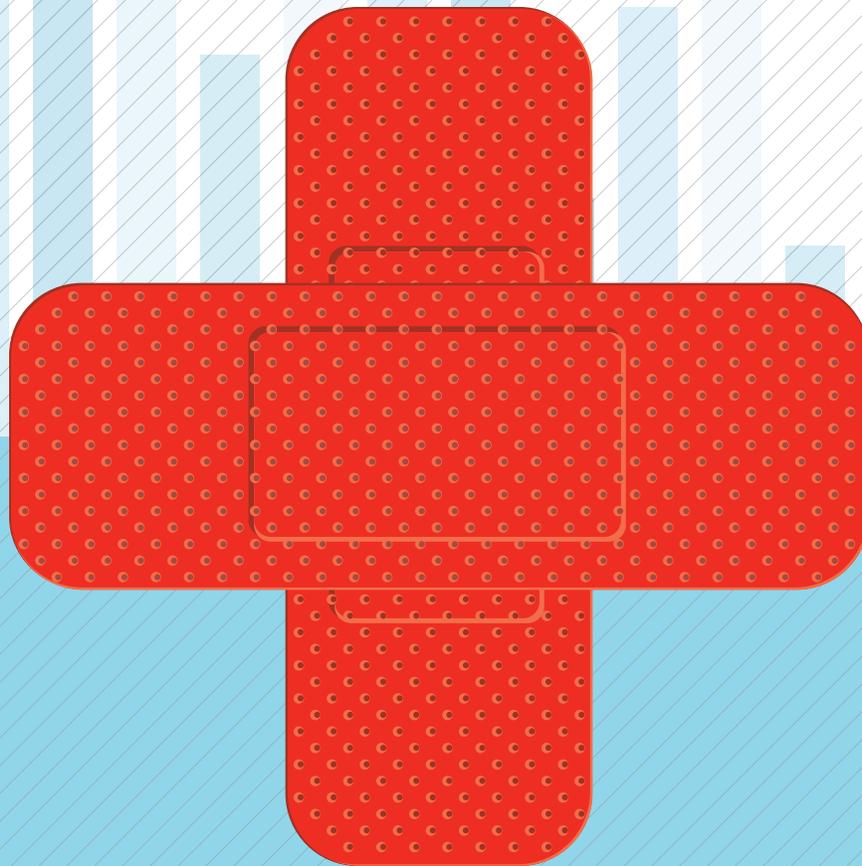


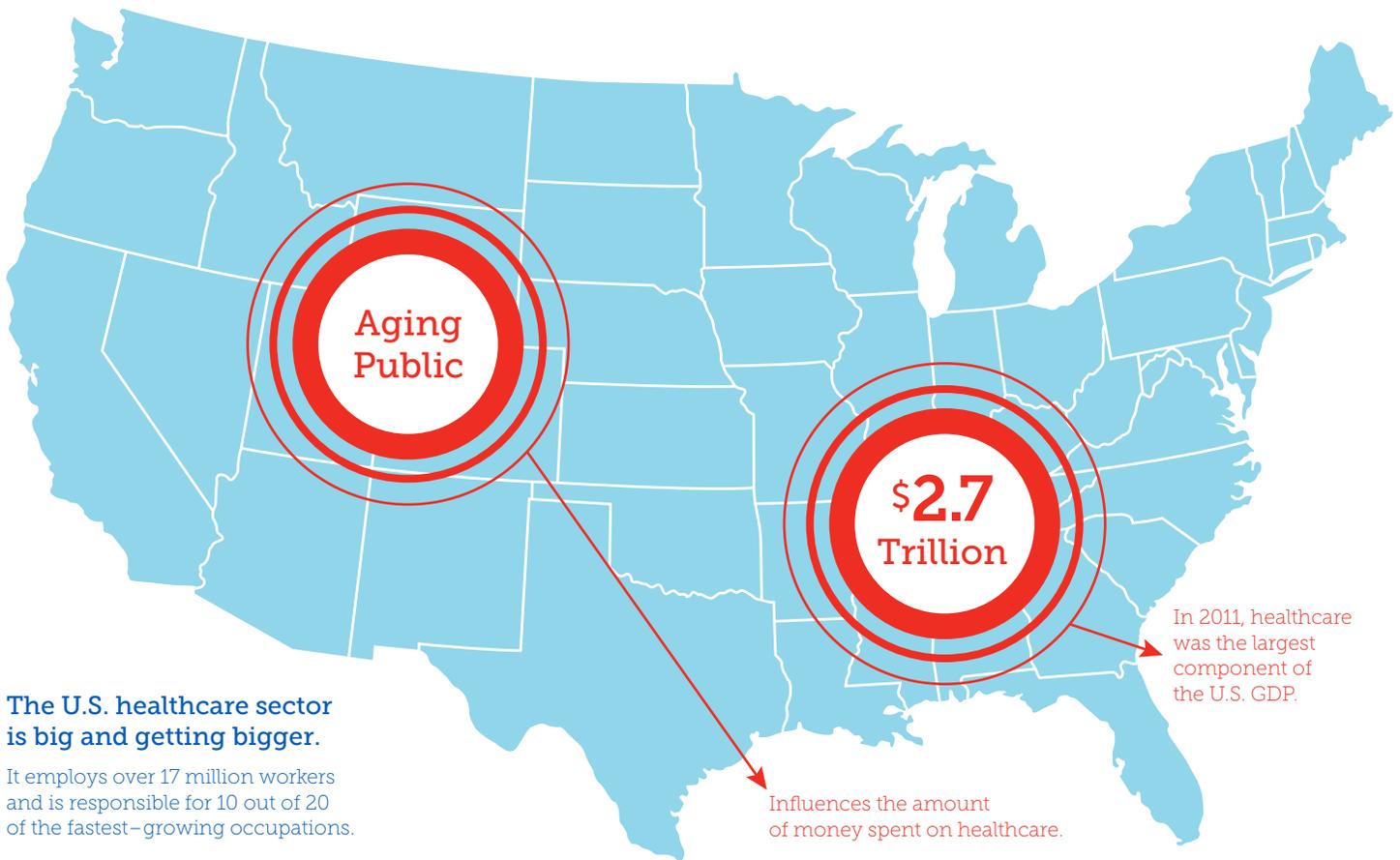
# Driving Change in U.S. Healthcare Marketing



[mdgadvertising.com/healthcare](http://mdgadvertising.com/healthcare)



# Driving Change in U.S. Healthcare Marketing



**The U.S. healthcare sector is big and getting bigger.**

It employs over 17 million workers and is responsible for 10 out of 20 of the fastest-growing occupations.

Influences the amount of money spent on healthcare.

In 2011, healthcare was the largest component of the U.S. GDP.

[http://enews.comptia.org/blog/comptia\\_hit\\_infographic.png](http://enews.comptia.org/blog/comptia_hit_infographic.png)



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U.S. healthcare is changing, and has been undergoing this metamorphosis for decades. There are rising costs, new innovations in treatment and procedures, and a changing public perception of healthcare management in general.

Spending on healthcare exceeds 17% of the current United States GDP, and the expectation is that spending will continue to increase. The demand for healthcare—in all forms—has increased exponentially. While these two factors alone will drive significant changes and new approaches, there are more than these to consider.

This report reviews factors that are driving change in the U.S. healthcare industry and recommends methods that will help healthcare businesses create or modify their marketing strategies to take advantage of these trends.

<http://hbr.org/2011/09/how-to-solve-the-cost-crisis-in-health-care/ar/1>

## Factors that Contribute to a Changing U.S. Healthcare Market

### The Boomer Effect

Baby Boomers, born between 1946 and 1964, will double the number of U.S. adults over the age of 65 by the year 2030. As these 75 million Boomers continue to move into the over-65 age bracket, they will likely become the largest, most-demanding—and profitable—segment in the healthcare and pharmaceutical markets. This demographic is developing some key traits and behaviors when it comes to their healthcare needs:

- Generally, Baby Boomers are more health conscious and consider themselves to live a more youthful lifestyle than previous generations. Efforts to stay healthy and look younger are a top priority.

