2021 Digital Trends

Healthcare & Pharma in Focus

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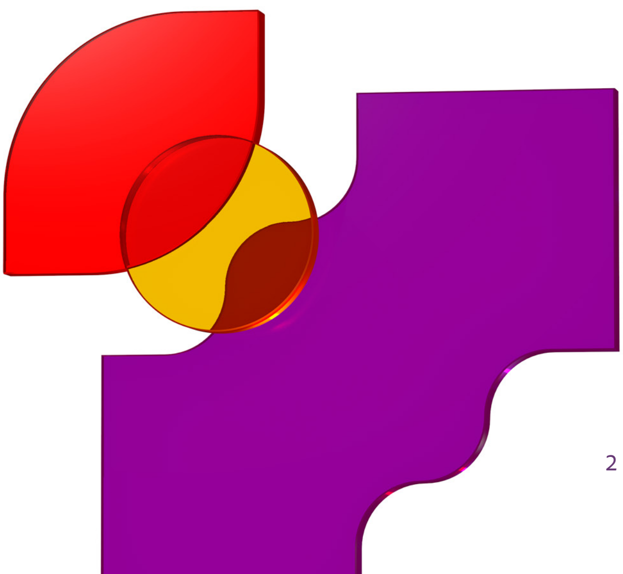
With over 13,000 participants in the 2020 study, more than 85,000 businesspeople from every continent (including Antarctica) have contributed their time and insights to this research since its inception in 2010. Their contributions make this the largest and most durable study of how digital trends are changing the marketing discipline.

Adobe and Econsultancy would like to thank everyone for their effort and insight.



Foreword

Alvaro Del Pozo
Vice President, International Marketing, Adobe

Welcome to Adobe's 2021 *Digital Trends Report*, our annual survey that charts the evolution of marketing, advertising, ecommerce, creative and technology professionals around the world.

Last year, we published a landmark report to celebrate a decade of *Digital Trends*. As we celebrated its launch, nobody could have predicted what the next 12 months would bring. Well, it certainly hasn't been 'more of the same'. The global pandemic and the sustained level of uncertainty that followed have led to the most innovative period in the history of marketing, essentially rewriting the rulebook for many businesses.

Instead of deviating from predicted trends, the dramatic events of 2020 have acted as an accelerant for digital transformation. Topics that were years away from consideration are now at the top of today's agenda. Whether demand for their products and services has increased or decreased, businesses are all grappling with the same challenges: remote working, new digital customers, the need for greater convenience, changes in buying behaviour and, on top of all that, their employees' and their customers' well-being. More than two-thirds of the companies with top-tier customer experience (CX) functions outpaced their sectors in the second half of 2020 and they were three times more likely to have 'significantly outpaced' their sectors than the rest of the sample.

The results of our survey show that past investments in customer experience have paid off, which further underlines the importance of speed and personalisation as we enter the new era in experience. As business leaders look towards the new year and scan the horizon for a return to normal, it's apparent that the new era in experience will be born digital. The economic impact of this acceleration and the opportunities it presents will only become clearer as the dust settles. The 2021 *Digital Trends Report*, produced in collaboration with Econsultancy, brings key trends to life with startling clarity.

The 2021 *Digital Trends Report* looks to both the past and the future, presenting two equally valuable perspectives: What has changed in the last year as a result of the pandemic, and the trends that are waiting around the corner.

Thousands of seasoned professionals have shared their hard-won lessons of the pandemic – offering advice on everything from hybrid working and attracting talent, to catching up with the exponential rise of the digital-first consumer.

From these insights, we present three guiding principles for 2021: *empathy* is the future of experience, the new era is *disruptive*, and *brand purpose* becomes even more relevant.

With the world on the brink of change, this year's report provides timely insights to help marketers and business leaders realign their vision and bounce back stronger in 2021.

Executive Summary

Today's healthcare and pharmaceutical companies are in a position to reap significant gains from accelerated digital innovation. This progress continues to push the frontiers of what practitioners can achieve for society – from rapid onboarding of new patients, to remote televisits and proactively diagnosing conditions.

They say that necessity is the mother of invention. While it is difficult to talk about any silver lining to what has been a medical and humanitarian disaster, it is hoped that the digital transformation initiatives that were triggered and – in some cases – accelerated by the pandemic will yield benefits that will long outlast Covid-19.

This report explores where digital strategies and investment are focused by healthcare and pharma companies, and the challenges that the sector continues to face. It also looks at where companies defined as industry leaders are focusing their initiatives to gain a competitive advantage in a fast-changing world.

Key findings include:

Covid-19 has created an abundance of digital opportunities. Restrictions around face-to-face contact have resulted in accelerated digital uptake, forcing many companies in this sector out of their comfort zone while, at the same time, bringing commercial opportunities. The vast majority of sector respondents report that digital is 'quickly accelerating as a sales channel' (82%). Also, around nine in 10 respondents say they have 'had to accelerate digital transformation plans' (89%).

Companies embrace user-centric solutions. The shift away from physical touchpoints has prompted more agile providers to expand their digital services, paving the way for an exciting new era of customer-focused solutions. Nearly half (49%) of respondents say they are prioritising the deployment of 'new service offerings to proactively help customers' during 2021. At the same time, a third (33%) are implementing new mobile experiences relating to check-in, prescriptions and payment as part of their CX investment.

Many companies lack the foundations for effective digital transformation. Excellence in digital demands the seamless integration of a whole range of organisational, technical and cultural factors. Unfortunately, at present, only 17% of sector respondents rate their organisations as 'advanced' in their digital health provision journey, meaning that they have fully digitised their business. Three in 10 companies are either just in the process of building new capacity (22%) or have not yet even considered, much less addressed, such a digital strategy (8%).

