Emerging Consumer Engagement Models in Healthcare

Better Healthcare Journeys by Design
Changing healthcare industry landscape

The Patient Protection and Affordable Care Act (PPACA) is fundamentally transforming the healthcare industry landscape. The insurance industry is making an irreversible shift from a predominantly wholesale model to a growing retail model. Establishment of public exchanges will bring an influx of tens of millions of new customers representing a major business opportunity.

Along with this phenomenal opportunity comes a challenge: Health insurance companies are about to witness a consumer revolution. Accustomed to a B2B marketing approach, insurers are now entering a new era of marketing directly to consumers. To succeed in the new marketplace, health insurance providers need proven customer engagement and customer experience models.

New business opportunities

- 7 million new consumers enrolled in the health exchange marketplace in 2014. And the market is expected to grow to $200 billion by 2019.
- 52% of insurance executives expect their companies “to compete for a slice of the pie.”
- 57% of insurance executives expect individual business to grow, and 46% expect growth in their small group business.
(Source: PwC)

Insurers who currently do not participate in individual or small groups markets see this as an opportunity to enter new markets.

New challenges

- Customer experience: Helping consumers navigate complex touchpoints that involve a series of influencers, providers, financial institutions, and retailers.
- Online customer acquisition in new B2C sales models.
- Consumer education: Educating uninsured consumers about a complex range of plan options and choices.
- Social engagement model to manage consumer and market perception.
- Service engagement model and customer churn.
Customer experience across complex touchpoints

The most market-changing aspect of PPACA is the establishment of online marketplaces called health insurance exchanges (HIX). This new online marketplace fundamentally changes the way insurance is sold, and more importantly, the touchpoints in the consumer’s insurance buying experience.

The emerging online insurance shopping experience will require consumers to navigate through a complex array of touchpoints that involve influencers, providers, financial institutions, and retailers. Insurers are concerned that a fragmented and inconsistent consumer experience across these multiple touchpoints might impact their brand. They realize that being competitive in the new environment will require careful analysis of consumer preferences—how customers want to engage with the insurer across their journey, over what channels, what devices, and in what situation. Delivering consumer-focused, smart, connected journeys to help customers navigate through these complex touchpoints will be key to winning customer trust and new business.

Another important observation is that distinct demographics in the insurer’s target market will want to engage differently at each step of their journeys. For instance, the journey of a younger consumer, across touchpoints and channels, will be very different from the journey of a retiring baby boomer. Hence, their engagement models will also differ.

Consumer expectations of Amazon style experiences are forcing insurers to deploy proven demographics-based multichannel consumer engagement models. Companies are ramping up quickly to deliver smart, connected consumer journeys across sales and service touchpoints.
Consumer education engagement models

Health insurers are facing huge challenges as they look to educate consumers through new touchpoints. According to PwC’s analysis of CBO’s (Congressional Budget Office) projections, 97% of individual exchange customers in 2014 will be those who were previously uninsured. Roughly 86% of them will not have a college degree as compared to 63% now. Insurers and exchanges will have to devise strategies and creative engagement programs to educate a diverse and less educated population on complex choices and enrolment responsibilities.

Insurers have an added burden of building plan awareness and differentiating across various outlets including influencers, providers, financial institutions, and retailers. In the reconfigured environment, a lot of information will be relayed to consumers on behalf of insurers, and it becomes critical that a consistent message is received by consumers across all touchpoints.

Consumer confusion

![Diagram showing consumer confusion questions]

Fig. 2: Consumer confusion

New demographic mix

- Not likely to be employed full time
- Are not currently insured
- More ethnically diverse
- Never purchased an insurance product online
- Minimal understanding of exchanges
- Cycle on and off government support
- English is not the first language for many
Engage and educate on the social cloud

Social media has emerged as one of the most popular destinations for today's consumers. Health insurance firms are innovating new approaches to connect and educate consumers through this medium. The State of Colorado designed a very successful targeted outreach and educational program around it. Colorado partnered with statewide organizations to organize focused groups and used social media, including blogging and Twitter, to reach potential participants and educate consumers about the new exchanges.

Other companies, too, can use Twitter, Facebook, blogs etc. to proactively engage and educate consumers. Once engaged, insurers can convert the social cloud interactions into one-to-one conversations to build trusted consumer relationships. In the new retail insurance environment, knowing your customers and building trusted relationships will be the differentiator needed to win.

Engage and educate with online self-help capabilities

**Proactively engage and educate consumers online with a virtual assistant.** A virtual assistant or chatbot is a lifelike, conversational agent providing a unique, interactive, and personal way for users to get educational information and assistance on the website, 24 hours a day, 7 days a week. A website visitor simply chats with the virtual assistant which acts as a guide taking customers on a tour of the website, providing answers to their health plan questions, guiding them in their plan selection decisions, and seamlessly escalating to agent-assisted channels when necessary.

