



CARING OR CREEPY?

What Today's Consumers Think About
Data-Driven Personalization in Health Care

INTRODUCTION

Health plans and other health care organizations are collecting more data than ever before and applying powerful analytics to process this information and put it to good use. Certainly, personalization of both outbound marketing and in-app messaging for digital tools is on the wish list of most health plan marketers. Personalization lifts revenues by up to 15 percent and increases the efficiency of marketing spend by up to 30 percent.¹ But it's also a really sensitive subject. A few reasons why:

- Consumers today are increasingly concerned about data privacy, especially as companies like Facebook are in the headlines for allegedly failing to protect user data² and scanning photos for biometric information.³
- Personalization is still relatively new in health care and studies show that it takes time to build trust with consumers as it relates to these kinds of practices.
- Finally, as an industry, health care has more rigorous standards around data sharing in general, thanks to laws like HIPAA, which means that marketers looking to undertake any type of data sharing must proceed with caution.

Of course, a better understanding of personalization in health care would be helpful to aid in this conversation—what does it really mean, how should we do it and how will consumers perceive it? To answer these questions, HealthSparq recently engaged Hanover Research to conduct a consumer study exploring what people think about personalization within health care apps and marketing. The study revealed where we should draw a line in the sand when it comes to personalization—how much personalization is too much, and where consumers actually value a personal touch. To better gauge these emotional responses, consumers were asked to rate certain types of personalization on a scale of “creepy versus caring.” They were also asked to assess their interactions with these tools and rate the value provided by personalization in different types of tools and among specific types of tool features.



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A few highlights from the study include:

- **Overt personalization based on web habits is definitely considered creepy by most users.** This includes monitoring through cookies and other tracking of a consumer's web habits.
- Consumers who have been exposed to personalized apps rate this personalization more acceptable than those who have not. Therefore, **familiarity will build trust**, meaning that health plans can eventually overcome this initial reticence in consumers if they can drive greater usage.
- Over time, **personalization can actually reinforce trust** between the health plan and member. As a result, it's important to understand what types of personalization members value most, and where plans have an opportunity to promote this personalization to encourage certain types of behaviors such as more informed decisions about care options.
- Who is doing the personalization matters. Consumers rate **personalization from health care providers the most acceptable**, revealing opportunities for health plans to partner with their network providers to achieve goals.
- Personalization used to **drive cost savings to the member** is rated higher by consumers than personalization applied to achieve other goals. For example, cost estimation tools personalized based on the user's own benefit coverage are more highly valued than personalized health/fitness apps.
- **Younger consumers and other segments of the population** may be more receptive to personalization in marketing and in-app messaging, revealing the importance of segmenting a user population to target these efforts.



How health plans benefit from a personalized approach

The benefits of personalization don't start and stop with outbound marketing alone. Health plans willing to use data to drive a more targeted, personal member and customer experience will realize the following advantages:

Increasing sales by bringing in more new members and even employer groups

Retaining these customers longer through more engaged, satisfied members

Lowering costs via efforts to help members make more informed care decisions.

WHAT WE FOUND

The study conducted by Hanover Research involved surveying more than 568 adults on a wide variety of topics related to personalization within health care marketing and tool experiences. At a high level, this research revealed that consumers are still “on the fence” about personalization in this industry. However, it also showed that certain attributes of personalization can definitely influence whether consumers view these practices positively or negatively. The following considerations should be built into any marketer’s toolbox as they pursue more targeted, personalized outreach across apps, digital tools and traditional outbound marketing vehicles.

Familiarity breeds trust.

Consumers who have engaged with a personalized health care application are far more likely to be comfortable with it and rate it as caring and helpful instead of creepy/intrusive. For example, 67% of consumers who have used an out-of-pocket cost estimating tool rated it as helpful while only 51% of consumers who had not yet used this type of tool expected it to be helpful. In fact, this association between rating a tool as helpful and experience using it was noted across all types of digital resources—from managing health care claims online to viewing lab test and accessing policy details.

Taking this one step further, certain features seem far more likely to be viewed as “creepy” from both groups—those who have and have not used a particular tool. For instance, respondents in both camps generally found the idea of personalized fitness and wellness apps disproportionately creepy.

At the same time, consumers who have used all types of digital tools also said that they were “more likely to take action when health care communications are personalized.” This reinforces the idea that once health plans increase tool usage overall, they will be able to make great strides in promoting member satisfaction with these resources.



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Consider the messenger.

The survey also revealed that who is delivering personalization is also key to ensuring positive consumer perceptions. Overall, consumers trust their doctors most when it comes to data-driven recommendations, whether they are receiving these recommendations in person or via an app or online. Of all possible stakeholders involved in health benefit and health care interactions, doctor ranked first in terms of comfort level with personalization, followed by health plan, hospital and then finally, employer. This makes sense given the strong relationship of trust most patients have with their physician, and the sensitivity around health care data. (Consumers know that providers must have access to much of this data in order to inform treatment recommendations, meaning they are not accessing data which is already “private”.)

How personal is it?