### Americans are living longer

The average life span has increased from just over 49 years at the beginning of the 20th century to more than 78 years today. Much of this gain can be attributed to healthcare innovations that have extended life expectancies. Even with these advances, U.S. citizens with chronic health issues still fall behind the rest of the world in life expectancy. Recently, new studies have found a correlation between life expectancy and education—those with college educations tend to live longer than those who only went to high school, or dropped out.

<http://www.efmoody.com/estate/lifeexpectancy.html>

### Chronic health issues

More than half of Americans experience at least one of these issues:

- Obesity
- Hypertension
- Diabetes
- Poor nutrition

### Diversity

Americans are more diverse than ever. Minorities continue to improve in the areas of preventative care, and are becoming increasingly aware of unique genetic differences that could make them more susceptible to certain diseases.

- Technology is not alien to the Boomer group. Most of them are comfortable on a computer and can use mobile technology very effectively. Boomers often research products and services online before making a purchase.
- Unlike previous generations, Boomers take an active role in their care. This includes performing research before and after visiting a physician, questioning their options, and discussing alternative therapies or treatments. Since Boomers are willing to play a vital part in their care and treatment, and try new approaches for their health issues, they are expected to live longer.
- Boomers generally prefer an independent lifestyle and are willing to pay more to continue their routine at home rather than entering an assisted living or nursing home environment. This trend, known as “aging in place,” is extremely important to the Boomer generation and the companies that cater to this need will likely benefit most. Home health services, prescription delivery, in-home basic care, and meal deliveries are examples of businesses that are growing and are expected to continue to grow as they capitalize on the needs of this large customer segment.

Boomers over the age of 50 make up 42% of available after-tax income in the U.S. This means that Boomers have more money to spend than previous generations, and they do not hesitate to spend on their health.

Spending by Boomers on healthcare products and services is at an all-time high, and this trend is expected to increase over the next 20 years as Boomers continue to age.

Healthcare and pharmaceutical providers should note these areas when planning their strategies for reaching the Baby Boomers. Respecting the Boomers’ wishes and treating them with respect, while educating them on treatment options, is the best approach to win over this very powerful, large, and profitable group of healthcare consumers.

[http://www.cnn.com/id/35524106/How\\_Boomers\\_Will\\_Impact\\_the\\_Health\\_Care\\_Industry](http://www.cnn.com/id/35524106/How_Boomers_Will_Impact_the_Health_Care_Industry)  
[http://www.huffingtonpost.com/2012/02/06/doctors-making-housecalls\\_n\\_1247640.html](http://www.huffingtonpost.com/2012/02/06/doctors-making-housecalls_n_1247640.html)  
<http://medical-careers-review.toptenreviews.com/the-rising-health-care-needs-of-aging-baby-boomers.html>  
<http://www.atkearney.com/documents/10192/bbdfc44c-e245-41c6-a3cc-d9dd65f6e799>

## Increased Health Awareness

There was a time when only the sick or injured visited a doctor. With today’s more-educated consumers, both the healthy and unhealthy visit doctors to prevent or treat illnesses or injuries. Athletes regularly seek evaluations and advice to prevent concussions, sprains, or muscular injuries. More young adults today receive routine physical examinations to prevent problems and to take a proactive approach to preventing cancer and other diseases. More children are being immunized now than ever before in our country’s history.

Instead of the traditional approach of only responding to the needs of the sick, today’s healthcare marketers must develop a dialogue with healthy consumers—one that educates, builds trust, and helps them to stay well.

## Treatment Options

The availability of diagnostic and treatment options in healthcare has spread to every corner of the United States. Mobile clinics with state-of-the-art mammography and other screening tools are available virtually everywhere. Cancer patients have treatment options with better outcomes and fewer side effects. Mothers can give birth at home or at a specialized birthing center. Outpatient treatment centers allow patients to undergo procedures and return home the same day. The number of treatment choices offers healthcare companies many opportunities to market their products and services to today's health-conscious consumers.

