



At-scale digital personalization

**A pragmatist's guide to personalized
experiences in health care**

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The case for personalization

Health care organizations are accelerating a fundamental change in the cadence of care and how consumers navigate their health choices through greater use of telehealth, secure text, and messaging. These frequent, brief interactions are creating a more connected, continuous level of interaction, which is evident in payer, provider, pharmaceutical, and even MedTech enterprises. Health care organizations are establishing the orchestration of automated digital interactions as a core capability in supporting this continuously engaged interaction model in health care.

Personalization inherently cuts across an organization, but progress in health care to date has been largely defined by individual teams working within constraints of the experiences and channels they directly manage. For example, care management teams may

optimize around clinically driven outreach while marketing may push messaging across a myriad of channels. Yet, each of these disconnected experiences may put wins on the board, without ever approaching the customer's expectation of a seamless experience, across channels that build on every touchpoint.

We are now at a place where technology can help organizations work through silos and replace homegrown or purpose-built tools with more unified systems. While this brings great promise, leaders championing personalization should approach these opportunities with the awareness that technology alone can't create connected health care experiences. It will require new models for measuring value, unifying fragmented teams and technology, and delivering customer interactions rather than brand communications.



Four foundational elements of personalization

This series will focus on four key elements that can be challenging for organizations but will ultimately help leaders deliver personalization at scale:

-  **1. Personalization's value model:** Start with value creation in mind
-  **2. Personalization's operating model:** Connected experiences take connected teams
-  **3. Personalization's technical and data models:** Data is everywhere, but the capability to use it is not
-  **4. Personalization's omni-channel delivery model:** Contextualized experiences do more with more



Chapter 1: Value models

Start with value creation in mind

Personalization in health care communication can be applied at any stage of the customer life cycle. While that flexibility is a good thing, deciding where to start isn't always obvious. Measuring its impact can be even harder.

In this chapter on value models, we take a deep dive into thoughtful combinations for making a first-year investment case, how that relates to your selection of quick wins, and how to mature value measurement in ways specific to personalization that will guide scaled long-term investment and deliver results.

Framing personalization as a capability

Organizations need to treat personalization and the measurement of its impact as an ongoing capability, not a project. It is not a one-and-done activity nor is it based on a single point in time. Many organizations find they do not have the necessary capabilities to measure, diagnose, and prove its correlated impact. While global metrics like net promoter score (NPS) or transactional net promoter score (tNPS) are often a good rallying point, that metric alone becomes hard to defend given the other factors at play in driving a specific score. Very quickly, you may realize that as you implement personalized campaigns, performance measurement becomes an equally important and integrated part of the overall capability. Measurement becomes especially critical as you move from making a high-level investment to articulating delivered value.

Choosing the right metrics

Ready to build your first-year business case for personalization? Start by assessing a mix of business, operating, and experience metrics to help you measure value creation:

- **Business and operating metrics** can be grouped into the five ways they deliver value through customer relationships: gaining new customers, lengthening the duration of existing relationships, increasing wallet share with existing customers, serving customers more efficiently digitally, and gaining referrals. Each phase of the customer journey should be monitored and optimized financial returns.
- **Experience metrics** such as NPS or Star scores are more summative and are often used as rallying points for companywide improvement. Companies may project that simplifying payment, improving products, and diverting calls from over-burdened call centers could contribute incrementally to improved experiences. Experience metrics are a great way to indicate improvements that could lead to a dollar-value impact.

Managers may choose from two paths when selecting metrics that demonstrate the value of personalization. Path one encompasses the more tried-and-true measurement metrics (operating expenses (opex), clinical costs, growth, and retention). Path two presents newer and often more experience-oriented metrics (e.g., NPS, TrustID).

Which path should you choose? Marketing managers may view newer experience metrics as a lighthouse or bankable value. Thus, there is a temptation to take on a broader financial cultural shift to value experience metrics. **Our caution** is that it is one thing to report on experience metrics or celebrate positive improvements in press releases. It is quite another to have this experience metric take a formal seat at the table among traditional CFO metrics. **Our advice** is to seed the conversation about their potential but be prepared to back up your work.