Despite some early exposure to these approaches, consumers still find certain types of personalization, like personalization based on web data, somewhat intrusive and “creepy.” To delve into this issue, consumers were asked to rate certain activities on a scale of caring versus creepy. Overall, efforts designed to promote cost savings and health improvement based on a user’s health history ranked far better than digital advertising efforts based on web habits. For example, more than 53% of consumers said that a health plan using their web browsing to customize banner advertising was creepy. This compares to just 8% who felt that a plan using claims data to provide disease

When it comes to personalization, consumers ranked their comfort levels for the following sources:

- 1 Doctors
- 2 Health plans
- 3 Hospitals
- 4 Employers

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management information was creepy. It's clear from these findings that consumers appreciate the value personalization can bring when it is based on their own health and lifestyle priorities—wellness, reducing out of pocket costs and dealing with serious health conditions. As such, health insurers need to consider this perception and their motivations for personalization before undertaking such efforts.

The younger, the better.

Perhaps not surprisingly, this research study also confirmed that younger consumers are the most comfortable with personalization, especially when it's based on web usage/tracking. According to the analysis, younger, tech-savvy respondents are more comfortable with each personalization scenario tested, but the difference between young and old is greatest in scenarios where a users' internet history informs predictive analytics or recommendations. It may also be helpful to note that women in general are more likely to rate personalized tools as “helpful or caring” versus men.

Show me the money.

Given that consumers today are sharing a greater percentage of costs for many medical services, it stands to reason that cost savings would be a greater motivation for app usage itself. Taking this one step further, throughout all of the personalization vehicles tested, respondents were more likely to find personalization helpful if it related to cost savings. Sixty three percent of respondents support personalization efforts designed to lower their health care costs. Finding a doctor was also a highly-rated feature, with 22% of respondents saying that they strongly support efforts to use personalization in this type of tool function.

Then show me the data.

Building on the concept that familiarity builds trust, there is an interesting correlation between consumers who have viewed their medical history/claims data in a digital tool and their comfort with other app features. Those who had experience doing so considered a variety of other features helpful/caring, but most especially the ability to access personalized medical records and lab results online. These included tools that allow consumers to estimate out of pocket costs, find out if a specific treatment is covered by their policy, and reviewing policy details from their health insurer online.



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PERSONALIZATION DOS AND DON'TS

Based on all of the insights collected over the course of this research, best practices for health plans looking to pursue personalization as part of their in-app and digital tool marketing efforts are clear. The following steps will help health plans promote a caring/helpful experience while steering clear of the intrusive/creepy perceptions that plague many personalized interactions:



DO build trust over time. It's important to build small steps toward greater personalization. While consumers may be skeptical at first, personalization itself will build trust. In short, if members use the tool once, they're more likely to come back.



DO leverage provider relationships. This research reveals an opportunity for health plans to think of new and unique ways to deliver personalization, for example by using provider endorsement of certain digital tools, and through partnerships with providers already in place through some of today's new care delivery models.



DO consider the context. Consider using claims data/health history to tailor the message to members. And always emphasize key benefits like cost savings and convenience—helping members find care providers and appropriate treatment options. According to another study, “Focus digital investments on the health care interactions that matter most to consumers: provider experience and affordability.⁴ By focusing on what's most important to consumers, plans can drive better and broader digital adoption and earn the permission space to digitally engage consumers for other reasons.”



DON'T be big brother. It's clear from the data that health plans should avoid the overt use of web data and cookies based on the negative consumer perceptions of these activities, especially given the current climate in consumer privacy.



DON'T just jump to conclusions based on data. A health plan assuming a member is pregnant based on their browsing history alone could risk making inaccurate (and embarrassing) missteps in messaging. Validating this data and proceeding with caution (for example promoting labor and delivery options along with general wellness messaging) is a safer approach.



DO look beyond traditional outbound marketing. Consider more than just direct mail and email and test the waters of omni-channel personalization. This might include personalized conversations via call center support based on member data, as well as other one-on-one interactions.

ACHIEVING THE ULTIMATE GOAL OF PERSONALIZATION

The real objective throughout all of these mechanisms should be to move people away from transactional relationships with their health plan to more individualized ones. That motivation should be the basis for each and every decision to use data and analytics to better serve members. While it won't happen overnight, it's not a leap to say that familiarity with these methods, as well as with digital tools themselves, will help move the needle from "creepy to caring" throughout all personalized interactions.

To learn more about this research, as well as other proven engagement best practices, please contact HealthSparq at marketing@healthsparq.com.

¹ <https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/marketing-holy-grail-digital-personalization-at-scale>

² <https://www.npr.org/2018/04/10/601268166/lawmakers-question-facebook-founder-mark-zuckerberg-about-data-privacy-lapses>

³ <https://www.bloomberg.com/news/articles/2018-04-16/facebook-must-face-group-suit-claiming-it-stole-biometric-data>

⁴ "Health plans: What matters most to the health care consumer," Deloitte report 2016.

ABOUT HEALTHSPARQ

At HealthSparq, we empower people to make smarter health care choices by providing cost and quality information about doctors, hospitals, medical services and medications. We put people at the core of everything we do by conducting continuous usability testing, turning consumer research into product innovations, hosting industry panels featuring everyday people, and bringing human stories to the forefront through our #WTFix campaign. Using these insights, we create solutions to help people understand and navigate the health care system better than ever before.

Growing since our founding in 2008 from our home in Portland, Oregon, we now serve more than 95 health plan brands across the country. Contact us at HealthSparq.com or tweet us @HealthSparq.