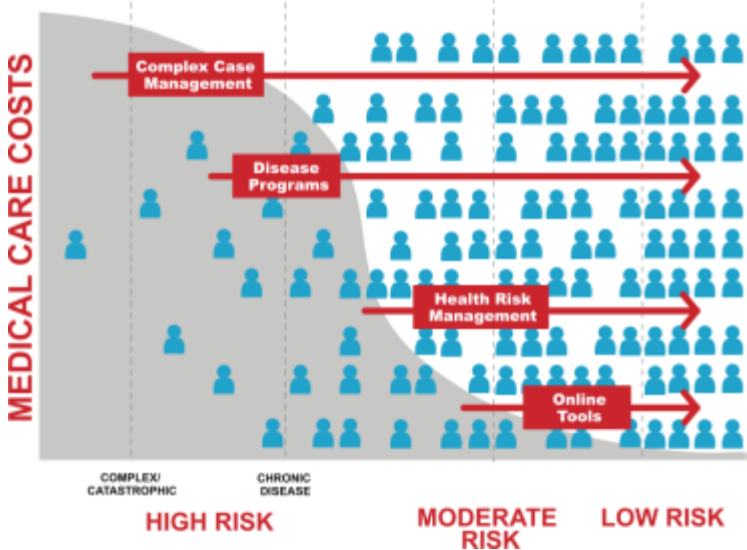
Beyond obvious demographic measures like age, geography and economic status; health care organizations typically segment their "consumer" (member, patient) base by health status.



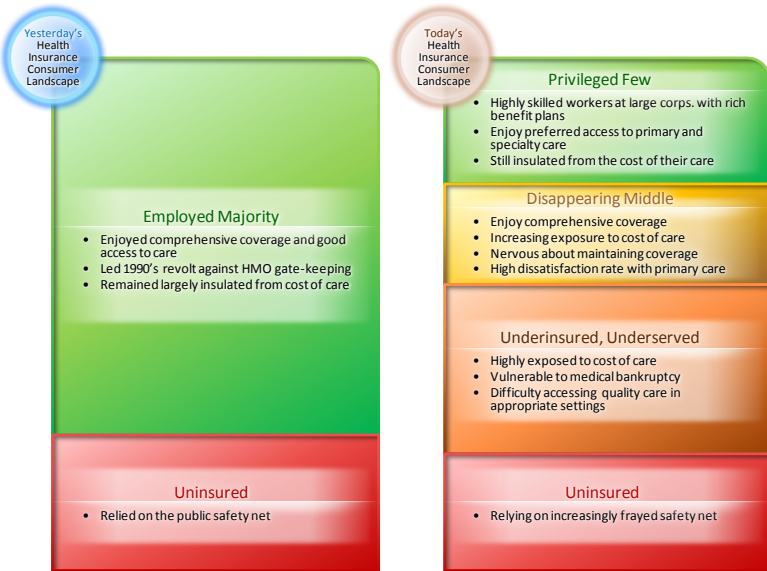
ABOUT THE AUTHOR

Martin Mehalchin is a Principal at Lenati and has dedicated his career to working with executives and managers to help them define their strategies and then translate those strategies into results. In addition to over a decade of consulting experience, Martin has held management roles at healthcare and insurance companies. His practice development activities are currently focused on working with people and institutions who are interested in applying principles of innovation and new technologies to the many challenges facing the healthcare system. Martin holds an MBA from the Johnson Graduate School of Management at Cornell University and a Bachelor's in International Affairs from the University of Colorado at Boulder.

A typical continuum of care segmentation is represented by the diagram below:



We believe that another important dimension of segmentation is where the consumers fall relative to their interactions with an increasingly fractured health care system. In the past, this was relatively simple; an individual under 65 was either insured, uninsured or in a safety net program (e.g., Medicaid). Today as the system crisis deepens and the employer-sponsored insurance market shrinks, the landscape has become much more complex--with adverse implications for consumers. The diagram¹ below represents a high-level view of the new landscape:



¹ Note that the diagram and this analysis focus on the under-65 market and do not account for those eligible for Medicare.

