

A Forrester Consulting
Thought Leadership Spotlight
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The Business Impact Of Investing In Experience

A Spotlight On Healthcare

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Introduction

Healthcare customers must navigate a complex ecosystem of players throughout their journeys. But they are also demanding more from their relationships across that ecosystem. First, customers look to insurers and providers for help navigating the complexity. The rise of chronic diseases will multiply the number of patients who need that kind of help.¹ And in the US specifically, as customers face new choices and responsibilities for their health insurance, they will be exposed to more actors and more complexity in the healthcare system. Second, people worldwide are starting to actively manage their wellness with easy and effective digital tools — whether by tracking their fitness progress with wearables or by messaging their doctors directly. However, digital engagement with healthcare customers is still far below that of other industries: Fewer than 65% of US online adults are digitally engaged in their healthcare today.² Healthcare firms using patient insight to drive easy, effective, and emotionally rich experiences will increase loyalty among customers.³ That stellar experience grows the bottom line.

In February 2018, Adobe commissioned Forrester Consulting to evaluate the business impact of investing in customer experience across the customer life cycle. Forrester conducted an online survey with 1,269 marketing, advertising, CX, digital, and analytics business leaders at global enterprises to explore this topic. This spotlight focuses on the results of the 157 healthcare industry respondents who are responsible for customer experience strategy and measurement. We found that healthcare firms that invest in experience transformation across people, process, and technology disciplines demonstrate superior performance. These firms — that we have defined as experience-driven businesses (EDBs) — deliver on metrics that align to their customer experience, digital business, and revenue goals.

KEY FINDINGS

- › **Healthcare firms invest in experiences that increase digital business and grow revenue.** To achieve top priorities, firms focus on investments that build a contextually relevant journey based on the customer's needs. These investments include better managing the entire customer journey, improving content marketing capabilities, and adding or improving mobile experiences.
- › **Experience-driven healthcare firms lead their peers.** EDBs do things differently — they use analytics to derive insights on their customers, and they are committed to educating all employees about their role in fulfilling a CX vision. Healthcare EDBs' consistent, enterprise-wide efforts result in patient and customer experiences that promote engagement and loyalty.
- › **Experience-driven healthcare firms perform better than their peers on key business priorities.** Rich digital experiences paired with strong cultures of customer-centricity unlock achievements in customer experience, digital business, and revenue. In fact, EDBs are 1.6x more likely to significantly exceed expectations in revenue growth



Experience-driven healthcare firms are 2.3x more likely to have leading product reviews and ratings.

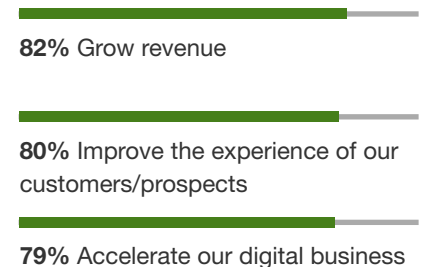
Experience-Driven Healthcare Firms Deliver Best-In-Class Patient And Customer Service

Healthcare firms have a growing awareness that customers and patients have choices in care, insurance, and prescription drugs, all while margins continue to shrink.⁴ Most online adults want digital access to appointment scheduling, coverage suggestions, and rewards for healthy behaviors: Smart firms will vie for customer loyalty with new models of personalization and digital engagement.⁵ To meet changing customer expectations, firms are setting business priorities to match: Customer experience improvement and digital business acceleration are nearly as important as revenue growth (see Figure 1). To drive better experiences, healthcare firms need: 1) an organization built to overcome silos; 2) processes that drive continuous improvement through customer insights; and 3) a technology infrastructure that enables strong experiences. We found:

- › **Global healthcare firms overall are working toward fuller, more seamless experiences.** Top priorities of global healthcare firms for improving CX include better managing the entire customer journey from acquisition to loyalty (56%), improving content marketing capabilities (44%), and adding or improving mobile experiences (42%). These investments let firms build a contextually relevant journey based on the customer's need. For example, a well-placed blog piece on preventive care and wellness leads a person to download and explore a healthcare mobile app. If that app allows the person to see which doctors are available and allows them to easily schedule an appointment, the journey was easy and contextually relevant for the customer.
- › **But experience-driven healthcare firms are fully committed to CX excellence.** We surveyed healthcare firms globally and applied a maturity framework to identify companies in our survey that lead the industry in employing best practices along organizational, process, and technology pillars. We call these firms experience-driven businesses (EDBs). Instead we found that many healthcare firms have difficulty embracing CX best practices consistently across these three pillars.⁶ Only a third of companies in our survey can claim to be an EDB (see Figure 2).