**Proactively engage and drive consumers to online self-service portals.** Empower consumers with quick and easy access to information online while providing distinctive, productive, and brand-aligned self-service experiences. Consumers will navigate through a wealth of information about coverage, billing, and other topics to educate themselves and make informed decisions about their healthcare. They will access the same “global truth” that is available to internal sales teams or external influencers making it a consistent and successful experience.

**Offer guided help on the website.** The self-service session will take consumers through coverage plans and options in an interactive, Q&A format. Conversational navigation simplifies and personalizes consumer experience. It will guide customers to choose plans that best match their personal situation. Self-service based guided engagement sessions can be supported by agent assistance, if desired.

Engage and educate through Influencers

Purchasing insurance online will not be a one-stop shop experience. As observed by a PwC HRI research survey, consumers will reach out to brokers, community resource centers, and exchange customer service to learn about their options. These outlets will relay a lot of information on the insurer's behalf and it is critical that a consistent message be communicated through this fragmented system. The role of brokers and other influencers will evolve over time, but in the short term they are important touchpoints that need to be supported.
Insurers are investing in knowledge and self-service frameworks as effective educational tools. These provide exposure to self-service customers and influencer communities alike so that “one global truth” is relayed out at every touchpoint. They are also setting up dedicated live chat channels as a cost-effective educational medium.

Customer acquisition engagement models

Just a few months from now, millions of Americans are expected to begin purchasing health insurance. Government subsidies will provide huge incentives for consumers to purchase through exchanges, and insurers are excited about the opportunity to win millions of new customers through the online marketplace.

Consequently, online consumer acquisition and retention challenges are at the top of insurance executives’ priorities. The retail industry has created a certain perception of the online shopping experience in the minds of consumers. They are influenced by Amazon-style crisp and streamlined buying experiences and will expect the same experience while purchasing health insurance. In addition, insurers also realize that brands may become neutralized in exchanges and customer experience will be the significant differentiator. Making every interaction simple, consumer friendly, and memorable will be the key to success.
Engage with consumers as they shop online

Top things health insurers can do to make insurance purchasing more user-friendly

<table>
<thead>
<tr>
<th></th>
<th>%</th>
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<tbody>
<tr>
<td>Provide clear view of what is covered</td>
<td>72%</td>
</tr>
<tr>
<td>Make it easy to talk to someone at the insurance company</td>
<td>46%</td>
</tr>
<tr>
<td>Provide tool to estimate costs of common procedures</td>
<td>43%</td>
</tr>
<tr>
<td>Offer a way to compare insurance products</td>
<td>37%</td>
</tr>
<tr>
<td>Make it easy to change plans</td>
<td>31%</td>
</tr>
<tr>
<td>Offer multiple methods of payment (e.g. electronic or automatic payment)</td>
<td>20%</td>
</tr>
<tr>
<td>Don’t give too many options</td>
<td>8%</td>
</tr>
<tr>
<td>Not sure / don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: PwC Health Research Institute Consumer Survey, 2011

Fig. 4: Top things consumers say health insurers can do to make transactions more user-friendly (Source: PwC Health Research Institute Consumer Survey, 2011)

PwC HRI research clearly outlines consumer expectations: 46% of consumers feel that talking to someone at the insurance company will make their shopping experience more user-friendly.

Seventy percent of online shopping carts are abandoned on an average. The number is higher for the insurance sector because of the complex nature of products and the complicated transaction process. Health insurance companies are analyzing best practices from adjacent markets like the auto insurance industry and beefing up online multichannel engagement capabilities to maximize consumer acquisition.

Engage with contextual and relevant offers

Analyze consumer activity on your website in realtime to effectively engage them with relevant and contextual offers. Retailers typically use eligibility conditions as triggers to make targeted offers throughout the consumer’s online shopping journey. Depending on which stage of the purchase lifecycle the consumer is at, retailers use a combination of automated offers and agent assisted offers to engage with them over their channel of choice.

Engage with collaborative assistance to close sales transactions

Customers want real-time clarification and confirmation when they make important choices, purchases, or decisions. They want to speak with someone while browsing online to answer a quick question before they commit. And at that point they do not want to call 1-800 numbers and start all over again. Insurers, therefore, need a way to offer crucial real-time help to customers while they are shopping online. By deploying proven online collaboration models like cobrowse to assist consumers, securely and in compliance with security guidelines, companies can increase online sales conversions drastically.
Trusted engagement using video chat

Insurers are designing demographics-based, smart customer journeys to connect with their target market. For instance, the iPod generation grew up texting and prefers live chat over email to connect with retailers. Live chat is also a proven and effective way to tackle the abandonment challenge in sales situations. Adding video chat to the engagement mix takes customer experience to a whole different level. Video helps to establish trust in online sales engagements.