<http://www.seattlecca.org/mobile-mammography-service.cfm>

## Communication & Technologies

With the advent of mobile technologies, consumers and healthcare practitioners can be closely connected. Treatment options can be explored online, using a desktop, laptop, tablet, or smartphone. Americans who experience particular symptoms can “self diagnose” and select over-the-counter medications based on the information that is provided. Physicians and other healthcare providers can research and evaluate the latest findings for their specialties. There is also a convergence in technologies where video, audio, and print can all be used on multiple devices and platforms to communicate with selected audiences.

## Regulatory Reform

Spurred by the aging population in the United States, regulatory reform has been launched into the public spotlight. New federal guidelines dictate policies for insurance companies, as well as healthcare providers. While insurance costs for consumers may rise, there will be expanded coverage for those with preexisting conditions or more serious illnesses. Reform also promises benefits for contraception and basic healthcare for those who are financially challenged. Managing these mounting regulations requires a well-organized approach and thorough communication throughout healthcare channels.

<http://www.cnn.com/2012/06/28/politics/supreme-court-health-effects/index.html>

**With these contributing factors, U.S. healthcare marketers will be forced to make changes in their strategies, approaches, and techniques.**

## How Healthcare Marketing Must Adapt

When it comes to marketing, healthcare suppliers, pharmaceutical companies, providers, and other businesses in the healthcare industry must first identify their target market and how best to interact with that audience. At a high level, there are some major trends taking place that can affect virtually every audience, from the product supply chain to medical practices and their patients. Businesses in the healthcare industry should review these opportunities and adjust their marketing strategies accordingly:

### Technology

The use of mobile devices, such as tablets and smartphones, are continuing to grow at an astounding pace. These devices and their improved performance are used not only by consumers, but by medical practitioners and other healthcare businesses. Security improvements and better connectivity are allowing physicians to remotely connect from the hospital to their medical office systems, and vice versa, while keeping electronic health records safe and secure. With these capabilities, marketers can provide helpful information through their healthcare marketing campaigns.



#### Smartphone Research

Percentage of users who have used a smartphone to research health information



[http://pewinternet.org/-/media//Files/Reports/2012/PIP\\_MobileHealth2012.pdf](http://pewinternet.org/-/media//Files/Reports/2012/PIP_MobileHealth2012.pdf)

### Mobility

The proliferation of mobile devices brings a tremendous opportunity to utilize mobile marketing. A significant number of marketers are tailoring their marketing budgets to allocate a larger percentage to mobile marketing. This includes SMS text marketing, mobile advertisements such as banner and video ads, geolocation marketing, and more. Consumers are more receptive to mobile marketing than physicians and medical practices, which tend to take a more conservative approach. Physicians will use mobile search tools on a regular basis, but are highly likely to abandon a site if it is not optimized for mobile devices. Healthcare-industry websites and marketers must design their mobile strategies to attract physicians and medical practices that utilize mobile search applications.

## Digital Supply Chains

Online pharmacies and delivery of healthcare products and prescriptions will continue to grow, altering traditional supply chain infrastructures. Retailers such as Amazon and Walmart are testing same-day delivery of consumer goods—will pharmaceuticals or healthcare items be next? Today, most Americans still use retail outlets for their prescriptions and medical needs, but as confidence grows with online delivery options, this habit will likely change. Marketers should not abandon their traditional marketing techniques, but should carefully evaluate that portion of their marketing spend compared to newer strategies.

<http://business.time.com/2012/12/04/same-day-delivery-losing-money-is-ok-if-youre-winning-over-customers/>

## Physicians

A growing number of physicians are utilizing search engines for their basic practice needs, including the online purchase of supplies and equipment. Statistics show that physicians will perform an average of six searches a day that are specific to their profession, and while most currently utilize a desktop or laptop computer, this trend is rapidly changing to the use of smartphones and tablets. The searches performed typically are used to supplement information on behalf of a patient during a consultation. Suppliers of healthcare products must have a marketing presence in order to appear relevant to physicians using online techniques.

