

SNAPSHOT REPORT

Marketing Trends across Healthcare and Life Sciences

Insights from over 150 marketing leaders in the healthcare, health insurance, pharmaceuticals, and medical device sectors worldwide

salesforce research

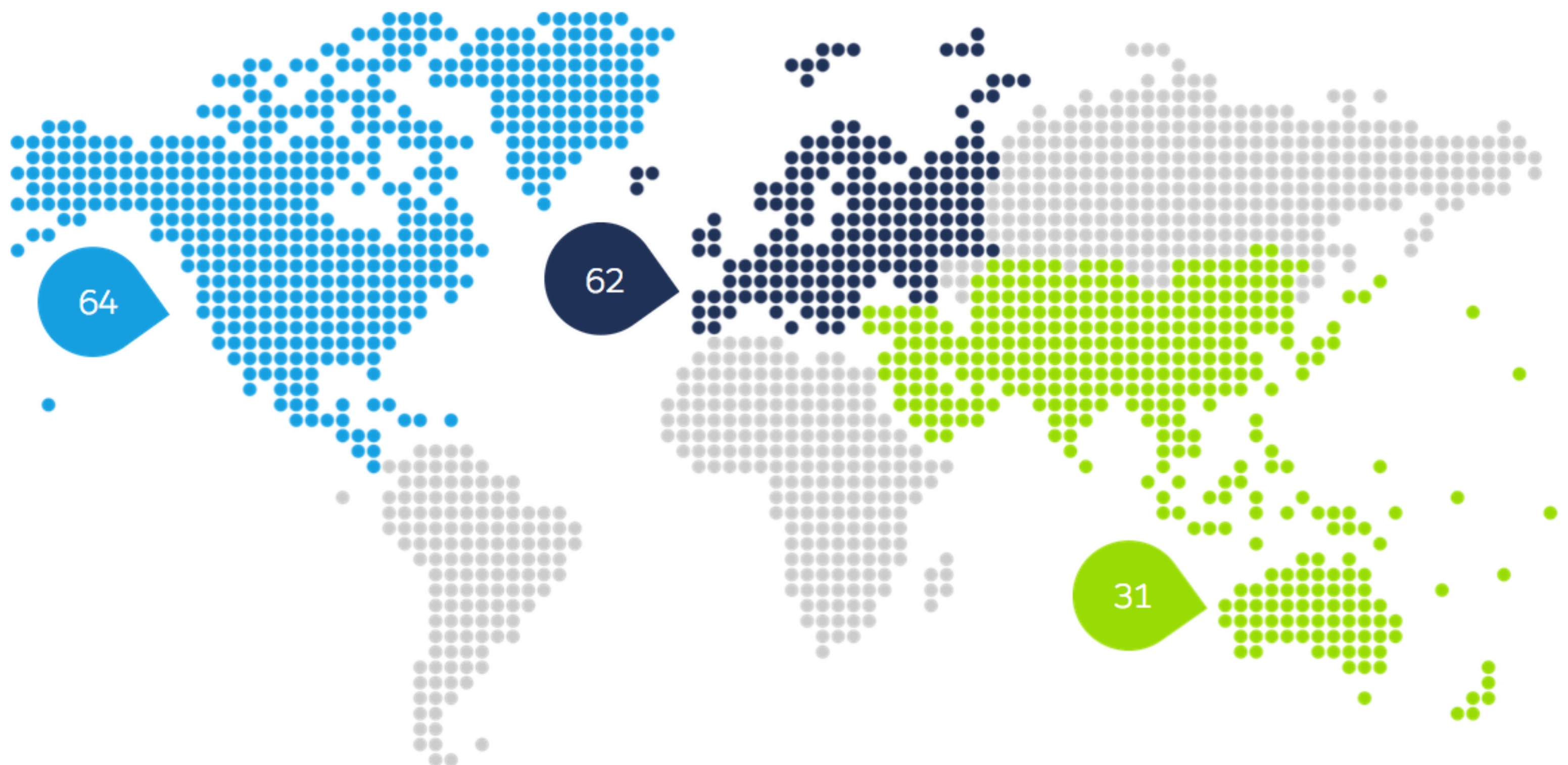


About This Report

Salesforce Research surveyed over 150 marketing leaders in the healthcare and life sciences sectors to discover:

- How top marketers are keeping their customers – whether patients, physicians, plan members, employers, insurance brokers, or others – engaged with their organization
- Which common challenges are hindering a connected customer experience
- Which marketing channels and technologies will see the biggest growth over the next two years

Data in this report is a subset of findings from the fourth annual “State of Marketing” study conducted in April 2017. The blind survey generated 157 responses from full-time marketing leaders in the healthcare and life sciences sectors – those holding a manager or higher leadership role within their organization – in the U.S., Canada, Brazil, U.K./Ireland, France, Germany, the Netherlands, Japan, and Australia/New Zealand. All respondents are third-party panelists (not limited to Salesforce customers). Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).



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Introduction: The HLS Marketing Playbook Faces a Sea Change

If there's one constant across the healthcare and life sciences (HLS) industries these days, it's change. Mergers and acquisitions, new competition, emerging innovations, shifting regulations, rising costs, and the evolving payment landscape are profoundly impacting the entire healthcare ecosystem – including consumers.

Fee-for-service payment structures, the traditional reimbursement model that compensates providers regardless of results, are increasingly giving way to value-based care paradigms. Today's HLS organizations are tasked to improve treatment outcomes, manage population health, and advance the well-being of those with chronic conditions. And while they're at it, they need to remain cost effective and enhance the consumer experience – that's where the role of the healthcare marketer comes in.