Figure 1

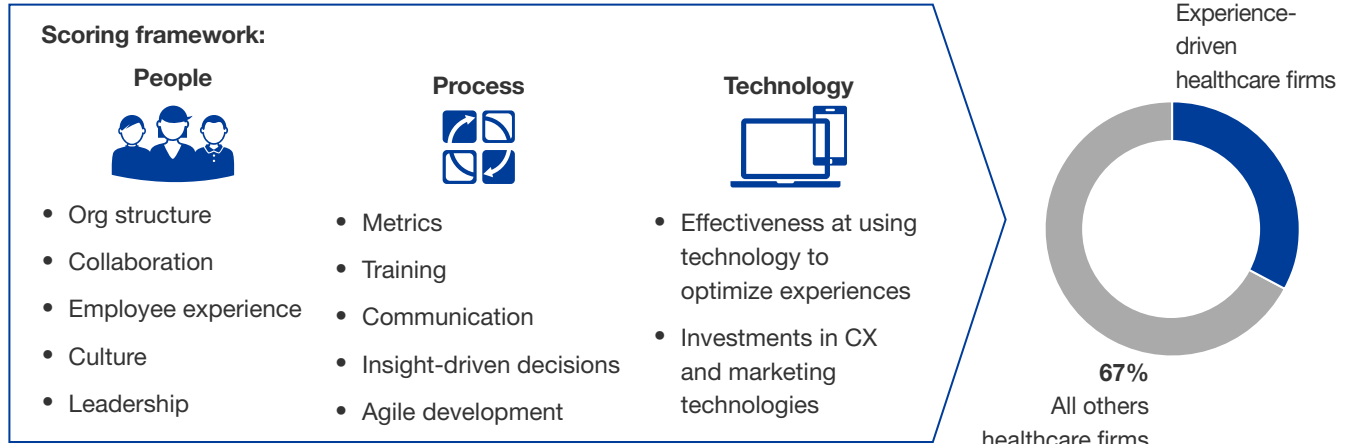
Top business priorities over the next 12 months (rated critical or high priority)



Base: 157 CX technology and metrics decision makers at global healthcare companies
Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Figure 2

We Used A Three-Pillar Scoring Framework To Define Experience-Driven Businesses.



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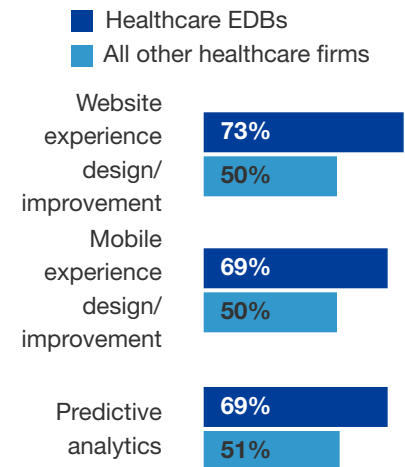
Healthcare EDBs Master Digital Experience And Culture To Achieve Their Business Goals

Unlike the healthcare industry as a whole, experience-driven healthcare firms have managed to embrace the technologies, strategies, and tactics that other industries have used to succeed in improving customer experience.⁷ Whether payer, provider, or pharma, healthcare EDBs derive insight on their customers and deliver digital experiences that lead to engagement and loyalty. In further investigating the practices of healthcare EDBs, we found:

- › **Experience-driven healthcare firms invest in digital experiences and the analytical tools necessary to optimize them.** EDBs are much more likely than other healthcare firms to dedicate specific budget to both website and mobile experience design improvements (see Figure 3). They are also more likely to invest specifically in predictive analytics — a powerful tool that can deliver higher-order benefits to patient health. By near-instantly scanning millions of imaging reports to detect patients with high-risk conditions, analytics tools can catch life-threatening illnesses that clinicians can miss.⁸ Healthcare firms can use predictive analytics to better provide the right information to the customers at the right time. And marketers can use predictive analytics to analyze the performance of their digital offerings and predict how customers will want to use them.