Top-performing companies were able to quickly pivot to address the challenges brought on by the crisis. Respondents at healthcare and pharma companies defined as top performers are more likely than those at mainstream organisations to describe their organisations over the last six months of 2020 as: agile and able to take actions quickly; operating with a high level of communications between teams; and operating with an unusual freedom to experiment and innovate. Not coincidently, top performers are also much more likely to be excited about their jobs.

Section 1: Covid-19 drives digital innovation

It could be argued that the pandemic has served as a catalyst for many organisations to understand their users more closely, anticipate actions and improve outcomes, while at the same time increasing efficiency by shifting – where appropriate – from physical to digital interactions,

There have been numerous examples of industry players quickly pivoting to digital-first thinking and spotting new opportunities. In the early stages of the pandemic, health insurer Blue Shield of California began using AI technology to identify those customers who were most at risk from Covid-19, and then providing advice to help them avoid becoming infected and transmitting the virus, thus reducing the risk of hospital admission.[1]

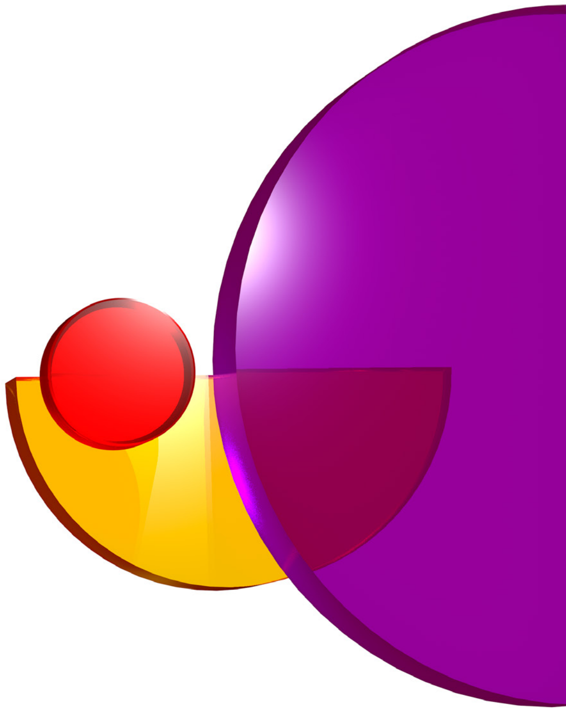
This shift to digital is reflected in our research, with healthcare and pharma executives clearly recognising that more advanced digital capabilities are required to meet evolving consumer needs and expectations. Most players in the sector 'agree', and, in many cases, 'strongly agree', that:

- *'We need to react quicker to customer demands'* (87%).
- *'Customer expectations are further ahead than our digital capabilities'* (69%).
- *'We've had to accelerate our digital transformation plans'* (89%).

Increased healthcare investment and spending creates opportunities

Global health spending and investment continues to increase dramatically, with the market projected by Deloitte to surpass $10trn by 2022.[2] CB Insights reports that $80.6bn was provided in equity funding to healthtech players in 2020, across 5,500 deals.[3] This has led to significant developments affecting the entire patient journey from onboarding (for example, via automated forms) to diagnosis and ongoing management of conditions via smart technology – and from smart insulin pens to connected inhalers and asthma monitors.[4]

Such innovations – some of which were already in the pipeline – have now been pushed to the fore by the pandemic as consumers and medical personnel seek to minimise physical human contact over health concerns.



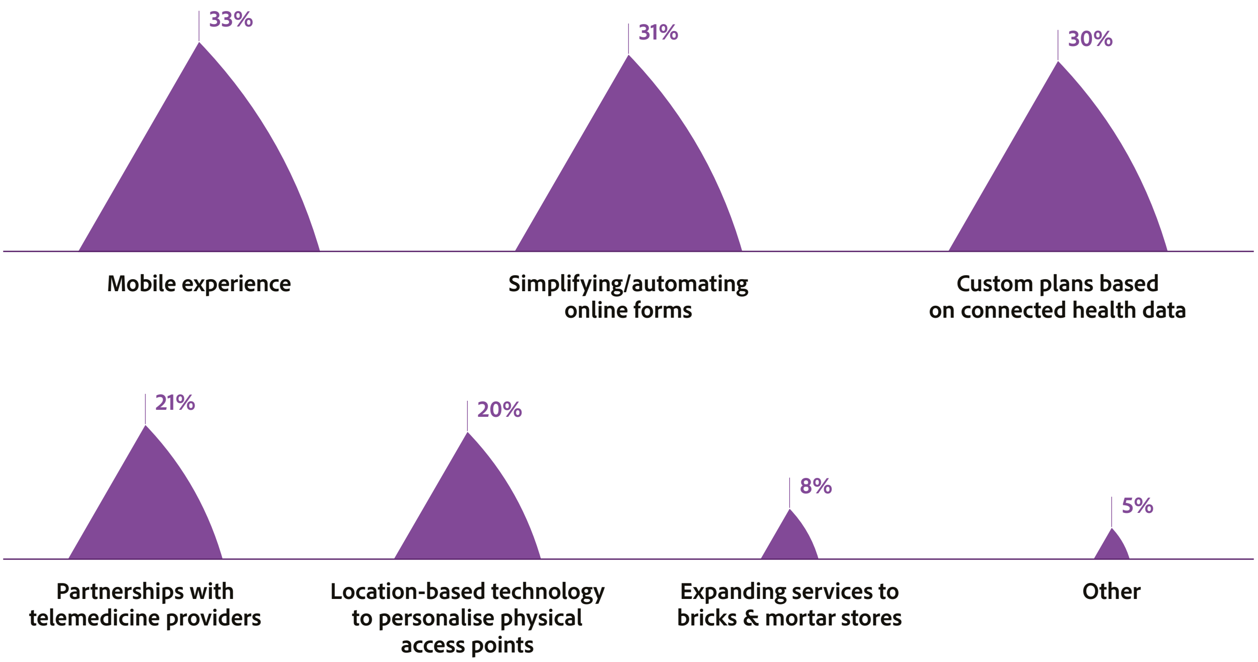
[1] https://news.blueshieldca.com/2020/09/30/personal-connections-through-machine-learning-how-blue-shield-of-california-is-leveraging-technology-to-reach-members-most-vulnerable-to-covid-19

