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Data Apprehension Stifles Patient Experience Optimization

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY KAMELEOON | AUGUST 2021

HCOs Should Invest In Effective Experience Optimization To Grow

Forrester surveyed 107 managers and directors responsible for marketing and patient experience (CX) strategy at North American healthcare organizations (HCOs) to understand the value of data to delivering great CX and how it is understood within healthcare organizations. **Our survey shows that advanced HCOs that discover and apply customer insights are five times more likely to grow revenue.** For most firms, the limitations they place on the use of data are informed by misunderstanding and fear of regulatory backlash rather than knowledge and customer obsession. Healthcare businesses that have a clear data governance strategy coupled with the right optimization technologies, processes, and skills are in a strong position to create differentiated patient experiences that lead to faster growth.

5X

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Key Findings



Optimizing patient experience is top priority for HCOs.



The three Vs (volume, velocity, and variety of data) confuse and hinder optimization for HCOs.



Advanced HCOs that discover and apply customer insights are five times more likely to grow revenue.



The utilization of optimization techniques (e.g., A/B testing, rules-based targeting) determines how advanced healthcare businesses really are.

Improving CX Is Key To Unlocking Optimization In Healthcare

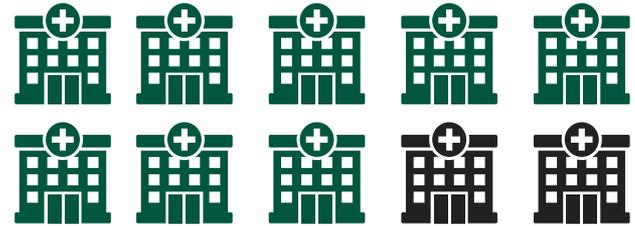
In a world where empowered, self-educating healthcare customers turn to digital touchpoints first, the quality and CX of HCOs' digital interactions become all-important. Our survey reveals that North American healthcare organizations understand the urgency: 76% of the respondents said digital customer engagement was important to the success of their business.

Forrester believes all healthcare organizations stand to benefit from digitally transforming their business. In fact, eight out of 10 healthcare respondents said their organizations will improve the use of data and analytics over the next 12 months. Currently, digital-first HCOs are winning the race to improve CX over traditional HCOs.¹

“How important is digital customer engagement to the success of your business?”

Important or critical for our business

76%



8 out of 10

healthcare organizations said they will improve the use of data and analytics over the next 12 months.

Few HCOs Leverage Data And Analytics To Improve CX

Leaders responsible for marketing and CX at HCOs recognize that data, analytics, and the insights that flow from them play a pivotal role in ensuring that healthcare consumers have positive experiences. However, only two out of 10 firms are successfully using data to optimize and improve experiences like design thinking, identify opportunities to use digital, customize the experience of the individual, and leverage digital technologies that create value for patients. Successful HCOs are using optimization to streamline how patients schedule appointments and juggle variables like timing, availability, preferences, insurance coverage, and more. Healthcare leaders clearly want to differentiate consultations and virtual treatments through customer understanding and insights, but struggle to execute.

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“Please assess the extent to which your company follows each of the digital customer experience practices listed below.”

(Showing “We optimize this through continuous measurement and feedback across the business.”)

We use CX tools (e.g., design thinking) to examine the entire CX, identifying opportunities to use digital. **28%**



We use analytics combined with context awareness to customize the experience to the individual and our systems help our customers feel more valued. **23%**



We use digital technologies to create value for customers and we view the company from the outside in. **23%**



Base: 107 full-time practitioners at the manager-level or above with responsibility for marketing and CX strategy at their healthcare organization
Source: A commissioned study conducted by Forrester Consulting on behalf of Kameleoon, June 2021

Most Healthcare Companies View Their Data Strategy As Maturing

Organizations with advanced abilities to develop and apply customer insights are five times more likely to grow revenue at more than 20% year-over-year.² Most surveyed managers responsible for marketing and CX at HCOs did not describe their organizations' approach to data and analytics as very mature. In fact, about seven out of 10 leaders said their organization does not have a mature data governance strategy. But the clock is ticking for the half of HCOs that have a strategy and are making progress against it. 2020 saw US health authorities write Health Insurance Portability and Accountability Act (HIPAA) waivers to enable new forms of customer interaction.³ But stricter standards will return, even as customer expectations remain high. HCO leaders run a real risk of being caught out.

