

Industry Insight | Healthcare by Kamesh Somanchi

## The Four Building Blocks of a Multichannel Customer Strategy

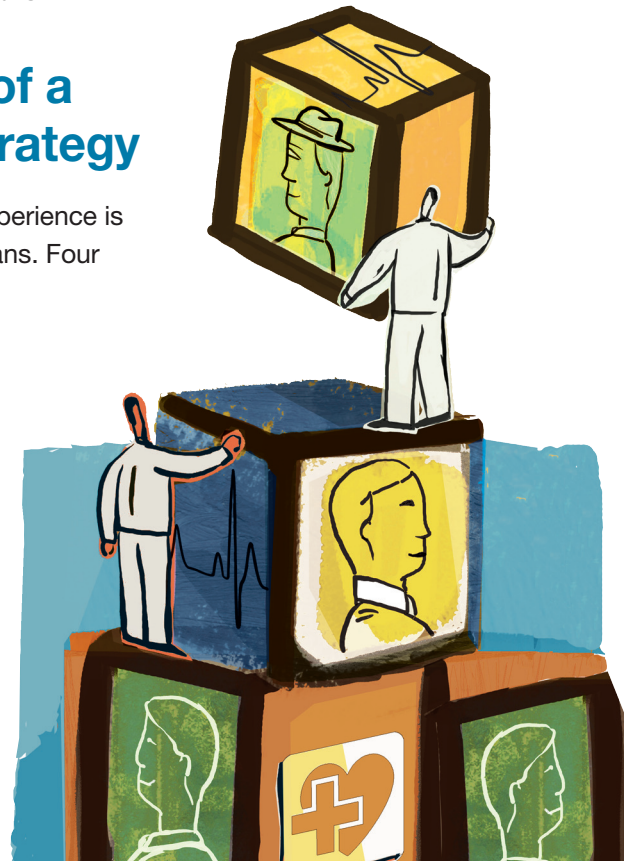
To stay competitive, the multichannel customer experience is now a critical part of a health insurer's strategic plans. Four elements stand out for companies looking to get closer to healthcare consumers.

Health insurers today face a number of game-changing marketplace forces. One of the most influential is consolidation among plans amidst growing customer and employer pressure to lower premiums and create more flexible products. As a result, health payers will need to focus on attracting, acquiring, and retaining members along with lowering healthcare costs via care management communications. To stay competitive, a multichannel customer strategy at all value levers is now a critical element of an insurer's strategic plans.

It's a different world today, and the shift is toward the consumer. Rising consumer expectations, industry dynamics, and innovative technologies fuel this new healthcare reality. Higher out-of-pocket costs have woken up consumers to the details of their healthcare plans and programs, and more consumers are taking responsibility for their health and their care. In addition, customer experience improvements in other industries have caused a sea change in customer expectations. Customers now expect more integration, more information, and more transparency. And the explosion in the use of online communications is here to stay, whether payers participate or not.

As if that weren't challenging enough, health reform in the U.S., coupled with the economic crisis, shifted more of the cost burden to consumers and employees. And as Baby Boomers begin turning 65 this year, the uninsured and underinsured will reach record numbers, and demographics are in flux, as well. There is more diversity in consumer attitudes, behaviors, and values related to health than ever before.

New technology can work to a degree to alleviate these stresses among payers, but it also can cause additional stress. The proliferation of data sources and emerging technologies drive innovation through the digitization of health data, virtual healthcare models, and personalized medicine. At the same time, the Internet has evolved



from a place where consumers read content to a place where valuable interactions take place and knowledge is shared. Consumers are more empowered than ever before with information to drive competition in the market.

It is clear that the old ways of doing business are obsolete. To make it in this new reality, health insurers need to develop a consumer-centric model built on customer insight. This insight can be used to increase relevance through segment-based communications, personalized experiences, and individual care and prevention plans, as well as to build consumer engagement.

Such initiatives sound like the right thing to do, but they also have financial impact. They will create sustainable differentiation in the marketplace and maximize the payer's ability to retain customers and grow new markets. Revenue opportunities exist, as well; organizations can tap into nontraditional sources of health-related revenue, such as providing services to accountable-care organizations, benefits administration, etc.