[2] https://www2.deloitte.com/content/dam/Deloitte/global/Images/infographics/lifesciences-healthcare/gx-lshc-hc-outlook-2019-infographic.pdf

[3] https://www.cbinsights.com/research/report/healthcare-trends-q4-2020/

[4] https://econsultancy.com/internet-of-things-healthcare/

Figure 1 **What are the top two areas of focus for customer experience investment in your organisation?**



Respondents – 396

This trend is reflected in *Figure 1*, with mobile experience (33%), simplifying and automating online forms (31%), and providing plans based on connected health data (30%) being the top-rated areas of focus for organisations' customer experience investment.

US-based technology company Change Healthcare is one organisation that has developed digital tools to replace often-stressful, paper-based patient registration systems. The company works with hospitals and helps their uninsured patients navigate complex assistance programmes and apply for benefits; it has adopted Adobe Experience Manager Forms to automate the process. In doing so, it has reduced the average time to complete benefits applications, increased productivity, and improved patient experience.[5]

Also evident is the extent to which organisations are investing in relationships with telehealth providers (21%) and location-based technology to personalise physical access points (20%). By contrast, far fewer (8%) plan to expand services to bricks and mortar locations.

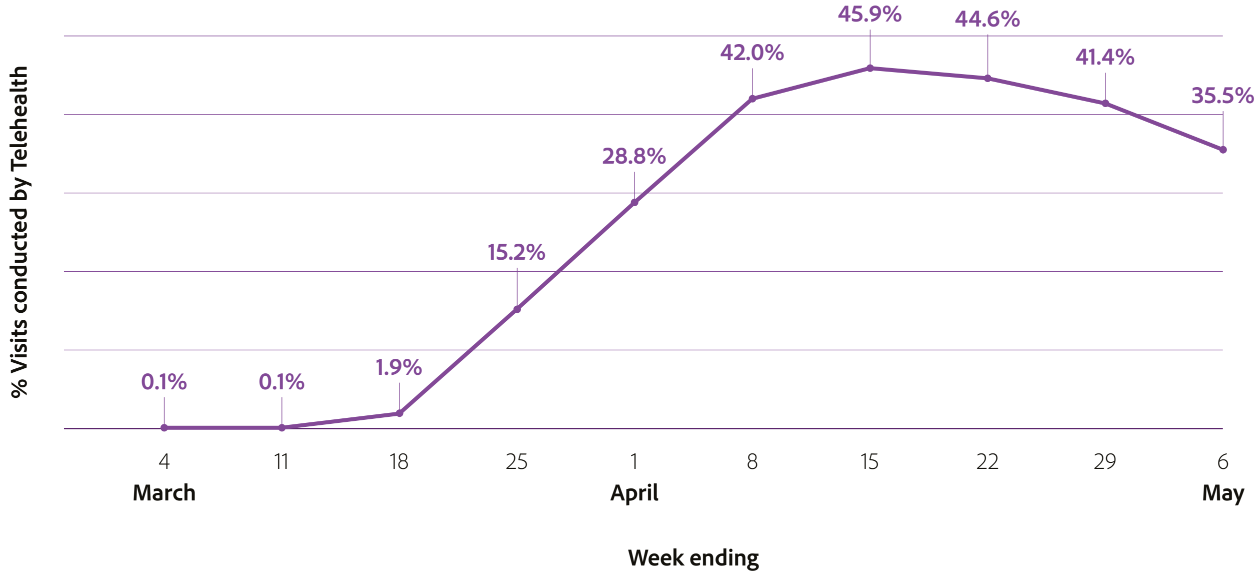
[5] https://www.adobe.com/uk/customer-success-stories/change-healthcare-case-study.html

In the States, telehealth services rapidly gained traction as the pandemic hit; by April 2020 nearly half of all Medicare primary care visits were conducted via telehealth (*Figure 2*). To put this figure in perspective, in early March 2020, the number had been a minuscule 0.1%.

In the UK, the National Health Service reported a huge increase in daily average users of its NHS 111 helpline, from around 10,000 before the pandemic to more than half a million during March 2020.[7]

Back in the States, in September 2020, insurer UnitedHealthcare launched a partnership with Canopy Health, a regional care network of providers and health systems, to offer consumers in Northern California 24/7 access to telehealth-based primary and urgent care visits.[8] The partnership offers 'personalised concierge support' for members, delivered via a 'dedicated service team' of customer-care advocates, and supported by a strong focus on data analytics.

Figure 2 **Overall percentage of visits made by FFS Medicare beneficiaries that were conducted by telehealth, 4 March – 6 May 2020**



Source: Assistant Secretary for Planning and Evaluation[6]

[6] https://aspe.hhs.gov/system/files/pdf/263866/hp-issue-brief-medicare-telehealth.pdf
[7] https://digital.nhs.uk/news-and-events/news/increase-in-nhs-tech-usage
[8] https://www.businesswire.com/news/home/20200910005141/en/UnitedHealthcare-Canopy-Health-Introduce-Health-Plan-Delivering

Creating opportunities for competitive advantage

As vaccines are being rolled out and as one can finally see some light at the end of the tunnel, we can cautiously contemplate the world moving into recovery mode. Now that medical providers and consumers alike have experienced the convenience and efficiency of digital transformation, it is hard to imagine either healthcare providers or consumers fully going back to 'business as usual'. Successful providers will build on the digital momentum they have developed through the pandemic and embrace new opportunities as they arise.