The shift in focus from volume to value has caused healthcare organizations to rethink the services they offer and how they communicate with consumers of all types – patients, members, employers, employees, physicians, and beyond. As healthcare and life sciences marketers pivot their strategies, they must also address demands for personalized, timely experiences across channels and devices. Marketing leaders across all healthcare and life sciences sectors who understand this new dynamic will reap the rewards of customer acquisition, loyalty, and advocacy.



01 Marketing Leaders Ramp Up Customer Experience to Differentiate

In the Age of the Customer, heightened customer expectations are impacting every facet of HLS industries. Seventy-five percent of consumers expect companies to provide a consistent experience wherever they engage.* For example, whether patients are speaking with a caregiver on the phone or chatting online with a service agent to resolve a billing question, they expect a seamless, connected journey across touchpoints. For 73% of consumers, inconsistent levels of service means they're likely to switch to a different company.*

That's reflected in how heavily HLS marketers now measure their success by customer satisfaction. Marketing's goal always has been (and always will be) to drive business by nurturing sales. But increasingly, marketers are also dedicated to fostering the experiences that turn the leads they initially uncover into loyal customers. Out of the many key performance indicators (KPIs) that HLS marketers track, **customer satisfaction scores rank as the second most important behind sales qualified lead-to-quote (SQL) ratio.**

The value that customers place on the sum of their interactions is fueling the buzz around customer experience. Overall, 64% of HLS marketing leaders say they view customer experience as a key competitive differentiator.

Percentage of HLS Marketing Leaders Who Strongly Agree or Agree with the Following Statements

Views customer experience as a key competitive differentiator



Leads customer experience initiatives across the business



■ Healthcare payers/providers ■ Life sciences

Percentage of HLS Marketing Leaders Who Say Their Company Has Increased Focus on the Following over the Past 12-18 Months

Providing customers with a consistent experience across every channel (e.g., in-store, online, email, mobile, social, sales, service)



Creating a shared, single view of the customer (e.g., a customer's history across all sales, service, marketing interactions)



* "State of the Connected Customer," Salesforce Research, October 2016.

02 Cross-Role Collaboration and Disconnected Data Pose Marketing Challenges

Beyond budget constraints, the top challenges that HLS marketers face in creating a connected customer experience stem from disconnected data and technologies.

While 64% of HLS marketing leaders say they're implementing digital transformations across the company, only 22% are extremely satisfied with their ability to collaborate with other departments (for example, sales, service, IT).

A mere 17% of HLS marketing leaders say their current tech stack is extremely effective at driving collaboration across the business.

Top Three Challenges HLS Marketers Face in Creating a Connected Customer Experience*

- 1 Budgetary constraints
- 2 Difficulty leveraging data from different sources
- 3 Disconnected tools and tech across the business

* Partial list.



03 Customer Journeys Boost Engagement and Prompt Organizational Change

Marketers' emphasis on customer journeys is driven by business value. In fact, the experiences and relationships fostered by these journeys have a measurable impact on customer engagement.

Nearly two-thirds (65%) of HLS marketing leaders view the customer journey as the primary vehicle for improving the customer experience. Among HLS marketers who have adopted a customer journey strategy, 68% report a positive impact on overall customer engagement.

68% of HLS marketing leaders believe customer journey strategies require organizational shifts.

Most are actively making changes to adapt; 62% say they're aligning marketing roles to a customer journey strategy versus traditional roles (for example, by marketing channel/function).

Percentage of HLS Marketing Leaders Who Say a Connected Customer Journey Positively Impacts the Following