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Healthcare Providers Struggle To Cope With The Volume And Velocity Of Data To Optimize CX

Even though eight out of 10 marketing and CX managers collect CX data on digital customer interactions, only six out of 10 know what to do with it. HCOs with a maturing data and analytics approach struggle the most.

HCOs claim that there are too many metrics and that data is materializing too fast for them to handle. Leaders voiced concerns about privacy and security, admitting that it complicates their willingness to leverage data for CX optimization.

As more healthcare consumers turn to digital touchpoints to seek diagnoses and treatment, these challenges will only escalate.

“What is the proportion of digital interactions you collect CX data on?”



“What is the proportion of insights on digital customer experiences that are acted upon to improve the digital experience?”



“Please select the top challenges that prevent your organization from using data to inform great customer experiences.”

Too many metrics to measure

34%

Concerns about customer privacy

33%

Data materializes too fast for us to manage

32%

A Data Governance Strategy Helps Manage Risk

Our survey revealed that leaders feel there is risk or extreme risk when using different forms of data. Only one out of three respondents said they're very capable when it comes to compliantly using customer data.

Forty-nine percent said pseudonymized customer data (e.g., names and unique IDs) and identifiable data (e.g., personal identifiable information [PII]) are the riskiest to use. Surprisingly, 46% said anonymized data is risky, when in fact it's not that risky to use anonymous data for improving digital patient experiences. Geography, acquisition type, and behavioral segmentation all work well in delivering enhanced patient experiences (CX).

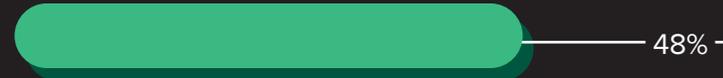
“How risky does your organization feel when using the following types of digital customer data?”

(Showing “Risky” and “Extremely risky” combined)

Pseudonymized customer data



Identifiable customer data



Anonymized customer data



First-party data



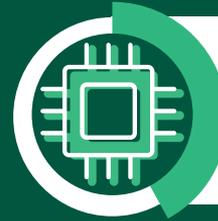
Only **33%** of respondents feel capable of compliantly using customer data.

A Robust Data Governance Strategy Means Better Data Management

The COVID-19 pandemic served as a digital accelerant for businesses. However, this digital transformation only increased the urgency in which HCOs needed a data governance strategy that involves defining, executing, training, and overseeing compliance for data. Yet only 41% of respondents said their HCO has a data governance program at all.

A data governance strategy that has been established and refined can help HCO leaders make sense of data, manage risks, and promote the safe use of customer data to fuel personalization and optimize CX.

“How would you describe your organization’s data governance strategy?”



We use digital technology to embed data stewardship within everyday data engagements.

42%

Our data governance strategy involves defining, executing, training, and overseeing compliance.

41%



Data governance workstreams involve data and business teams.

39%

Optimize From An Informed Position To Separate Leaders From Laggards In Healthcare

Despite proof that HCOs with advanced abilities to develop and apply customer insights are five times more likely to grow revenue at more than 20% year-over-year, only three in 10 healthcare organizations A/B test to make data-driven, patient-centric digital experiences.⁴

Only four out of ten of respondents reported that their organization used personalization methodologies to deliver relevant, individualized information to their patients. To gain a deeper insight into patient behaviors, motivations, and attitudes and improve patients' digital experiences, more HCOs should adopt a range of insights and optimization methods.



Patient-focused HCOs are 5x more likely to grow, but only 3 out of 10 HCOs A/B test to create patient-centric experiences.

“Which digital experience optimization techniques do you commonly apply to build better customer experiences (CX)?”

(Showing “We use this all the time.”)