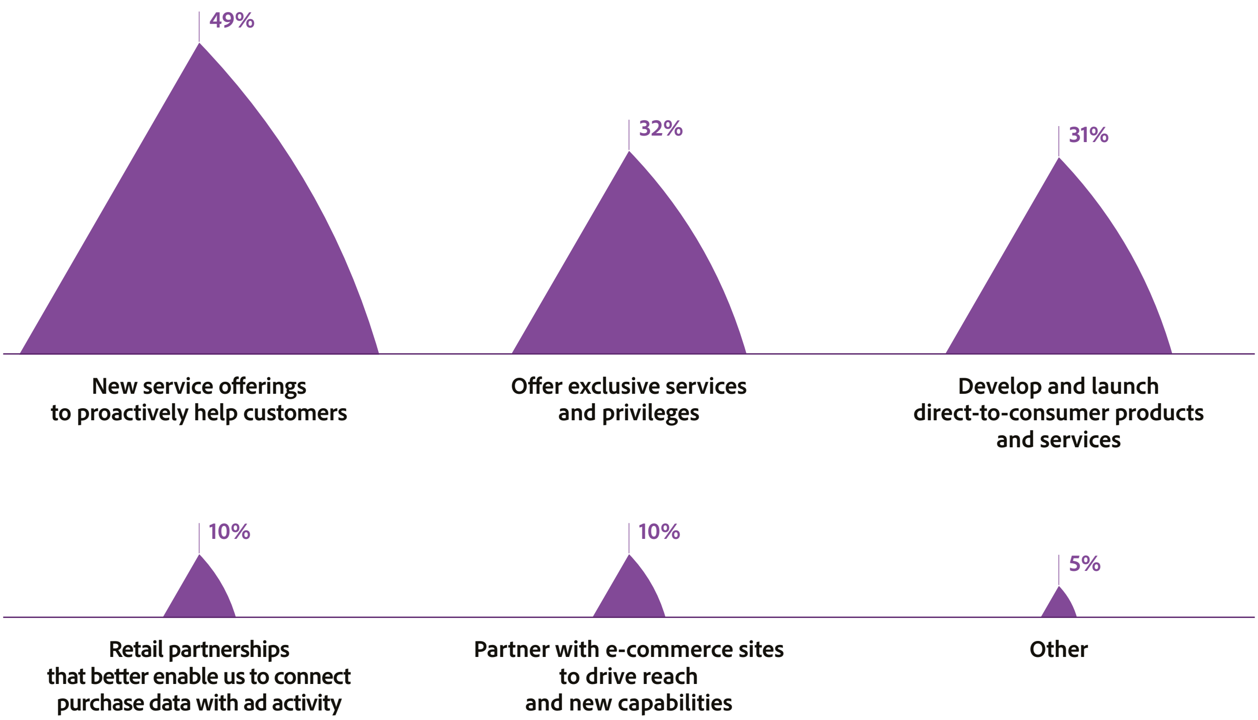
We see this illustrated in *Figure 3* as respondents indicate that their leading priority for 2021 is to provide new service offerings that proactively help customers by intelligently predicting and preventing possible medical issues.

The AI that is used to make these kinds of healthcare predictions is often fuelled by 'wearables', which are body-mounted sensors that monitor and transmit biological data.

A significant proportion of providers are also focussing on providing *'exclusive services and privileges'* (32%) and *'direct-to-consumer products and services'* (31%), strategies that require a high level of personalisation and segmentation that are only possible with the right data capabilities and a customer-centric mindset.

Viome is an interesting case study of a company taking such an approach. It uses artificial intelligence and machine learning to analyse the results of microbiome testing kits, which determine whether the body is converting food into helpful nutrients or into harmful toxins. It then uses these insights to deliver personalised and precise nutrition recommendations.[9]

Figure 3 **Thinking about your competitive advantage in 2021, what are your top two priorities?**



Respondents – 383

[9] https://www.viome.com/

Shifts in customer behaviour: Opportunity and Risk

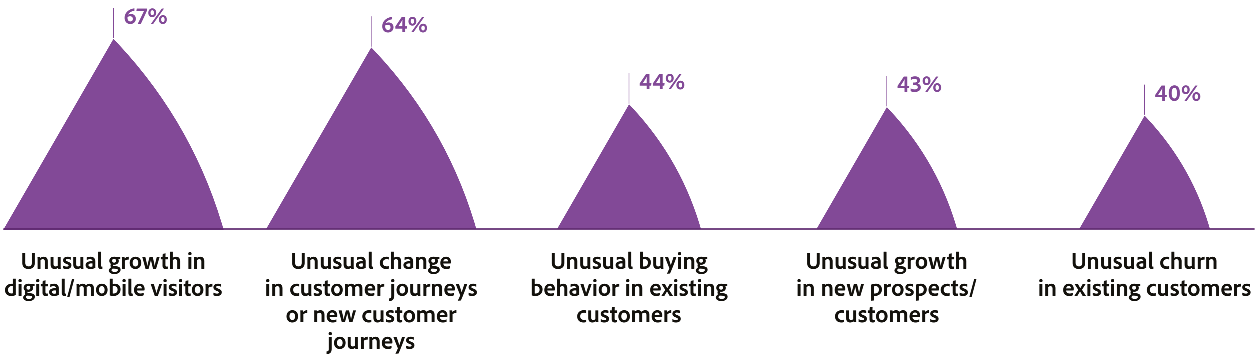
One of the effects of the pandemic has been a marked shift in customer behaviour. Given the shift-to-digital that we have already noted in this report (e.g. the skyrocketing number of telehealth visits), it is not surprising to note that two-thirds (67%) of the respondents say that their organisations have experienced an unusual growth in the number of digital/mobile visitors (*Figure 4*). It is also not in the least surprising that 64% of the organisations report an unusual change in the customer journeys.