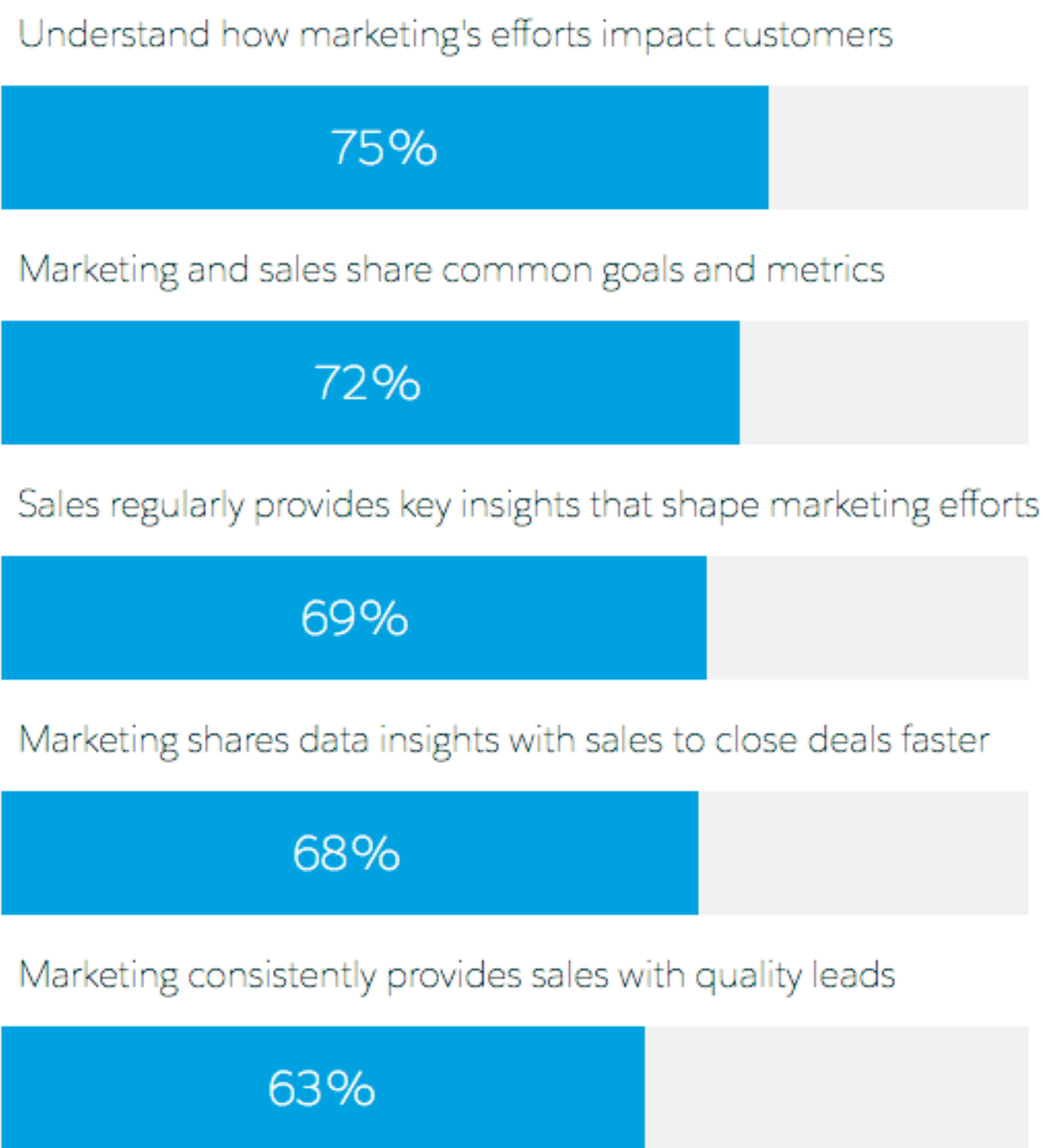


03 Customer Journeys Boost Engagement and Prompt Organizational Change

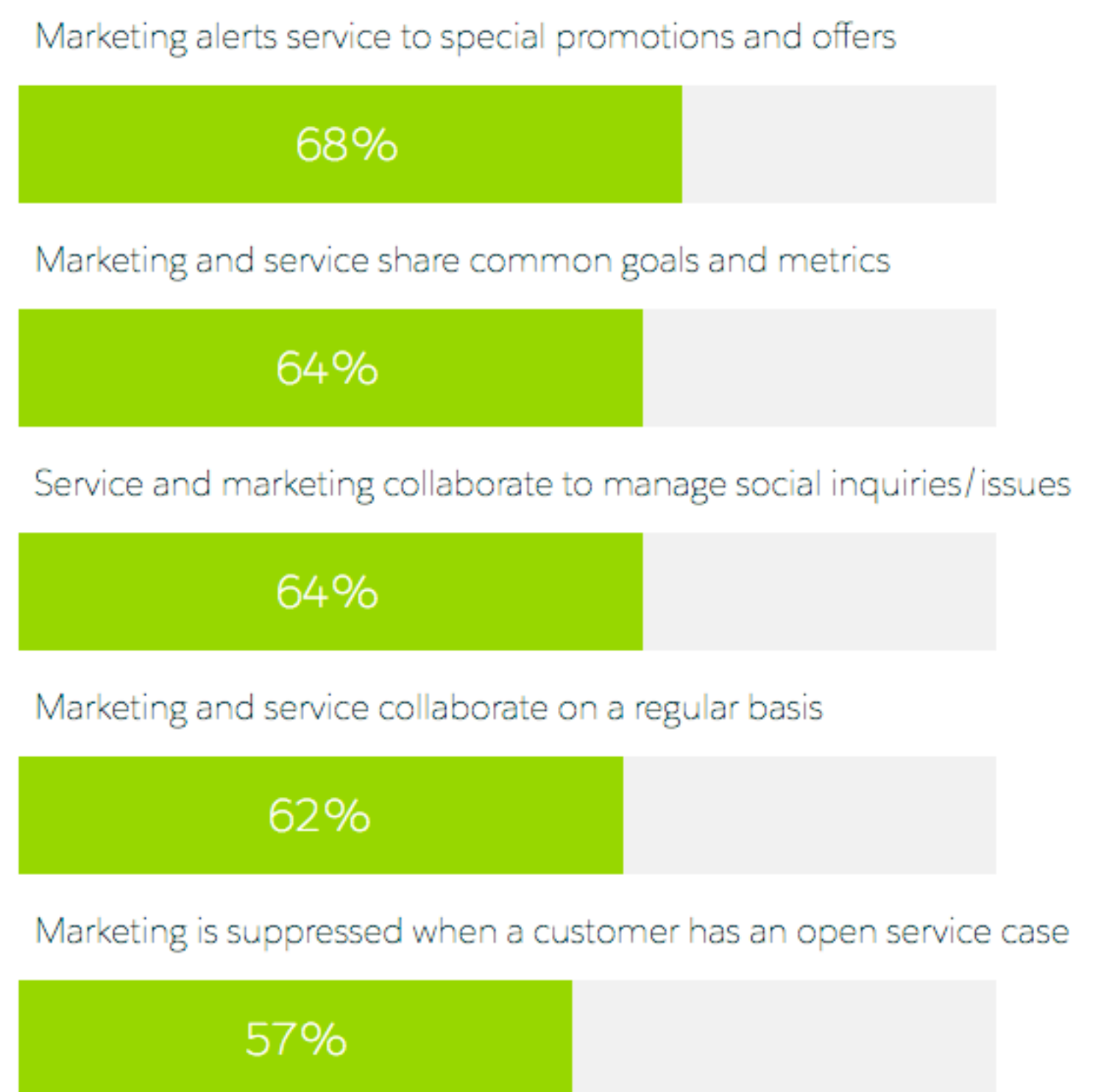
In pursuit of a more cohesive customer journey, HLS marketing leaders are collaborating more closely with other business units. HLS marketers appear slightly more aligned with sales than they are with service; 72% say sales and marketing share common goals compared to 64% who say the same about service and marketing.