Figure 3

“For which of the following categories does your organization have a specific budget line item for 2018 (or the next closest fiscal year)?”



Base: 157 CX technology and metrics decision makers at global healthcare companies
 Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

- › **Healthcare EDBs are customer obsessed from top to bottom.** EDBs are almost universally confident that they have the right leaders in place to execute on the day-to-day needs of experience improvement (96%). And they are just as committed to educating employees about their customers, their vision, and the employees' roles in fulfilling that vision (96%). One such leading healthcare firm starts with customer-centric training for all executives and managers, but also includes employees from across the organization in journey visualization exercises. Over the course of the exercise, high-level concepts become increasingly refined prototypes for the firm to test out with customers.⁹
- › **Healthcare EDBs are aware that internal misalignment threatens delivery of outstanding experience.** A third of EDBs report that misalignment across departments and teams is a challenge — 11% more than other healthcare firms. However, this likely points to the maturity these EDBs have achieved by placing a laser focus on excellent customer experience. They have moved past quick wins to tackling the challenges that require strong cross-functional buy-in. These EDBs have benefited from the robust results that a well-aligned organization can achieve and are keen to build on them.

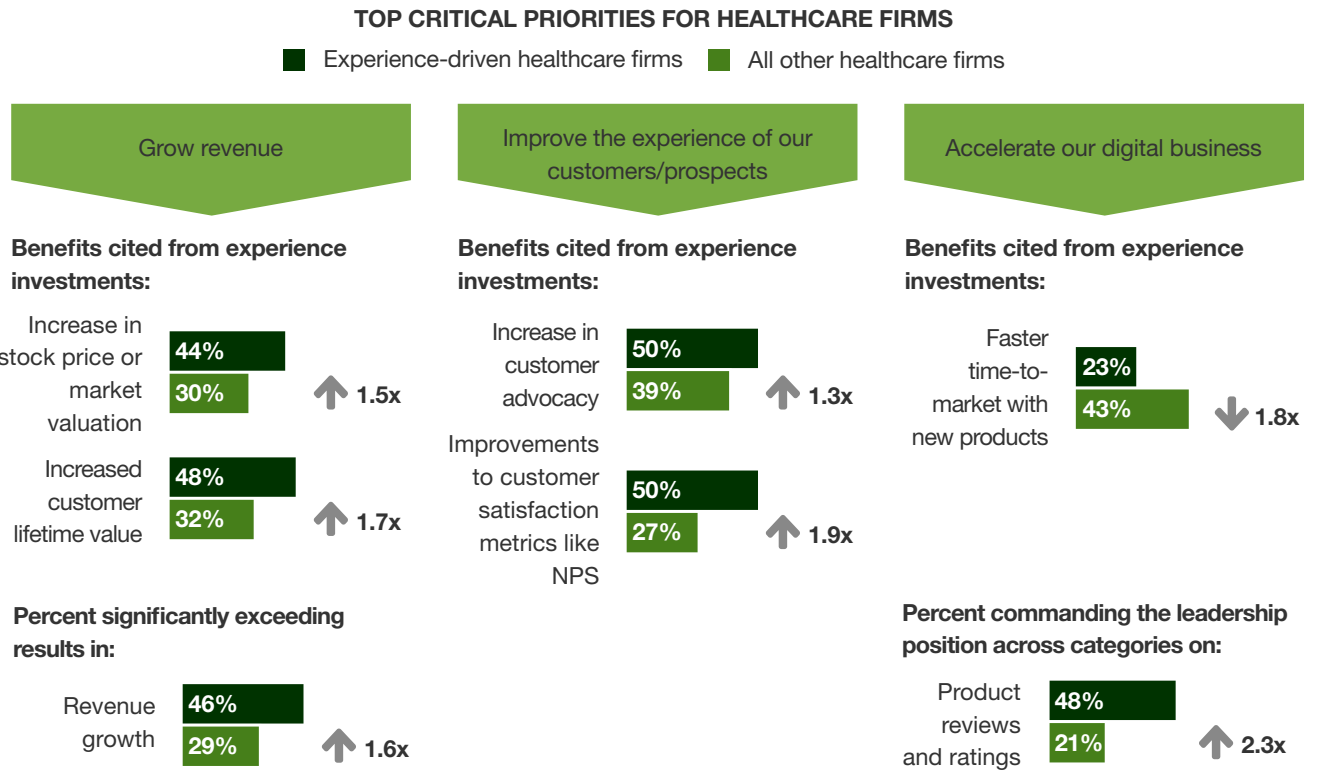
HEALTHCARE EDBS ATTAIN EXPERIENCE, DIGITAL BUSINESS, AND REVENUE GOALS

By designing rich digital experiences, driving an internal culture of customer centricity, and breaking down silos, healthcare EDBs unlock achievements in a broad range of metrics. We found that EDBs succeed in capturing (see Figure 4):

- › **Revenue growth.** Healthcare EDBs succeed in the metrics that matter most to shareholders. They are 1.5x more likely to see an increase in stock price and 1.7x more likely to see an increase in customer lifetime value compared to other healthcare firms. As a result, they are 1.6x more likely to significantly exceed expectations in revenue growth.
- › **Improved customer and patient experience.** Because of their efforts to drive relevant and convenient experiences for customers, EDBs are more likely than lagging healthcare firms to see an increase in customer advocacy (1.3x) and improvement in customer satisfaction metrics (1.9x).
- › **Leading digital offerings.** Global healthcare firms are prioritizing their digital business in their effort to better serve customers and patients. Interestingly, although they outperform other companies in revenue and customer experience metrics, EDBs are less likely to report a faster time-to-market with products. While EDBs sacrifice short-term wins, it's in favor of creating higher-quality output: EDBs are 2.3x more likely than other firms to lead in product reviews and ratings.