What is interesting to note is that this turbulence in the industry can provide both opportunities and risk. Healthcare providers report unusual buying behaviour *both* on the part of **existing customers** (44%) and unusual growth in **new prospects/customers** (43%). That said, providers cannot rest on their laurels as a very comparable percent (40%) have experienced churn from their existing customers.

The broader shift to digital is likely to keep customer loyalty at the top of the agenda, even as the crisis eases. Health service relationships have traditionally been 'sticky', but new tools are empowering consumers to identify which plans and services are best for their needs and to switch their provider with a click on their keypad.

Bind Benefits, a US start-up health insurer that claims to offer much more personalised healthcare plans, is one such example.[10] In addition to providing an easy, intuitive experience, customers benefit from encountering fewer barriers to taking out health insurance. The company promises flexibility in being able to change coverage as policyholders' needs change, transparent pricing, helpful information on ways that consumers can save, affordable options, and a broad network of providers.[11]

Figure 4 **Thinking about the last six months through today, has your organisation experienced any of the following customer behaviours? (Yes only)**



Respondents – 158

[10] https://medcitynews.com/2020/10/how-bind-benefits-ceo-will-use-105m-to-upend-the-health-insurance-market/
[11] https://www.adobe.com/uk/customer-success-stories/roche-diagnostics-case-study.html

Section 2: Overcoming organisational limitations to meet expectations

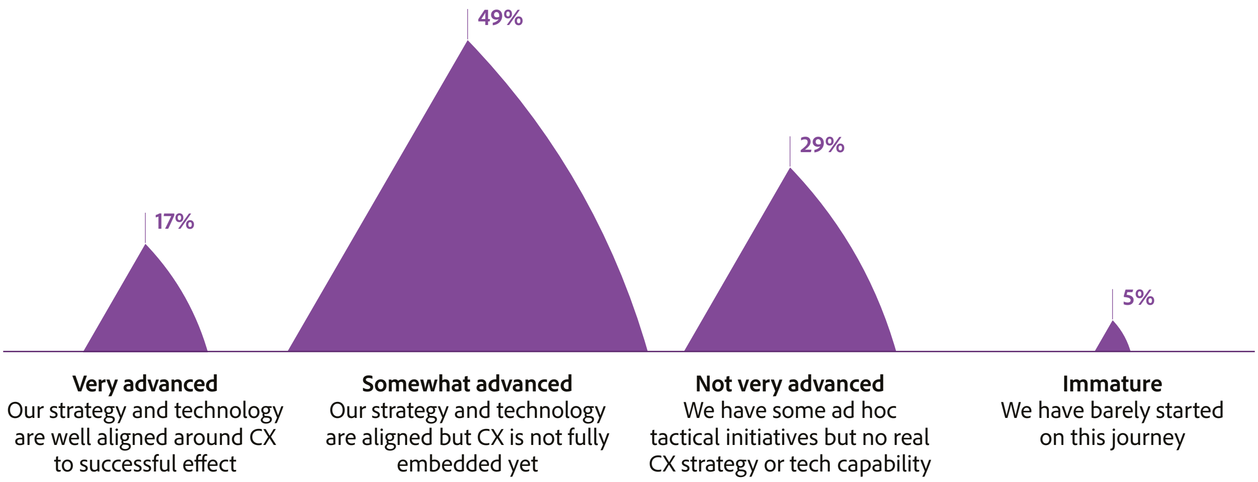
A paradigm shift is taking place in the healthcare sector. Customer behaviour and expectations are evolving rapidly during the pandemic, and – as is the case with start-ups like Bind – new players are emerging to challenge the establishment.

The vulnerability of current healthcare providers to newer, more digitally advanced companies is evidenced by the fact that only 17% of the companies say they are 'very advanced' in terms of their CX maturity, meaning that their strategy and technology are well aligned around CX to a successful effect. An additional 49% say they are 'somewhat advanced' meaning that their strategy and technology are aligned, but CX is not fully embedded yet. (*Figure 5*)

Unsurprisingly, top performers (defined as companies that have outperformed their sector) are far more likely to say they are 'very advanced' than the mainstream companies (22% vs. 12%). They are also slightly more likely to describe themselves as 'somewhat advanced' (50% vs. 48% for mainstream).

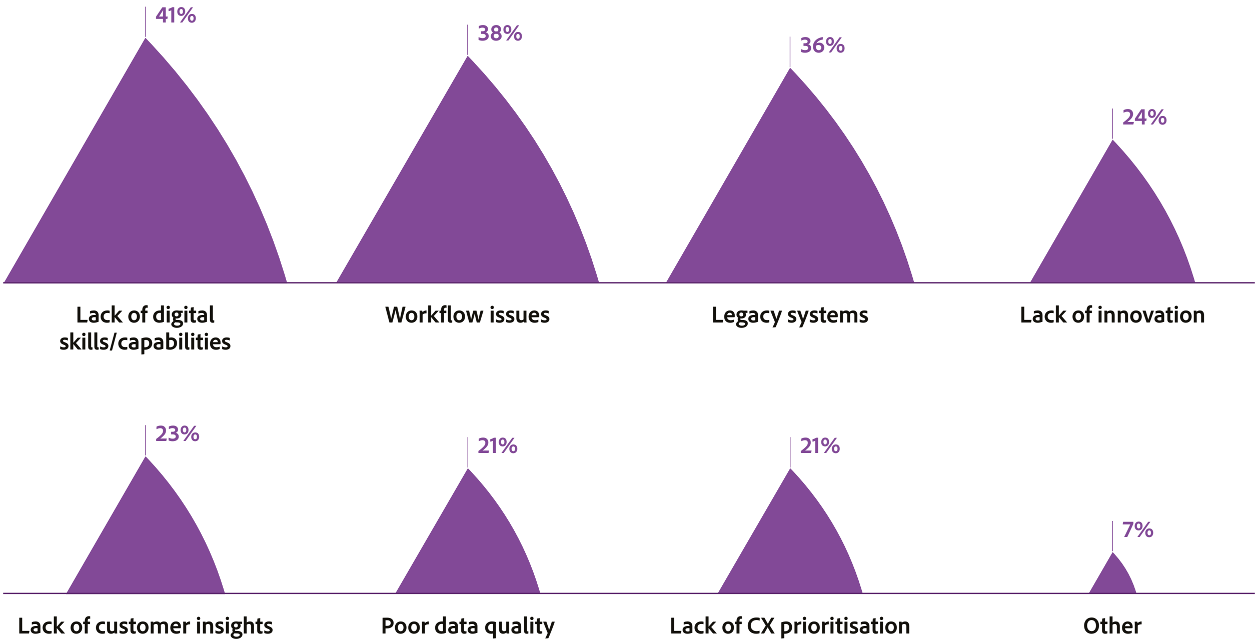
Conversely, mainstream companies are far more likely to describe themselves as either 'not very advanced' or 'immature' (41%) than top performers (28%).