HLS Marketing Leaders Unite with Sales and Service for Consistent Customer Experiences

Marketing and Sales



Marketing and Service



04 1-to-1 Personalization Remains Elusive for HLS Marketers

Despite heightened attention to the customer journey, most HLS marketers are still struggling to connect their messages across channels – let alone across other departments. Most HLS marketers broadcast identical messages between channels, or lack any coordination between channels at all. Relatively few say they evolve messages between channels in a way that's truly representative of a customer journey.

With customer expectations for personalization on the rise, static messages can give the impression that a company doesn't see customers as individuals. That's dangerous; 66% of consumers are likely to switch brands if a company treats them like a number instead of an individual.*

75% of HLS marketing leaders either broadcast identical messages across email and other channels – or say that there's no coordination at all between email and other channels.

Most HLS Marketers Have Room to Improve Marketing Coordination between Channels

Advertising on social platforms



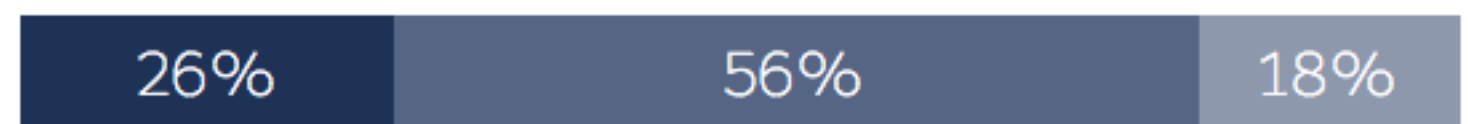
Social media marketing



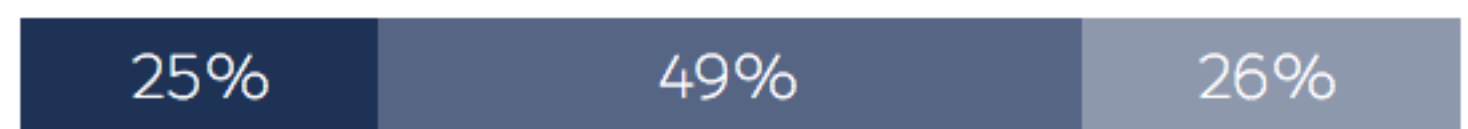
Customer communities



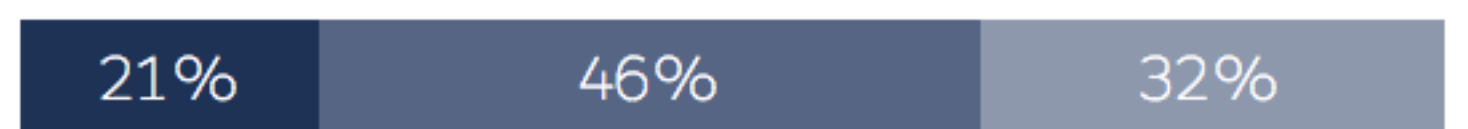
Website



Email



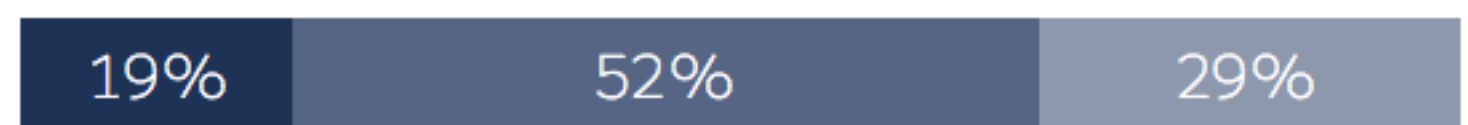
Organic search



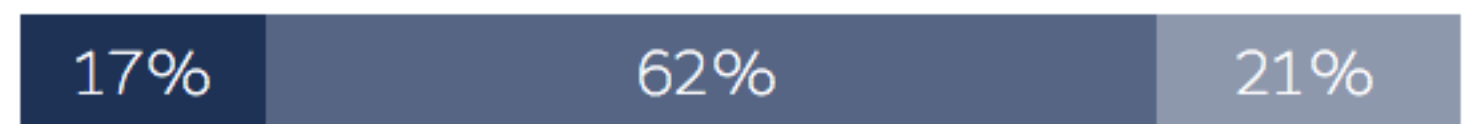
Display/banner ads



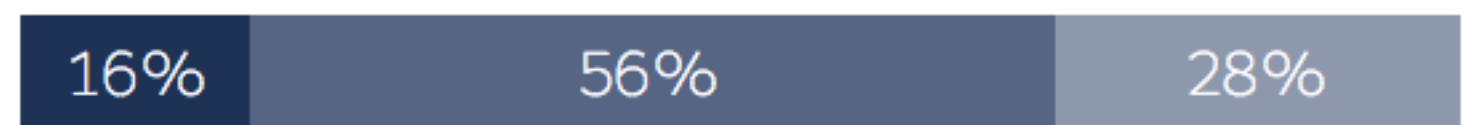
Mobile marketing (e.g., SMS, push notifications)