<http://www.thinkwithgoogle.com/insights/library/studies/the-doctors-digital-path-to-treatment/>

## Online Video

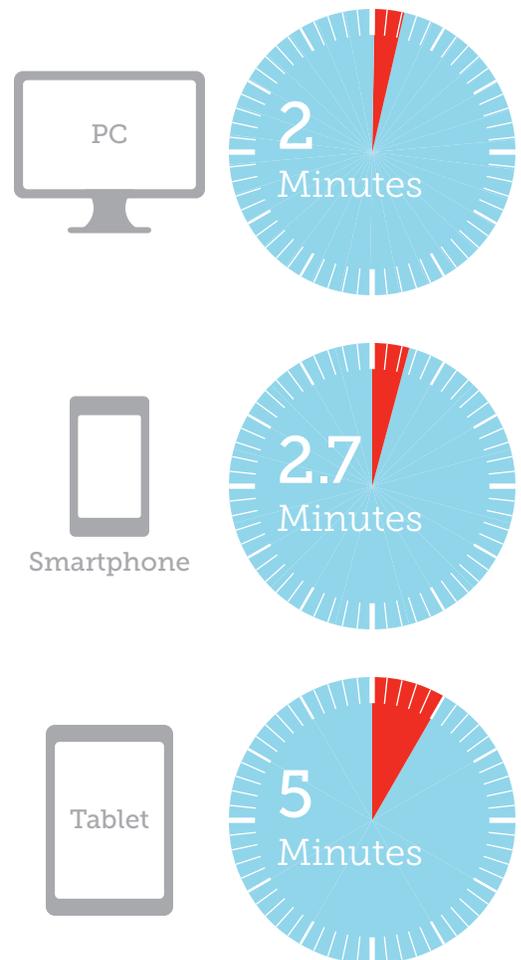
A highly effective marketing tool, online video could be used by the pharmaceutical and medical industries much more effectively than it is today. Online video captures attention and educates your target audience by combining both audio and visual engagement. Whether patients are in the waiting room or physicians are reviewing the latest medical news, online videos can be as effective as television advertising, but at a significantly lower cost.

**66%**

of the world's mobile data traffic will be video by 2014

According to data from MeFeedia, mobile device users have a longer attention span when it comes to watching web videos.

### Average Time Spent Watching Video



<http://smithandjones.com/journals/blog/importance-online-video-hard-ignore/#.UOrkV6W1ncN>

## Personalization

Tailoring marketing toward the individual is much easier through digital advertising techniques. From SEO to social media, there are options available to engage consumers and nurture strong loyalty. Healthcare marketers should optimize their websites using SEO techniques and routinely tune the site, as analytical data captured will provide additional insight into targeted search behaviors.

## Awareness Generation

The approach to educating consumers on preventative care and treatment options should continue to be used to an even greater degree, so educated consumers can make more confident decisions and take on a more proactive role in their healthcare options. Healthcare marketers should use blogs, industry articles, and social media to bring awareness and education opportunities to patients, caregivers, and healthcare providers.

### With awareness, healthcare marketers are able to:

- Educate the public on a medical condition and its treatment options
- Remove any taboos that may be tied to a condition, which may even include rebranding the names of conditions (erectile dysfunction compared to impotence, for example)
- Make it easy to access information about the condition, at any time
- Provide a forum for discussions, which are less intimidating than visiting a doctor's office

## Recommendations

Numerous factors have driven changes in U.S. healthcare, and the changes will continue to escalate as technology and new regulations influence behavior for patients and healthcare providers. In order to properly develop your healthcare marketing strategy, consider these techniques:

### Know Your Target Audience

Your marketing strategy must begin with a focus on the ideal customer and include a clearly written description of this target audience. Traits should include their geographic location, the demographics, the type and size of business if the strategy applies to B2B, and a definition of their specific needs. The persona that is developed will help you tailor not only your marketing message, but will help you determine what partner sites should be leveraged, including social media (for instance, which social media platforms are best, given your audience and message?), industry forums, and online trade publications. The foundational approach of a well-defined target audience will set the tone for your entire marketing strategy.