Figure 4

Healthcare EDBs deliver superior CX and products that support growth goals despite slower time-to-market.



Base: Variable CX technology and metrics decision makers at global healthcare companies (N = 52 for EDBs, N = 122 for all others)
 Note: Net Promoter and NPS are registered service marks, and Net Promoter Score is a service mark, of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Key Recommendations

While being an experience-driven healthcare business is a proven strategy for driving long-term business success, it's difficult to become one. Insights from this study, coupled with Forrester's existing research into CX transformation, yielded several important recommendations:



Eliminate jargon and prioritize clear communication. Healthcare firms that eliminate jargon will see an increase in new and engaged customers.¹⁰ To do that, healthcare firms must help employees in charge of creating member-facing communication — like new digital experiences, letters, and scripts for customer service agents — to use clear and simple language. A health insurer, for example, developed a reference guide to help employees avoid industry jargon and instead speak the customer's language. The firm also created a cross-functional team to act as a review board.¹¹ In its twice-weekly meeting, the team reviews and refines customer-facing communications by evaluating their tone and use of plain language.



Invest in effective and empathetic customer service. The point at which a customer needs to resolve an issue is a critical moment of truth.¹² That's why customer service is a critical CX driver, especially for health insurance firms. Therefore, healthcare firms should invest in training and tools to enable representatives to be empathetic and helpful. For example, a health insurance firm worked with a voice analytics provider to pilot real-time voice analysis of behavioral signals and conversational dynamics.¹³ Based on the insights, agents see real-time notifications on their computer screens — for example “you are speaking quickly” or “the customer needs empathy.” CX and employee engagement metrics, as well as business key performance indicators (KPIs), increased as a result.



Embed customer intimacy in (digital) experience design efforts. Good healthcare design starts with spending time to understand the workflow in a clinical setting, then developing early prototypes and having people try them out.¹⁴ For example, a healthcare system worked with an experience design firm to build an app that lets patients self-manage their health, while being monitored remotely by clinicians.¹⁵ Using deep customer research and testing, the design firm helped define the best ways for clinicians and patients to interact via the app. A hospital's innovation lab decided to embed patient input into its innovation efforts and invited four patients to join its hospital experience innovation team. The patients' experience helps the innovation teams to reimagine healthcare delivery.¹⁶