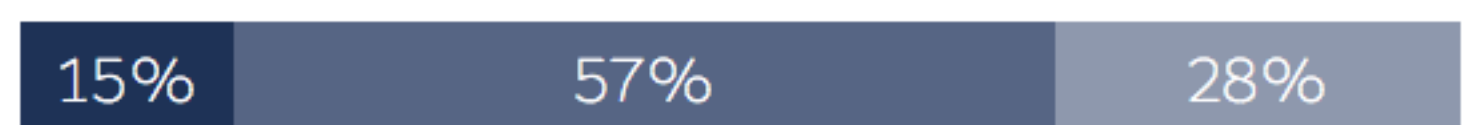
Video advertising



Native advertising/sponsored content



Paid search



- Messages evolve from channel to channel in a hyper-personalized manner based on customer actions
- Identical messages are broadcast from this channel to other channels
- No coordination between this channel and other channels

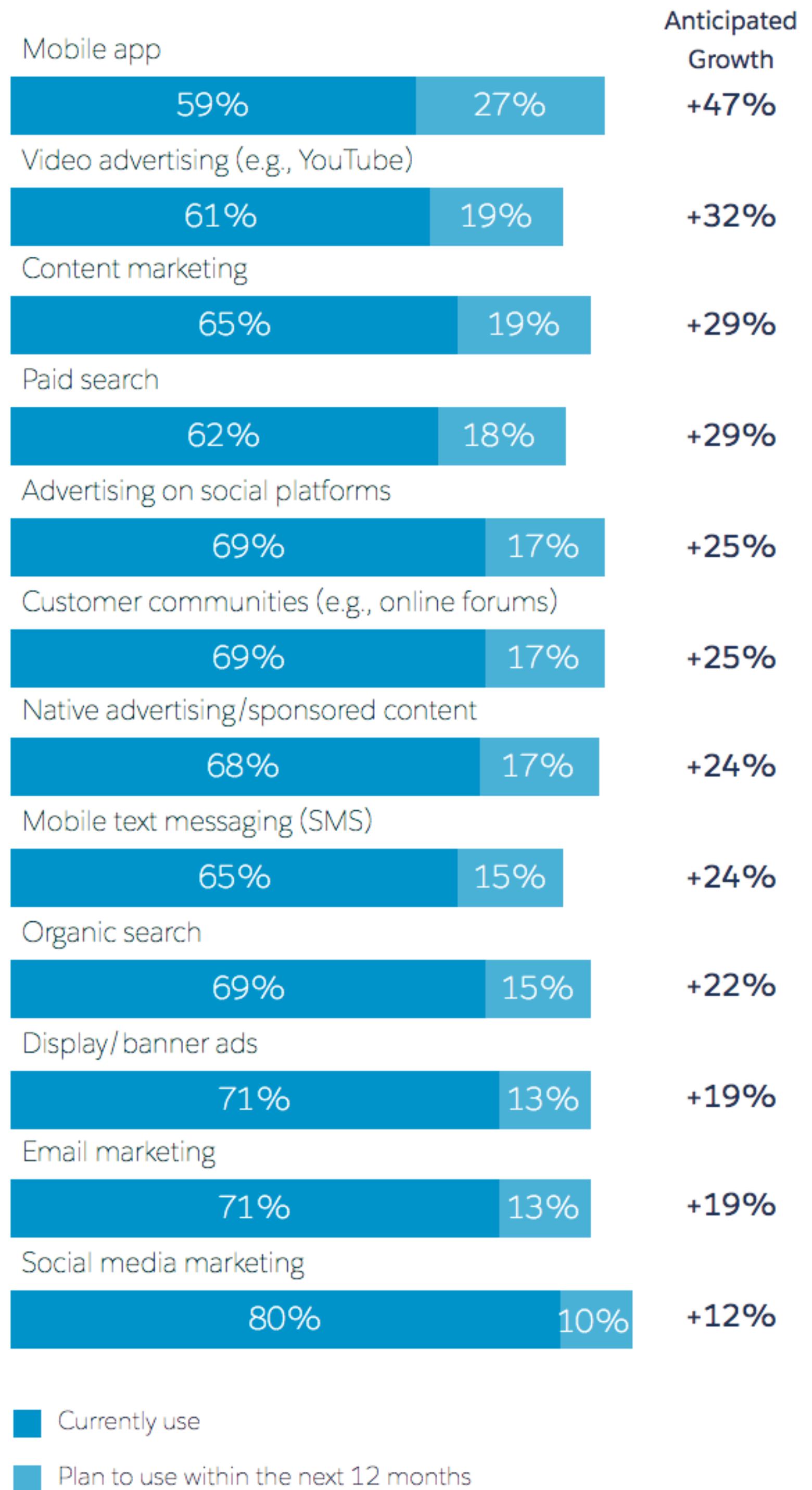
05 Marketing Channels Multiply as Mobile Leads Growth

Over the past 18 months, 57% of HLS marketing leaders have become more focused on expanding marketing efforts across channels and devices. Some of the most important channels for today's connected customers are mobile in nature. More than a third (34%) of consumers now consider health management via their mobile device to be absolutely critical or very important – a relatively high number considering that mobile apps have only existed since 2008.* HLS marketers are responding with higher anticipated growth rates in mobile apps than any other channel.

Customers are accustomed to quickly getting answers online to almost any inquiry. When patients or healthcare providers have questions, the same DIY mindset often applies – which may factor into the 25% growth that HLS marketers expect in customer communities over the next 12 months.

78% of consumers say making it easy to find products they need influences their loyalty to a company.*

Top HLS Marketing Channels for Anticipated Growth in the Next 12 Months



* State of the Connected Customer survey, Salesforce Research, June 2016. Data may or may not be represented in the "State of the Connected Customer" report.