Figure 5 **How do you rate your company's customer experience (CX) maturity?**



Respondents – 418

Figure 6 **What is holding your marketing/customer experience organisation back, if anything?**



Respondents – 258

The leading internal barrier to a better marketing/ customer experience organisation – as illustrated in *Figure 6* – is the lack of digital skills and capabilities on the part' of some of their employees (reported by 41% of those indicating that there are internal barriers). This is closely followed by workflow issues (38%) and legacy systems (36%).

Roche Diagnostics is one business that has successfully upgraded its digital marketing stack to improve go-to-market. It has done so by deploying Adobe FrameMaker to automate and enhance production of the high-quality technical documentation it provides to customers, thereby creating efficiencies and enabling faster output.[12]

Trust me, I'm a healthcare organisation…

Digital competition is challenging healthcare providers to deliver a strong, positive adjective, perhaps 'world class' or 'excellent' or 'unsurpassed' experiences across entire journeys, not just when patients visit a hospital, clinic or practitioner. Enabling – and scaling – these experiences does not just require a smooth handover across different touchpoints; it's also dependent on the organisation's ability to draw actionable insights from customer data.

However, at the same time, consumers across all industries are becoming increasingly wary of the methods used to target them. Healthcare is a particularly regulated industry with restrictions around how providers can collect, store, and use information about customers.

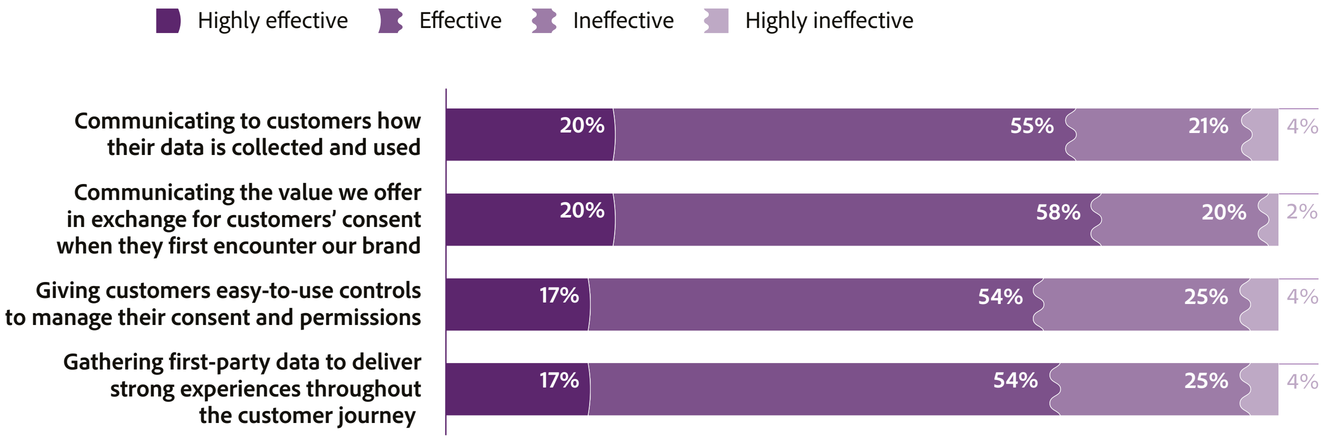
[12] https://www.adobe.com/uk/customer-success-stories/roche-diagnostics-case-study.html

This makes it especially important to engender trust, and provide the transparency that people expect, when seeking to personalise services through use of their medical data. This is well illustrated by the high-profile debate around UK government plans to share NHS patient data with Google in recent years.[13]

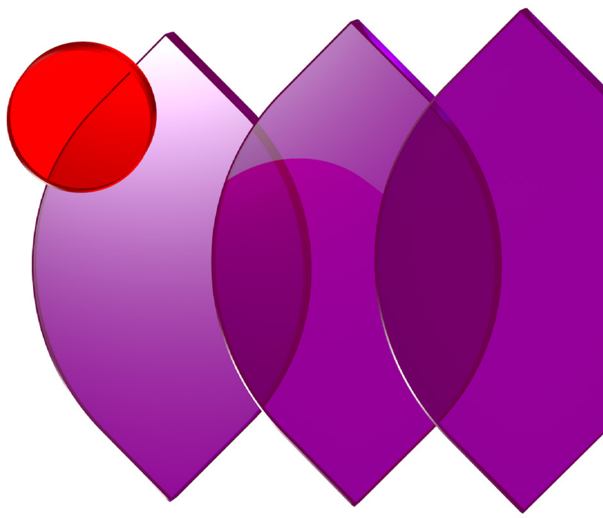
Encouragingly, *Figure 7* illustrates that about three-quarter of healthcare and pharma companies responding to our survey believe that they are either 'effective' or 'highly effective' in areas relating to customer data practices.