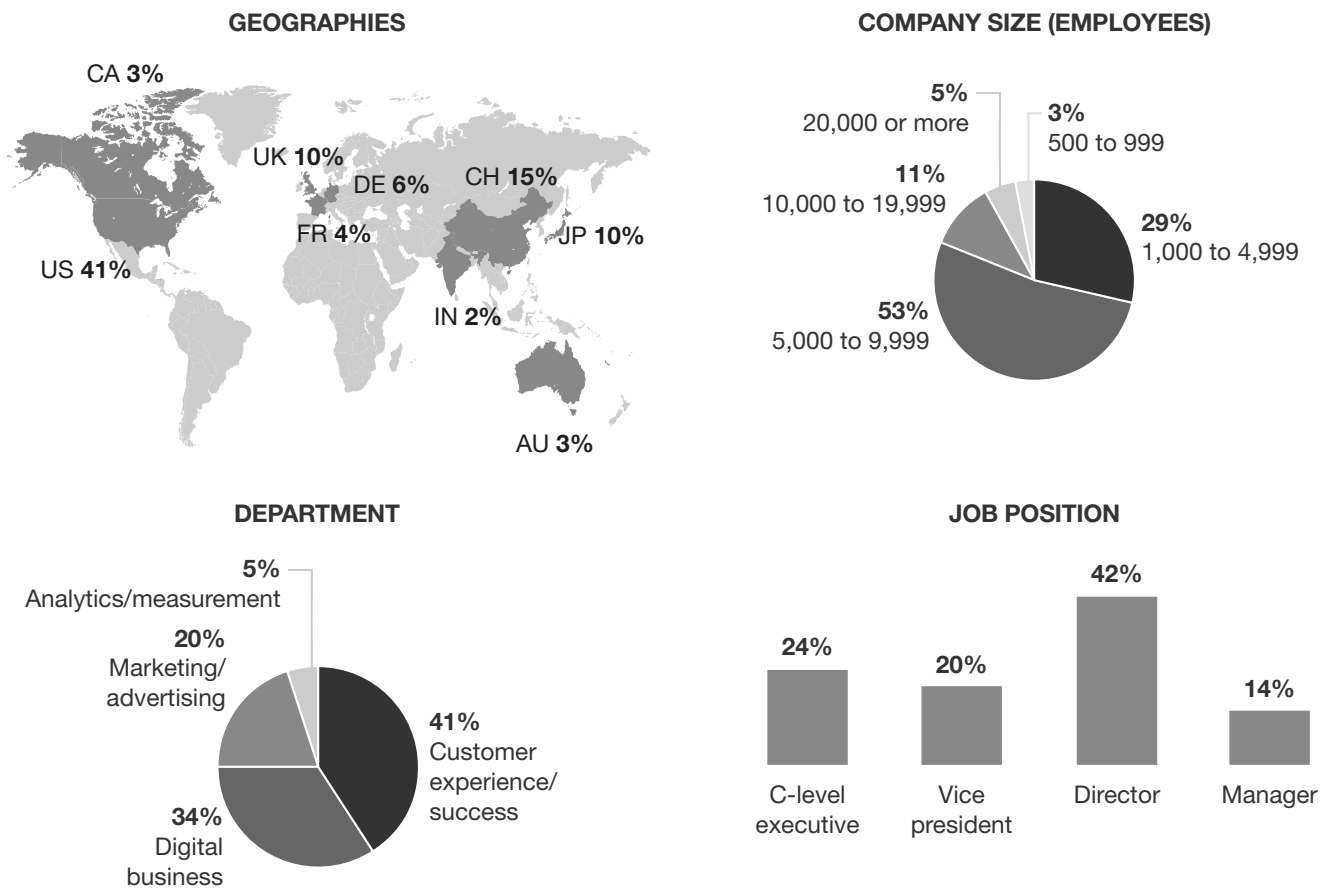


Scale customer-centricity training to enable better CX. Getting every employee to understand how he or she contributes to the patient experience is crucial. One hospital conducted extensive research into how specific employee behaviors drive customers' perceptions. This hospital trained all 42,000 employees on four patient experience principles. The training included learning maps to help employees understand the CX strategy and their individual roles in delivering against that strategy as well as a moving video that emphasized the importance of understanding that each patient and staff member comes to the hospital with a personal story. To continue the focus on CX, the hospital holds an annual patient experience summit.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 1,269 organizations in North America, Europe, and Asia Pacific to evaluate their approaches to engaging customers and prospects across the customer life cycle and the investments they have made in these areas. Survey participants included decision makers in customer experience/success, marketing, digital business, and analytics roles. While the overall study included firms in eight industries (manufacturing, financial services and insurance, government, healthcare, media and entertainment, retail, B2B technology, and travel and hospitality), this report's analysis is limited to 157 respondents in the healthcare industry. Questions provided to the participants asked about business priorities and challenges, current approaches to supporting CX across the customer life cycle, and business metrics resulting from marketing and CX efforts. Respondents were offered a small incentive as a thank you for time spent on the survey. The study began in January 2018 and was completed in February 2018.

Appendix B: Demographics/Data



Base: 157 CX technology and metrics decision makers at global healthcare companies
 Note: Percentages may not total 100 because of rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Adobe, February 2018

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Accelerate The Advanced Analytics Journey In Healthcare,” Forrester Research, Inc., February 23, 2018.

“Healthcare Must Embrace Digital To Win In Consumer Engagement,” Forrester, Inc., November 10, 2016.

“Drive Business Growth With Great Customer Experience, 2017,” Forrester Research, Inc., October 12, 2017.

Appendix D: Endnotes

¹ Source: CDC (<https://www.cdc.gov/chronicdisease/overview/index.htm>).

² Source: “Virtual Care Enables The Digital Health Imperative,” Forrester Research, Inc., February 12, 2018.

³ Source: “The US Customer Experience Index, 2017,” Forrester Research, Inc., August 1, 2017.