06 Emerging Technologies Top the Charts for Expected Growth in HLS

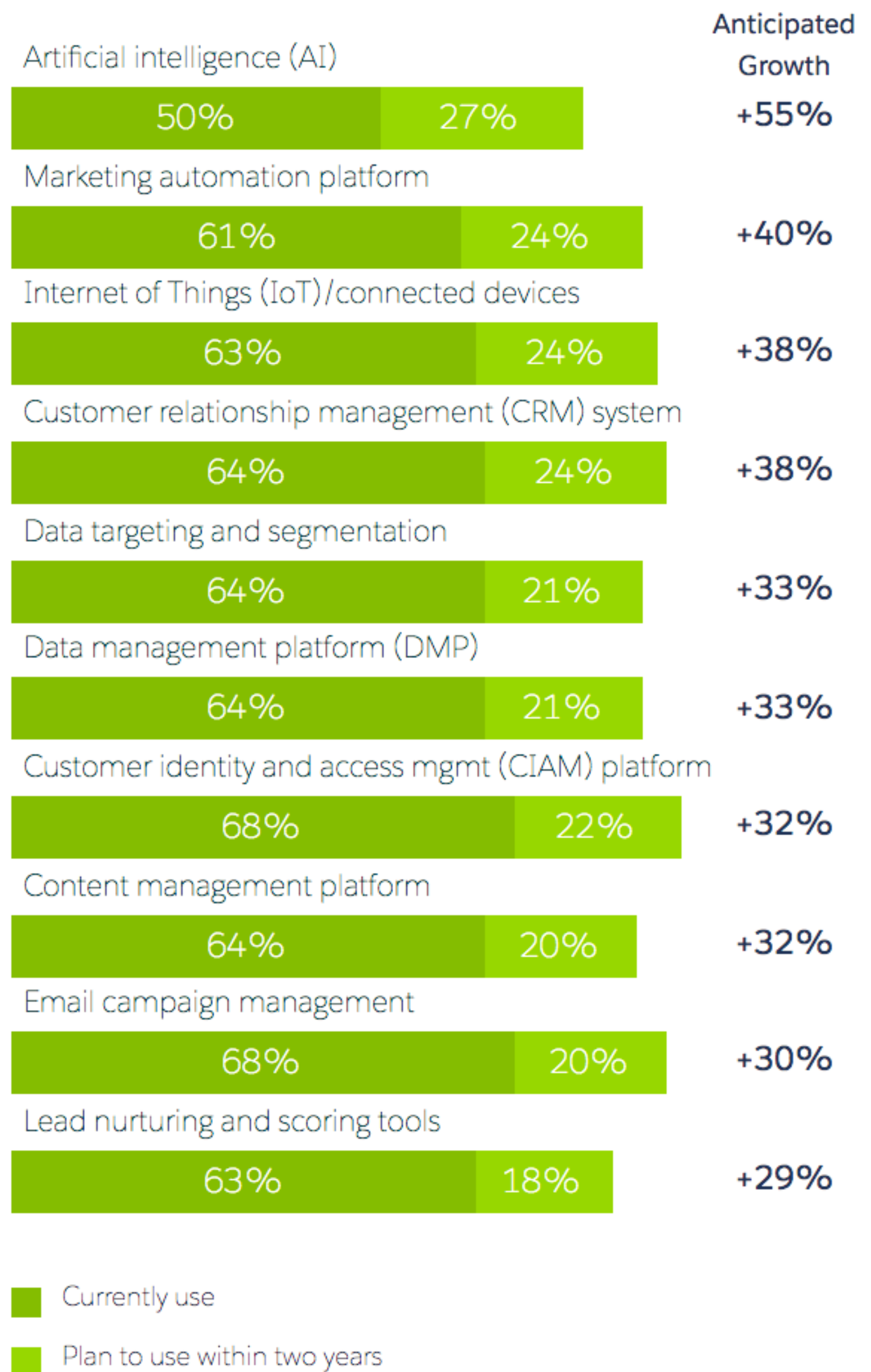
Nearly two-thirds (63%) of consumers believe that by 2020, advancements in technology will positively impact their relationships with hospitals and healthcare providers. About half (48%) of consumers also say that wearable tech will fundamentally change how they receive healthcare in the near future.* Accordingly, healthcare payer/provider marketing leaders say that IoT/connected devices are the most essential technology for creating 1-to-1 marketing across every touchpoint.

Even higher than the expected IoT growth is that of artificial intelligence (AI); HLS marketers expect AI usage to rise by 55% in the next two years. Why the big uptick? HLS marketers foresee AI as having the most transformational impact on virtual and augmented reality experiences within the next five years. Robotic surgery, for instance, is already gaining in popularity thanks to virtual technology. HLS marketers also expect data management platforms (DMPs) to be among the top 10 growth technologies in the next two years.

68% of life sciences marketers and 52% of healthcare payer/provider marketers say AI is greatly increasing their overall marketing efficiency.

While healthcare payer/provider marketing leaders lag behind life sciences in their current AI use (45% versus 63%, respectively), they anticipate catching up in the next two years with 71% growth. In comparison, life sciences marketers anticipate their use of AI to grow by 26% over the same time frame.

Top HLS Marketing Technologies with the Highest Anticipated Growth Rates in the Next Two Years**



* State of the Connected Customer survey, Salesforce Research, June 2016. Data may or may not be represented in the "State of the Connected Customer" report.