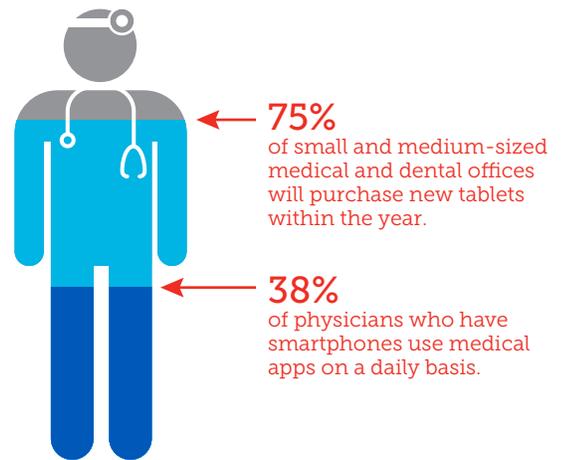


#### Healthcare on the Go

Consumers use mobile apps for everything, from tracking weight loss and fitness to staying on top of medical issues like diabetes and prescription control.

#### Streamlined Professionals

Physicians use medical apps on their smartphones. Medical and dental offices are buying tablets.



<http://www.healthcarecommunication.com/Main/Articles/10009.aspx>

### Communicate Your Differentiation

In building your brand, you must clearly relay your products or services to your potential customers. Carefully research your brand by benchmarking against others within your category and outside of the healthcare industry. Understand how your business can provide a service to your target audience and be prepared to communicate that uniqueness.

## Command Technology

The number of innovative marketing tools and gadgets can be intimidating, but it is important to take advantage of these technologies and utilize them as part of your marketing strategy. Set up a regular process of testing the technology on a small scale and then rolling it out when deemed useful. Keep a close eye on new trends, such as voice to text and video, to determine how effective they could be for your business.

## Capture the Details

Develop key performance metrics and have an infrastructure in place to track this information on a regular basis. For example, you may have established certain SEO keywords and phrases as part of your online strategy. Track the effectiveness of your SEO and regularly fine tune it based on the results of the analyses. Measure productivity and efficiency within your supply chain and look for ways to optimize.

## Create a Personalization Plan

Technology will enable your business to engage customers at an individual level. You will be able to gain a better understanding of your customers by building profiles and data about each individual, then tailoring your communications to the specific person. For example, you can review the browsing history of a particular customer to see which keywords they are searching and compare them to your product offering. Then you can send a constructed email that makes recommendations based on that browsing history. You can also track when a customer may need stock replenishment based on order history and benchmarks, and send reminders with an easy click-to-order link.

### Ways Technology can Improve Healthcare

**Bridge Communication**  
Technology can make it easier for patients and doctors to interact instantly and without travel.

**Remote Monitoring**  
Up-to-date, relevant data can be gathered and used.

**Personal Management**  
Individuals can track and take control of their health.

**Streamlined Efficiency**  
Medical professionals can use clinical support tools and reference material on the spot. Hospitals, clinics, and medical offices can focus on personalized patient care.

<http://www.healthcarecommunication.com/Main/Articles/10009.aspx>

## Control Retail and Online Balance

Today, most consumers still feel more comfortable in using retail establishments for prescription refills, over-the-counter medications, vitamin supplements, and other health-related purchases. This trend may shift dramatically, but it is still important to incorporate and utilize a retail strategy within your marketing plan, balancing traditional marketing methods with the ever-increasing online opportunities.

## Create Social Media Buzz

For social media marketing, the key is to encourage readers and fans to make referrals and recommendations about your products and services. Develop a social media strategy that not only complements your SEO, but also engages your fans to actively participate in recommending your business to their friends and peers. Incorporate contests, referral rewards, and other incentives. Actively participate in social media without becoming the “spam” that most consumers abhor. Instead, post educational and relevant threads on a daily basis, with minimal emphasis on the sales pitch.

## Count on Mobile

The use of mobile devices is expected to continue to grow at a phenomenal rate over the next one to three years. Your marketing strategy should include a section devoted to mobile marketing and how your business can implement campaigns to engage mobile users. This may include a combination of SMS text marketing, mobile-web, and geolocation-enabled promotions.

**A balance of traditional print and television advertising marketing can still be utilized for your business. However, healthcare companies should shift their investments toward more digital inbound marketing techniques as consumers and physicians alike continue to migrate en masse to the online world.**

**Prepare your healthcare organization for this change and be prepared to adapt quickly.**



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