⁴ Source: “Predictions 2018: Digital Will Disrupt Siloed Healthcare Ecosystems,” Forrester Research, Inc., November 10, 2017.

⁵ Source: Ibid.

⁶ The maturity assessment to identify experience-driven businesses was based on responses to a series of questions about the respondent’s organization, processes, and effectiveness in using technology. Each question contained a series of statements reflecting best practices along these pillars of CX. Respondents rated their organization on a five-point scale, where a score of 5 reflected the strongest adoption of each best practice. The sum of the ratings reflected the respondent’s score for each pillar. For the technology pillar, respondents received an extra point for each technology their organization has adopted. The distribution of scores was divided into thirds to assess an individual respondent’s maturity level as high, medium, or low compared to the rest of the sample. This distribution analysis was done at the regional level to minimize any cultural bias in the ratings; for this exercise only, Australia was included as part of the European distribution. Experience-driven businesses were defined as those whose scores landed in the top third (high maturity) of at least two pillars, with no less than a medium level of maturity on the third pillar. Additionally, experience-driven businesses needed to demonstrate consistent commitment across pillars, with no rating less than 3 for any question/statement.

⁷ Source: “Four Technology Priorities For US Healthcare Providers,” Forrester Research, Inc., August 14, 2017.

⁸ Source: “Accelerate The Advanced Analytics Journey In Healthcare,” Forrester Research, Inc., February 23, 2018.

⁹ Source: “The Truth About Customer-Centric Org Structures: They’re The Icing, Not The Cake,” Forrester Research, Inc., January 20, 2017.

¹⁰ Source: “Read My Lips: Clear Communication Can Mean Billions In Revenue,” Forrester Research, Inc., July 31, 2017.

¹¹ Source: “Understanding The Impact Of Emotion On Customer Experience,” Forrester Research, Inc., July 13, 2015.

¹² Source: “The US Health Insurance Customer Experience Index, 2017,” Forrester Research, Inc., September 27, 2017.

¹³ Source: “The Future Of CX Measurement,” Forrester Research, Inc., October 19, 2017.

¹⁴ Source: Laura Lovett, “In human-centric healthcare design, less is more,” Mobi Health News, January 23, 2018 (<http://www.mobihealthnews.com/content/human-centric-healthcare-design-less-more>).

¹⁵ Source: “ImagineCare: Empowering Patients with Behavior Change Science and Advanced Technology,” Mad*Pow (<https://madpow.com/work/dartmouth-hitchcock-imaginecare>).

¹⁶ Source: “The Five Factors That Supercharge CX Enablement,” Forrester Research, Inc., December 26, 2017.