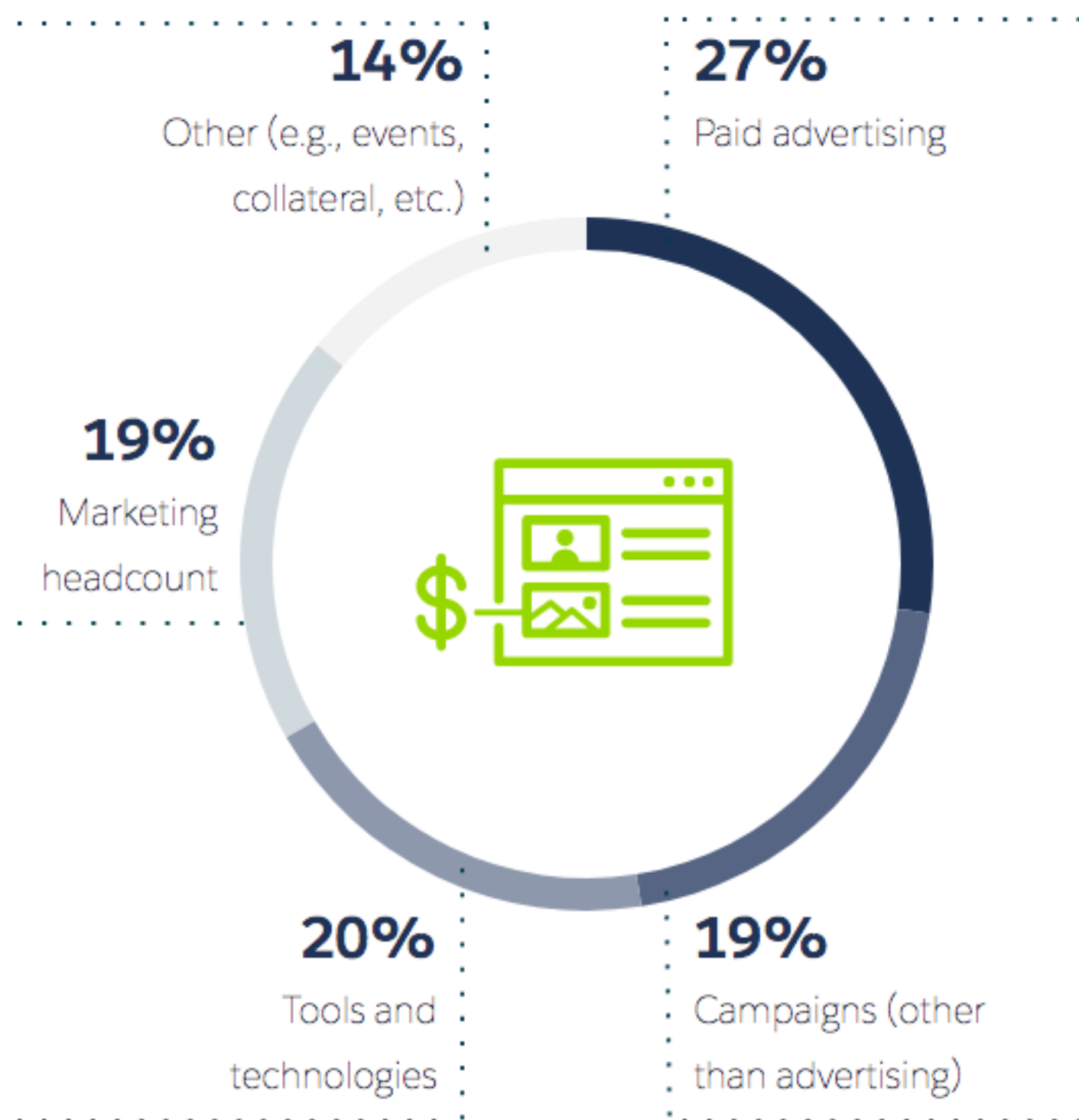
** Partial list.

07 Budgets Are on the Rise, Led by Ads and Social

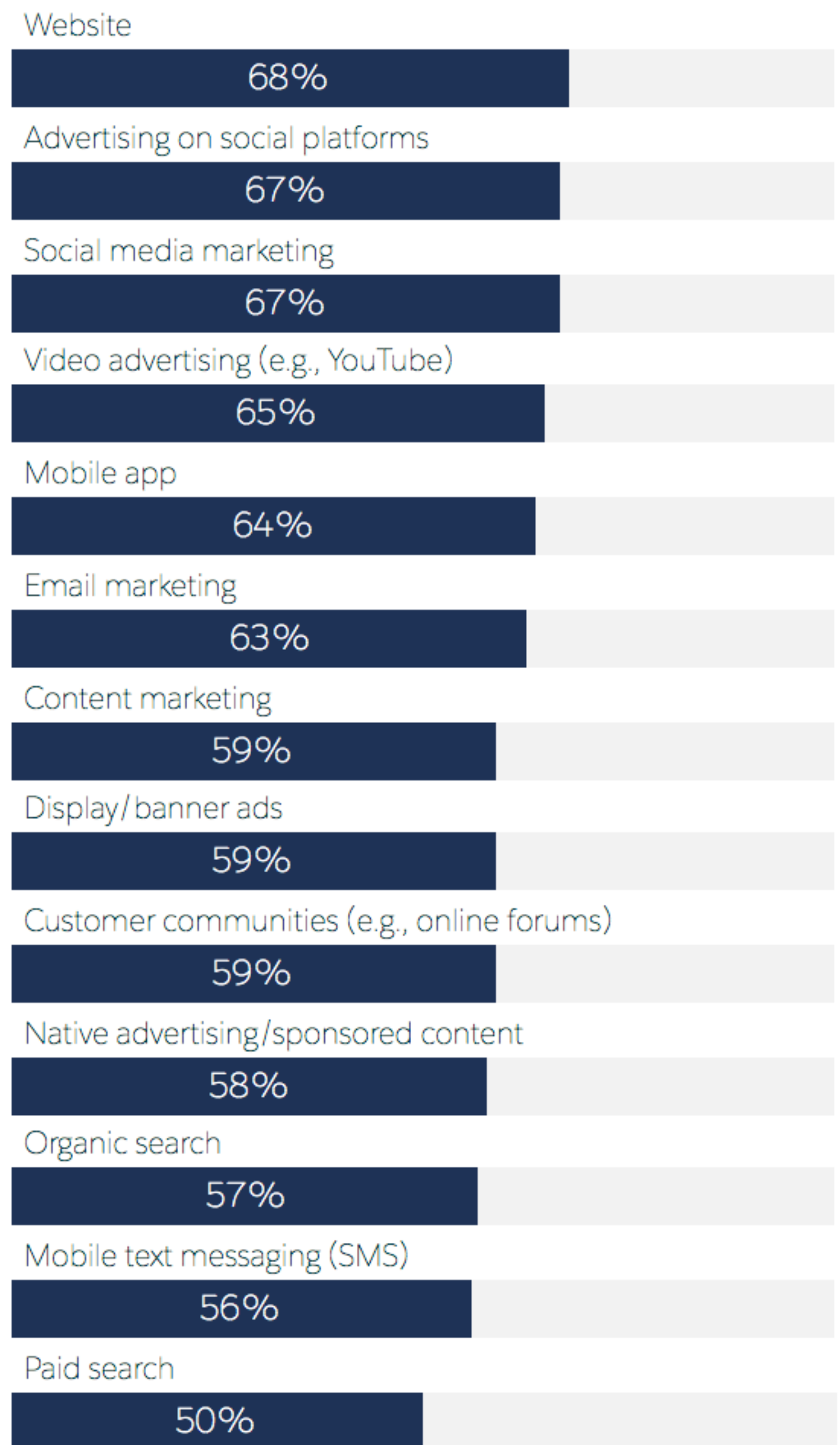
Amid such monumental change, it comes as no surprise that 69% of HLS marketing leaders say their budget has increased over the past two years. Furthermore, 70% anticipate additional increases over the next two years. What are HLS marketers spending their budget on? Paid advertising along with marketing tools and technologies top the list. But budgets are continuously impacted by the shifting marketing landscape.