The common thread in the new healthcare landscape is that many of these objectives can be achieved with a comprehensive, multichannel, customer-based strategy.

Four components of a multichannel customer strategy stand out as critical for health insurers looking to get closer to their customers:

- Create a 360-degree view of the consumer
- Analyze the customer experience
- Integrate interaction channels
- Develop a comprehensive and personalized care management communication plan

Each part of the strategy must work with the others to be successful. They are building blocks to actionable consumer insight. Without all initiatives working together, each will be considered just another project owned by a siloed team, with no real visibility across the organization or integration with one another.

## Create a 360-degree view of the consumer

Patient data is valuable, and much insight can be gleaned from a person's medical history. Given data privacy concerns, insurers should find a way to help providers get access to a patient's clinical summary, rather than sitting on the sidelines. With this providers can create a more complete view of the member's clinical, case management, and disease management history. This helps insurers provide real-time guidance and coordination of care that could optimize patient care and health outcomes.

As technology improves, the integration of members' clinical information and electronic medical records (EMRs) will play an important role in providing a more complete view of member history. A lack of health insurer involvement in the process reduces the potential for improved quality and decreased costs for payers, physicians, and consumers themselves.

Ideally, a comprehensive customer record should include up-to-date individualized patient care plans, along with patient and benefit plan information. However, there are challenges to achieving such a complete customer picture:

- Data privacy concerns are pushing many health insurers onto the sidelines in this arena, fearing privacy and regulatory repercussions of collecting and sharing patient data. Insurers should design a process that not only helps protect patient data, but also provides access to patient data to all concerned parties to promote

effective communications and improve quality of care.

- There must be consolidation of siloed care management systems. Stand-alone systems create disconnected business processes, do not support sharing of information, and are based on different data models. It's impossible to connect all the pieces with such disparate systems, data, and models. Insurers must shift from old technology platforms to integrated care management applications based on new technology.

With a 360-degree view of patients, companies can gain insight into their needs, behavior, and value through data. That sets the stage for more understanding that drives decision-making across channels.

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## Analyze the customer experience

What separates a company from its competitors is the relationship it has with its customers. The situation is no different in healthcare. Insurers in general are currently not taking advantage of the valuable data and insight living within their walls. Such data can be used for both retention and acquisition efforts.

For example, member churn analysis, including data visualization or data mining, helps to identify patterns of behavior or characteristics among customer groups with high or low value. In addition, analytic risk modeling, retention reporting, and satisfaction surveys of the member population can be used to help executives make decisions on which customers to focus on.

For those more advanced in their analytical capabilities, additional areas to analyze include understanding disenrollment, determining member lifetime value, and identifying target segments for outreach initiatives based on risk models. Payers can then create alerts about what actions they should take based on the customer data and on statistical analysis of what should be changed and why. In addition, there is opportunity for forecasting and extrapolating trends in the data, predictive modeling

to identify possible outcomes, and optimization to get the best outcome.

Even without advanced analytic capabilities, insurers will find valuable customer experience insight from data—such as quality of service, costs, customer satisfaction, and first-call resolution—as well as by asking consumers questions to understand and reduce their frustrations in navigating the complexities of the health insurance space across channels.

This analysis goes a long way to making customer experience improvements with the customer in mind. With robust customer data and analysis, insurers are tasked with improving the quality of service delivery and consumer trust in the system while demonstrating transparency, honesty, and service-mindedness. These are not traditional objectives within the health insurance industry, and many organizations need guidance on how to use data to improve the experience.

To solve that, we recommend adopting three customer experience tactics:

- Set expectations, deliver on those expectations during the experience, and collect feedback.
- Design and maintain quality customer experiences; a poor customer experience is a step toward customer defection. Also, bad word of mouth could hinder attracting new customers, while a good experience encourages loyalty, retention, and referrals.
- Technology will not be the key differentiator. New processes and a shift in attitude among internal and service provider staff are critical to creating a culture that cares about customer feedback.