However, there is room for improvement as nearly three in 10 executives describe their organisations as either 'ineffective' or 'highly ineffective' when it comes to *'gathering first-party data to deliver strong experiences throughout the customer journey'* (29%) as well as *'giving customers easy-to-use controls to manage their consent and permissions* (29%). The onus is clearly on these providers to raise their standards around customer data governance.

Figure 7 **How would you rate your organisation in the following areas?**



Respondents – 179



[13] https://www.theguardian.com/society/2019/jun/10/nhs-data-google-alphabet-tech-drug-firms

Section 3: How top performers are embracing digital excellence

Organisations need to consider multiple factors in their quest to create standout experiences for their customers. Leadership, culture, processes, systems, skills, and technology are all crucial to achieving digital excellence. This section of the report focuses on how these requirements can be fulfilled, with an emphasis on the traits of top-performing organisations and comparing them to mainstream ones.

Given the growing importance of providing better experiences for customers and patients in an era of increased expectations, it is unsurprising that top-performing companies are more likely to say they have reached an *'advanced'* stage in their digital health provision journey (23% vs. 15%, *Figure 8*).

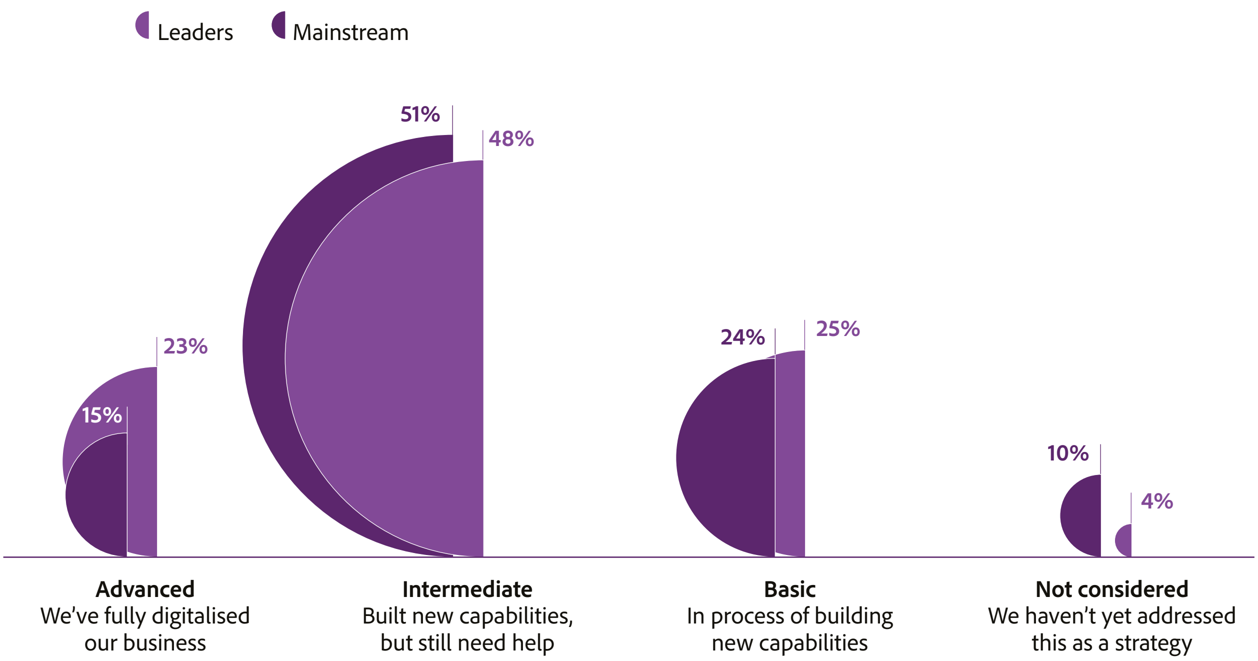
One example of a company that has worked to develop a holistic, digital-led experience is the American pharmacy group CVS. As well as acquiring insurance provider Aetna in 2018, the company has invested in digital technology to create a more blended experience for customers.

Within sections of its stores, it has been rolling out a high-tech, services-focused HealthHub concept, offering treatments, seminars, and an insurance navigation area, while also delivering personalised services based on real-time lifestyle data, and digital, 24/7 monitoring.[14]

To support this strategy there has been an internal reorganisation and investment in new IT capabilities, including consolidation of enterprise applications, migration to a hybrid cloud environment, and adoption of AI, natural language processing, and robotics in contact centres.[15]

The company's efforts have paid off in the form of higher rates of customer satisfaction and loyalty.

Figure 8 **Where are you on your digital health provision journey in your organisation?**



Respondents – Leaders: 160, Mainstream: 192

[14] https://www.borndigital.com/2020/02/19/cvs-outlines-digital-growth-plan-to-become-a-healthcare-giant
[15] https://risnews.com/5-tech-upgrades-cvs-making-its-quest-customer-centricity

People power

Leaders are also ahead of the game when it comes to giving their staff a sense of direction and mission, underpinned by a stronger sense of identity in respect to organisational goals. For example, as illustrated in *Figure 9*, top performers are more likely to describe their organisation as having a strong business mindset today (58% vs. 39% of the mainstream) in addition to having a defined 'brand purpose' (70% vs. 47%).