Traditional metrics must be part of the story, but **our caution** is they also bring complexity. Avoid the trap of double counting and overlapping business cases. **Our advice** for a year-one business case is to consider metrics that are meaningful and actionable for your effort and allow you to easily report on value creation.



Business and Operating Metrics

Cost Saving Metrics

- **Medical costs.** This metric can often have the largest startup-year benefit, but anyone who has presented in front of a medical trend committee will tell you it takes real time to actuarially prove.
 - **Our recommendation:** Focus on health programs (often vended) that already have a confirmed trend return on investment, but which suffer from lower adoption. In many cases, lower adoption is a result of poorly coordinated and generalized outreach that falls short across multiple steps in the adoption funnel. Here, you can focus on subsegments where you can demonstrate increased enrollment and more sustained engagement. To help lower your feasibility hurdle, select programs that require reasonable existing data sharing to enable targeting as well as proof points for engagement.
- **Operational savings (call volume).** It is tempting to look at personalization as a way to quickly deflect or remove call center volume. The potential is there, yes; but make any promises carefully. Align with service ops and care management on the calls that will be affected and how they will be deflected or avoided.
 - **Our recommendation:** Seek out early wins that target replacing high-cost outbound call volume with lower-cost outbound digital messaging. Depending on current capabilities, you may also have an opportunity to combine your personalization efforts with inflight delivery and communication enhancements (e.g., new conversational artificial intelligence, care management triggers, more tech investments in email communications, text messaging).
- **Operation savings (efficiency gains).** Personalization drives efficiency in getting the “best” message across the first time. Historically, organizations needed to send a stream of communications to achieve the desired result. Personalization allows you to more effectively determine the right message to deliver at the right time, to the right person. That makes the whole process more efficient and yields faster consumer results. Automating the personalized communication process drives even higher communication efficiency. Imagine a world where data can flow through the experience process, be segmented, and then be acted upon in a personalized communication, all in an automated fashion.
 - **Our recommendation:** Start with existing opex metrics such as cost of customer acquisition, etc. If possible, consider automating the processes of delivering a personalized experience to amplify communication efficiency savings. By automating personalization, you can speed up the time it takes to deliver a personalized experience and free up valuable time and resources.

Spotlight: Reducing unsubscribe rates through machine learning personalization

Deloitte helped a leading organization identify four unique machine learning models to effectively predict and personalize the customer journey, including scoring more than 2.3 million customers’ propensities to purchase within 30 days. This personalization campaign led to a 30% reduction in the unsubscribe rate.

Revenue metrics

- **Direct sales.** Comparing test results for personalized versus non-personalized programs by looking directly at sales numbers provides a quantitative set of measures to help demonstrate the impact of personalization.
 - **Our recommendation:** Set a sales target increase related to the scale of your personalization effort. A typical organization leveraging personalization techniques sees anywhere from a 5%–35% impact on sales and lifetime value (LTV). The wide range is due to the broad definition of personalization. On the smaller scale, personalization is limited to more salutation and maybe recognition of a previous interaction. More advanced practices include collaborative filtering and specific recommendations or content for the specific recipient based on deep analytics.
- **Retention and lifetime value (LTV).** Organizations typically think of personalization as a growth driver, but it’s also an important retention mechanism. LTV predicts the effect of retention on how much a “customer” will spend over time as they keep coming back to the organization. Relevancy is key to nurturing long-term relationships—that means listening to what customers are saying over time and reacting and responding in a relevant and personalized way.



– **Our recommendation:** Track existing retention metrics such as churn and couple them with sales for calculating increases in LTV. From a customer journey perspective, health plan enrollment and onboarding often represent an attractive place to start. These initial periods typically include many predictable moments (e.g., first prescription fill) that can be considered with the customer segments most likely to have negative experiences. Estimating increases in LTV can also help you determine the customer acquisition costs that would be appropriate to achieve that increase.