## Integrate interaction channels

Once the data has been analyzed, it's time to execute a multichannel plan. In order to do this, the inbound channels must work together. We suggest payers link service interaction channels for customer service, care management communication, and the like. A seamless interaction strategy will improve efficiencies, eliminate

## Social Media Mythbusting

Social media is a critical channel for consumers and health organizations alike. But many health insurers are hesitant to enter the social media world because of misconceptions about interacting with customers there. Here are three common social media myths among health insurers:

**Myth:** Social media initiatives should originate from two sources: top-down enterprise strategies or bottom-up grassroots efforts.

**Fact:** Too much oversight may deprive the health insurer of the best value from social media. Let social media happen organically, not from a corporate mandate or a specific directive. Make employees aware of policies, but keep an open mind about allowing social media use across the organization.

**Myth:** There are unique identity, privacy, and security risks from adopting social media.

**Fact:** There are many uses of social media that do not increase privacy and security risks. Consider social media for awareness messages. Generic or even targeted information (for example, audiences associated with chronic health conditions) poses little identity, privacy, or security risk to the insurer.

**Myth:** Social media adoption harms the reputation of the insurer.

**Fact:** Health insurers will not protect themselves from reputation risk by remaining on the sidelines of social media; instead, they will lose out on the business value gained from taking part in social media. Insurers should participate as a voice in the conversation.

**Recommendation:** Companies should take advantage of the social media channel as a direct connection to consumers for marketing and promotion, customer service, and information sharing. Its value far outweighs its risks.



redundancies, streamline information, and provide a better customer experience.

Most insurance companies think from the inside out—they understand that the call center is different from the website, departments don't connect with each other, and certain information lives in certain areas of the organization. Consumers, however, see one company at every touchpoint; they expect information to be shared and employees, regardless of department or position, to answer their questions or solve their issues. This requires an outside-in approach, which connects information and service.

In this new world, multichannel interaction capabilities are table stakes. Features such as email, Web chat, telephone, text messaging, mobile apps, and Web self-service, must be integrated with one another, allowing for consistent treatment of customers across these channels. All customer-facing employees should have access to the same knowledgebase and customer information, allowing a smooth customer interaction.

And as social media becomes a daily part of our lives, so it must become another standard interaction channel. Use social CRM tools to develop customer communities to allow customers to interact with one another, use self-service tools, and ask questions relating to care, products, and services. Track and monitor third-party social media sites like Twitter, Facebook, YouTube, and industry-specific communities to keep track of what customers are saying about specific health insurance brands, products, and services, as well as the overall health insurance experience.

Common roadblocks include lack of expertise in one or many channels, along with old and siloed systems and a lack of budget to implement new integrated technologies. These roadblocks can be overcome by partnering with service providers that have relevant expertise and tools.

## Develop a comprehensive and personalized care management communication plan

Once the interaction and experience foundation is established, the last piece of the puzzle is to decide how best to reach out to customers about care management. Personalized and relevant communications help build relationship strength, and new tools and techniques allow payers to automate many of these processes, saving cost and effort internally.

By changing their focus from internal process and efficiency to the external customer point of view, insurers will realize both short- and long-term benefits.



Care management communications can be complicated, especially in terms of how technology can best be used to serve the member, the provider, and the care manager. Health insurers must use different types of correspondence methods to communicate with members and providers through a number of channels. For example, a mix of technologies can be used in disease management programs—telephone reminders combined with website alerts and reminder calls from case managers or nurses.

Consumers are different and prefer different channels. Understanding the type of message and the proper messaging channel is not always easy as health insurers are still operating with siloed care management systems that are not integrated with other their enterprise communication channels.

Insurers must design and develop a strategy around messaging. Some messages are best delivered in person by a physician or a case manager. Other information can be delivered through a letter, IVR, or on the Web. What's important is that health insurers create specific rules about what types of messages require what types of communication.

These four multichannel customer strategy components will help align health insurers to meet the changing needs and expectations of consumers across all the channels in which they conduct business. It's not a strategy that will work overnight, nor will it have much of an effect if done only in pockets of the organization. But by changing their focus from internal process and efficiency to the external customer point of view, insurers will realize both short- and long-term benefits. ■

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