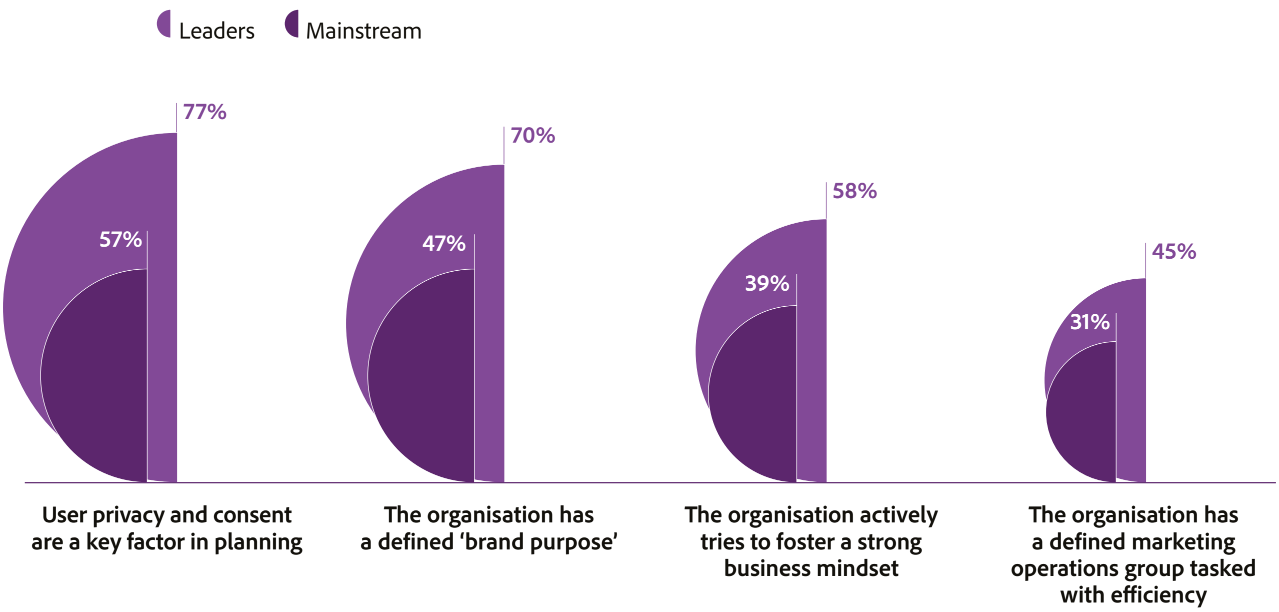
Earlier in this report we noted that, in response to consumers' increased weariness of the methods used to target them, it is important for organisations to engender trust and provide the transparency that people now expect. It is, therefore, unsurprising that 'user privacy and consent' emerged as the highest-rated factor for both top performing and mainstream organisations – and significantly higher for the former.

The right organisational and cultural backing can have a major impact on staff performance, and has been especially important amid the pressures of the pandemic.

Our survey found that top-performing companies are also ahead when it comes to providing staff with licence to try out fresh approaches and ideas, with 64% of these respondents agreeing they have recently had *'unusual freedom to experiment and innovate in marketing'*, compared to just 55% of the mainstream companies. Empowering executives to take risks can be a great way to build momentum for the change agenda, creating internal champions for innovative technology and services.

A good case in point is Philips Healthcare, an organisation with a very clear sense of brand purpose – to improve people's lives through meaningful innovation. This has helped it respond in an agile way to the Covid crisis by empowering its employees to develop and launch products and services quickly.[16] For example, the company attributes the speedy release of a new model of ventilator to its clear sense of purpose. The result of which enabled the company to treat soaring numbers of patients requiring respiratory support.

Figure 9 **Which of the following, if any, describe your organisation?**



Respondents – Leaders: 77, Mainstream: 95

[16] https://www.philips.com/a-w/about/news/archive/blogs/innovation-matters/2020/20200716-how-our-brand-purpose-empowered-us-to-rise-to-the-challenge.html

Conclusions – Four key takeaways for the healthcare & pharma sector

1. Cultivate the right environment for collaboration and innovation.

The healthcare industry is undergoing a paradigm shift. No business is going to be able to navigate this period of flux by shackling staff to traditional hierarchies and outdated working practices. Business leaders need to focus on ensuring that organisationally and culturally, their people are empowered (and incentivised) to innovate and experiment. Collaboration is key, too. In some cases, artificial walls may need to be ruthlessly knocked down to nurture healthy and fruitful cooperation across all departments.

2. Leave no stone unturned when cultivating talent and nurturing skills.

There is no escaping the fact that organisations across all industries and geographies are facing a major digital skills shortage, and competition for talent is destined to intensify. Healthcare organisations need to get creative when it comes to developing and acquiring the skills that will allow them to engage more closely with customers.

3. Firm up data policies to win users' trust.

Healthcare services are set for an exciting wave of innovation based around the needs of the customer. However, with trust increasingly at a premium online, only the companies that are adept at gathering first-party data from users will be able to develop and iterate genuinely personalised services. Healthcare organisations need to find ways to reassure customers that their personal data is safe and secure in their organisation's hands, and that offering up information is justified by the quality and relevance of their services.

4. Remove silos that stand in the way of an integrated technology stack.

A unified IT platform is required to enable the seamless, multichannel experiences that are increasingly expected by the consumers of healthcare. In this environment, organisation must have robust and well-integrated infrastructure in place to deliver high-quality services and experiences. And, to back up the stack, requires healthy working relationships between departments. Aligning technology roadmaps with marketing and product development strategy is critical as user expectations continue to rise and competition intensifies.

Methodology

Digital Trends 11th Edition is based on an online survey fielded to select Adobe and Econsultancy lists in the fourth quarter of 2020. The survey closed having collected 479 qualified responses from the healthcare and pharmaceuticals sector.

Demographics profiles

- Sixty two percent of all the responses were at manager level or above.
- In terms of business function, IT held the largest share of respondents (21%), followed by marketing (19%), and creative/design (18%).
- As defined by target market, those addressing both markets equally accounted for 37%, followed by B2B with 32%, and B2C (31%).
- The sample is global, with Europe and North America providing the largest share of respondents (39% each), followed by Asia-Pacific region (16%). The survey was translated into French, German, and Chinese.

Econsultancy × Adobe