29% of HLS marketers' current budget has gone to channels they didn't know existed five years ago; that's expected to increase to 34% in the next two years.

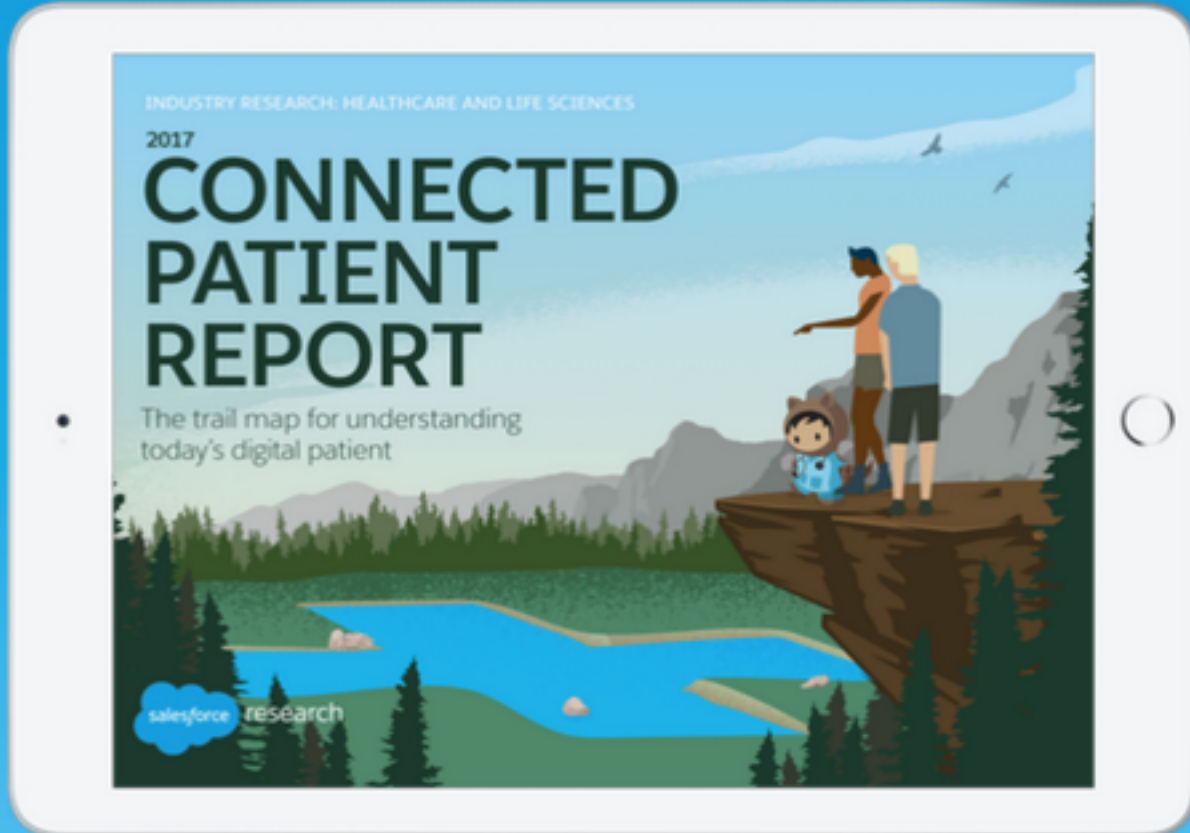
Percentage of HLS Marketers' Current Budget Spent in the Following Areas



Percentage of HLS Marketers Who Expect Budgets for the Following Channels to Increase Substantially or Somewhat over the Next 12 Months



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