Spotlight: Increasing retention and driving efficiency through faster personalized creative

For a large domestic organization, Deloitte introduced a solution that was able to build creative 50% faster than the client's internal efforts by leveraging our personalization engine's timely and targeted delivery. The result? Email engagement was elevated by 265%, and retention increased by 9.3%, saving more than \$170 million in revenue when forecasted annually.



Experience Metrics

- **Trust and brand value.** Simply put, personalization results in more relevant experiences that improve customer satisfaction and drive increases in trust and brand value. In all aspects of our life, when people speak to us in terms we understand, and in a meaningful way, we react positively. We engage more, communicate more, spend more, and generally, we trust more.
 - **Our recommendation:** Measure increases in customer brand perception and trust (e.g., TrustID) in the brand resulting from personalization efforts. Trust can be measured in terms of increased perceived competency in the brand due to personalized experiences. We have found that customers are 2.4X more likely to repeat purchase if they trust in the brand's competency. Another area of trust that cannot be taken for granted is using data for personalization while safeguarding consumer privacy. Brands should measure the effect of personalization on a customer's perceived positive intent and transparency of the company.

Spotlight: Increasing trust and reducing churn through personalized trust-based targeting

Deloitte worked with a leading health care organization to predict customer trust and drive trust-based targeting, resulting in a 33% increase in trust, 15% higher website views, and 5% less churn.

- **Net Promoter Score (NPS).** Another way to look at the effects of personalization is to measure changes in a customer's NPS. Some of the best customers might not be the highest spenders, but they may be evangelists for the brand. A customer who recommends a product or service to their family and friends can drive significantly more value than just one customer's spending. Personalization impacts the social and emotional side of the experience and helps drive an individual's willingness to share that experience with others.
 - **Our watch-out:** NPS is a point-in-time metric tied to a single survey with a limited number of questions used to define the whole experience. **We recommend** looking at the entirety of the personalized interactions across all channels and measure frequently as each experience can shift the "value metric" in one direction. A statistically valid set of data points must be collected to accurately represent the true impact of your personalization efforts on NPS.

Setting a defensible baseline

Now you have a starting list of potential metrics to measure the value of your personalization effort. We recommend that you start by analyzing the strategy behind your personalization effort and the type of value play you aim to make. For example, is your personalization effort aimed at reducing call volume or driving new sales? Once your strategy is set, prioritize tracking the metrics that will best support your case.

No matter which metrics you anchor to your investment case, our advice is to get started as soon as possible and set a measurable, actionable baseline. Most companies eager to progress their personalization maturity quickly run into the challenge of measuring experiential value. While industry-accepted metrics exist (NPS, TrustID, etc.), the tooling typically lags in availability across channels and in a level of granularity where cause-and-effect is clearly evident. Set your baseline, and develop a measurement plan to demonstrate how you are delivering impact.

Get your case, and get started

No matter what metrics you choose, **our caution** is to avoid exhausting all of your resources on making the business case perfect. **Our advice** is to expend minimum effort to move from planning to activity so that your personalization capability doesn't lose momentum.

Establishing a value case and an effective measurement model is just the beginning. Our next chapter outlines how to achieve this value by aligning on an operating model that bridges across what are often siloed yet highly dependent areas for personalization.



Conclusion

For most health care organizations, the personalization journey has begun, though its progress may seem slow and indeterminant. For those leading the charge, especially those in enterprises with legacy systems and structures, the path forward may seem vexing. We know how complexity, inertia, and cultural reluctance can slow change. But we also know that leaders can successfully navigate choices to make progress that is possible. And by advancing the digital customer

experience, organizations can build new alignment, focus on results, and commit to unified approaches to customer experience—not as a prerequisite for progress, but as the benefit of this journey to personalization at enterprise scale.





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