Rule-based targeting/
personalization

44%



Profile-based targeting/
personalization

35%



A/B testing

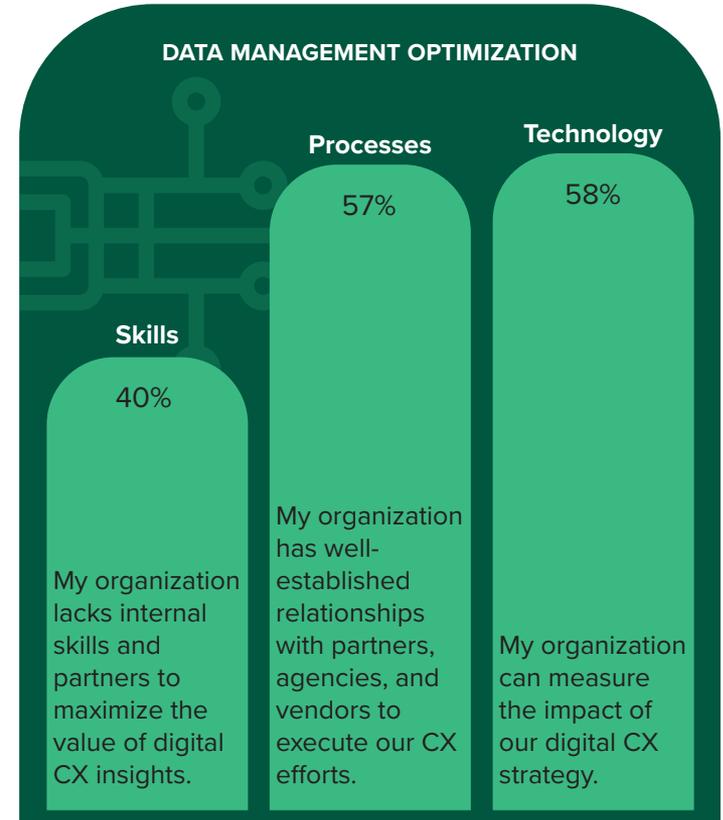
33%

Invest In Skills, Processes, and Technology To Improve Patient Experience

Forrester research shows that HCOs must change how their departments provision and manage data to keep up with empowered customers and nimble competitors.⁵ HCOs striving to join the ranks of fast-growing and advanced insights-driven businesses can do so by doubling down their focus on three areas: 1) skills, 2) processes, and 3) technology. Survey respondents cited each of these as hurdles to advancing their organization's CX and growth goals.

To grow five times, organizations must establish, refine, and continuously evolve their skills, processes, and technology.

“How would you describe your organization’s data governance strategy?”



Conclusion

Healthcare leaders can improve their approaches and strategies with a disciplined approach to envisioning, designing, and delivering consistently high-quality experiences.

- Data-driven optimization of customers' digital interactions will differentiate HCOs in the future.
- Most HCOs are relatively immature when it comes to data strategy and governance.
- Privacy concerns and the volume and velocity of data are HCO managers' greatest challenges to developing insights.
- Personalization methodologies like algorithmic profiling and A/B testing will underpin and individualize experiences by testing and validating them by determining which variation is perceived to be the best by putting it into practice.
- Investments in data skills, processes, and technologies will accelerate maturity and confidence with data management.

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Contributing Research:

Forrester's Customer Insight's
research group

Methodology

This Opportunity Snapshot was commissioned by Kameleoon. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of manager-level or above respondents who are responsible for marketing CX strategy at their firms. The custom survey began in February 2021 and was completed in June 2021.

ENDNOTES

¹ Source: "2020 Virtual Care Forecast, US," Forrester Research, Inc., October 19, 2020.

² Source: "Forrester Infographic: Advanced Insights-Driven Businesses Stand Apart," Forrester Research, Inc., February 11, 2021.

³ Source: "The Top 10 Security And Privacy Recommendations For Virtual Care Deployments," Forrester Research, Inc., December 7, 2020.

⁴ Source: "The Definitive Guide To Digital Health Experiences," Forrester Research, Inc., September 11, 2020.

⁵ Ibid.

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Demographics

COUNTRY	
US	92%
Canada	8%

TITLE OF RESPONDENT	
C-Level executive	16%
VP/director	44%
Manager	24%
FT practitioner	16%

DEPARTMENT	
CX	21%
Data analytics/science	18%
Production	18%
App development	10%
IT and development/engineering	18%
Marketing	15%



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