In this new landscape, worries about the financial consequences of health events or chronic disease have become a source of anxiety for all but the "Privileged Few." The anxiety of this new majority of consumers is compounded by their declining access to and respect for traditional health care institutions.

We believe that combining the traditional continuum of care perspective with the above model of coverage status yields powerful segmentation insights (see matrix below). This combined framework can be used to craft messages that will encourage engagement with health related content and drive both intended behavior change (e.g., through wellness programs) and a deeper relationship between health care organizations and their stakeholders.

Framework for Developing Segment — Specific Messaging

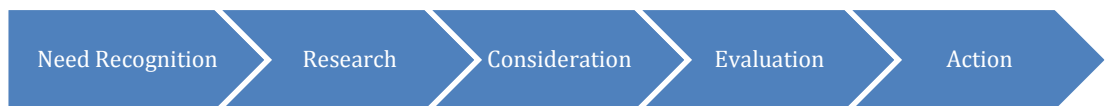


THE CONSUMER EXPERIENCE

Once you've understood your consumer base and developed a set of potential messages, you're ready to turn your attention to the consumer experience. Here are a few key tips to get you started:

1. Think about the behavior that you are trying to drive.

- If you can't identify a behavior or action that you are trying to drive (e.g., – enrollment in a smoking cessation plan, scheduling a preventive screening, etc.) then you should probably revisit your entire campaign strategy.
- Once you have identified the desired behavior or action, think about its relevance and feasibility for the audience segment you are addressing.
- Finally, realize that consumers typically progress through stages before they take a significant action.



- The most robust consumer experience plan will develop distinct content to support each of the phases of the consumer's journey.

2. Focus on relevance and positive associations.

Make sure that the type of engagement that you are trying to drive is relevant for your audience and that you provide positive associations that motivate them to engage. A good example here is the shift in recent years in the marketing of fitness equipment. Traditional marketing campaigns emphasized extremes of athletic accomplishment and used triathletes and bodybuilders as endorsers. The vast majority of consumers found it difficult to relate to the iconography of these campaigns and deemed them irrelevant to their daily lives. Acting on this insight, leading companies such as Precor have re-worked their brand promise and campaigns to speak to the broad mass of consumers—who exercise mainly to be able to maintain their current level of activity as they age, or extend their longevity by losing weight and improving their cardiovascular health.

3. Reach beyond the PC.

Let's face it; very few people are going to actively improve their health sitting at a PC in an office. Online health content can have a powerful influence on decision-making and can drive consideration of your product or initiative, but the actual activity that leads to a transaction or a behavior change will occur away from the screen. That's why it's crucial to look at your online presence as the fulcrum around which your consumer experience may revolve while at the same time seeking out the right mobile or off-line touch points that can drive action. Too many of the "born on the web" players in the health care space have neglected to extend their presence beyond the PC in any considered and substantive fashion.



4. Form alliances to create positive associations with your brand.

Health care organizations often form alliances with other health care organizations (for example, the numerous partnerships between health plans and the March of Dimes AHA, ADA, etc.). While there is nothing wrong with these alliances, we would encourage you to think about non-traditional options that support the consumer experience strategies described above.

Involving lifestyle companies such as Nike, Precor, or Whole Foods Market and activity-based organizations such as the United States Tennis Association or the local cycling club can help make your wellness-related campaign relevant to your audience, create positive associations that raise the desire to engage, and extend your brand and your campaign beyond the PC.



SUMMARY

Consumers go online to manage their health. Traditional health care organizations face an uphill battle to engage consumer audiences online in an environment where a few players such as WebMD have become dominant. The challenge can be overcome by thinking in a new way about segmentation and then focusing on an end-to-end consumer experience.

FOR MORE INFORMATION

For a more detailed discussion of these concepts or to learn how we can help you put them into practice, contact Martin Mehalchin, Lenati's Health Care Practice Lead, at mmehalchin@lenati.com .