Click to call the Baby Boomers

The soon-to-be insured consumers are expected to be a much more diverse group than the current mix. For many among the newly insured, English will be their second language. In addition, the baby boomer generation still prefers phone interactions. Health plans can leverage click to call to serve the older demographics.

Social engagement models

Social networking is the biggest trend to hit the Internet in the last few years. Aided by the rapid adoption of smartphones, consumers are sharing their views about products and companies much more easily through Twitter, Facebook, blogs, and forums. There is clear evidence of the impact of social media on healthcare. More than 50% of consumers read reviews of healthcare providers online, and social media chatter clearly influences consumers’ buying decisions.

Social engagement is valuable from the perspective of both consumer and market perceptions.

<table>
<thead>
<tr>
<th>Support needed before purchasing health insurance over the intranet*</th>
<th>All respondents</th>
<th>Medicaid eligible</th>
<th>Subsidy eligible</th>
<th>No subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talk to live customer representative</td>
<td>48%</td>
<td>36%</td>
<td>54%</td>
<td>49%</td>
</tr>
<tr>
<td>Review customer ratings of health insurance plans and companies</td>
<td>42%</td>
<td>32%</td>
<td>46%</td>
<td>46%</td>
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<tr>
<td>Research online articles, blogs, or forums</td>
<td>33%</td>
<td>27%</td>
<td>40%</td>
<td>32%</td>
</tr>
<tr>
<td>Discuss with an insurance agent/broker</td>
<td>32%</td>
<td>23%</td>
<td>37%</td>
<td>33%</td>
</tr>
<tr>
<td>None</td>
<td>23%</td>
<td>31%</td>
<td>17%</td>
<td>23%</td>
</tr>
</tbody>
</table>

* Respondents were able to select more than one answer. Source: PwC Health Research Institute Consumer Survey, 2011

Fig 5: Support that consumers look for before buying health insurance plans online (Source: PwC Health Research Institute Consumer Survey, 2011)
Monitor social chatter and engage to win consumer loyalty

Insurers are acquiring proven social media monitoring tools and adopting best practices from the retail sector to manage consumer sentiment on the social cloud. The public nature of social chatter and their potential impact on brands raise the stakes. Insurers are standardizing as well as automating frameworks around their social monitoring policies. For instance, they are investing in social platforms to automate social monitoring and there are clear guidelines to try and convert a social cloud interaction into one-on-one conversation over the phone or live chat channel.

Service engagement model and customer churn

Massachusetts exchange model provides evidence that brands may become neutralized in the new exchange environment forcing plans to compete on price, provider network, and value. PwC HRI consumer survey observes that benefits and price are the two most important elements in a consumer’s decisions to choose a particular health plan, followed by provider network, and coverage area. An insurer being well known was the least influential attribute.

Customer retention is another key aspect that will have a direct impact on long term success. Subsidies will provide powerful incentive for millions of Americans to enroll through exchanges, but their eligibility for the subsidies will fluctuate based on income. These eligibility shifts will result in significant churn.

Differentiation becomes even more critical in the reconfigured retail environment. Other retail industries have proven that customer experience and service across sales and support touchpoints can be the most effective and defensible differentiator.
**Enable multichannel service models**

Offer multichannel service to build trusted relationships. A consumer may send you an email one day, chat with an agent the following day, give you a phone call next week, and use self-service later in the month to check wellness information. They expect consistent, high quality service at every touchpoint across channels.

**Avoid channel silos**

Many insurers are unable to deliver smart, connected engagement since the systems, people, and processes at touchpoints are siloed and disconnected. These silos create confusion and frustration as customers get different answers to the same question, receive irrelevant sales offers, experience inconsistent processes, etc. Moreover, the left hand in the organization doesn't know what the right hand is doing. For example, the chat agent does not know about the customer’s self-service interactions, the phone agent would not know anything about the Twitter interactions with the customer. End result is, the customer gets a poor experience, tweets about it and often defects! These tweets will be there for everyone to see—forever.
Next steps

As a solution provider committed to helping businesses differentiate themselves through best-in-class customer interactions, eGain offers a complimentary, no-risk, no-obligation assessment of your current customer service and support operation in the form of a Best Practice Assessment Study (BPAS). Based on your priorities, the BPAS can be focused on the specific topic of this document or your broader contact center and customer service operation. If you found the content of this document to be useful, we are confident you will benefit from a BPAS engagement with us. To qualify, send us an email at info@egain.com. We will contact you to set up a mutually convenient time to conduct a BPAS.

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