

The State of Digital Marketing in Healthcare Moving Toward 2017

Industry Perspective: Where We Are, What's Changed in a Year



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ANNUAL REPORT
NOVEMBER 2016

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This annual report shares the results of the second annual healthcare digital marketing survey administered by Greystone.Net and Klein & Partners. It provides valuable insight for CEOs, CMOs, web and digital managers and others involved in healthcare marketing to assess the current state of their organization's digital efforts, look at future plans and compare themselves to their peers.

Digital marketing has become more prevalent and sophisticated in healthcare. Although the healthcare segment of marketing has not been as deeply studied regarding their use of digital marketing strategies and techniques in the past, this is changing. The results from this survey represent an effort to better understand the relationship between healthcare and digital marketing.

A new feature in this year's survey is the Healthcare Marketing Leadership Index, in which survey respondents graded the effectiveness of their marketing efforts in the areas of CRM, social media, website strategy and development and digital marketing and compared them to the efforts of other provider organizations, along with those of three non-provider industries.

Executive Summary

Key takeaways from the survey are:

- The healthcare industry remains behind other industries in the scope of digital marketing efforts.
- Social media efforts are similar to 2015: Healthcare organizations are either already utilizing social media or have no plans to do so. Very few organizations not currently using social media are planning to do so in the future.
- In 2015, only 50% of the survey respondents reported using a CRM system, while significantly more (65%) report using a CRM in 2016. Significantly more respondents say their CRM is integrated well with their website, compared to last year.
- Use of a marketing automation tool has doubled from last year's survey, from 23% to 48%.
- There is a lot of room for improvement in achieving the digital goals of healthcare organizations.
- A significantly higher number of survey respondents this year reported that they plan to upgrade or change their CMS platform or redesign either their website or intranet in the coming year.
- Advanced or emerging digital activities, such as wearables, IoT or beacon technology, are still not being used much by healthcare organizations.

Key Takeaways, *con't*:

- The proportion of survey respondents that consider a strong digital and interactive strategy to be essential to building their brand dropped significantly to 61% in 2016 from 76% last year.
- As in 2015, the top three challenges/barriers to the respondents' digital marketing efforts continue to be:
 - Money
 - Silos
 - Change
- However, some disturbing potential trends reported by the respondents are:
 - Insufficient senior leadership commitment
 - Lack of required skills among staff
 - Unclear objectives
- Healthcare marketers are more confident in the effectiveness of their websites than last year, but their confidence still lags far below how actual visitors rate their website experiences.
- Almost one-half of the survey respondents report that their organization has mapped the Mobile customer journey and 62% have mapped the Digital customer journey. This is up from 35% and 46%, respectively, last year.
- 61% of the survey respondents reported conducting usability testing and 57% said they conduct web visitor satisfaction research. This is an increase from 50% and 47%, respectively, last year.

Key Takeaways, *con't*:

- The survey respondents remain optimistic about their future budget resources, with 29% expecting an increase in their marketing budgets next year and 52% expecting their budget to remain the same.
- Survey respondents consider personalization/one-to-one marketing and ROI to be their top-two most pressing concerns.
- When compared to others, healthcare provider-side marketers rate their own organizations well below the marketing index for online retailers and banking, on par with other provider organizations, and better than insurers.

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Digital marketing has become more prevalent and sophisticated in healthcare. Although the healthcare segment of marketing has not been as deeply studied regarding their use of digital marketing strategies and techniques in the past, this is changing. The results from this survey represent an effort to better understand the relationship between healthcare and digital marketing.

To that end, in 2015 Greystone. Net and Klein & Partners developed and administered a new survey to assess the current state of digital marketing in the healthcare space. The results of that survey were reported in



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[The State of Digital Marketing in Healthcare in 2015](#), a white paper released in November 2015.

This year, we deployed a similar survey to healthcare marketers. To assess changes from last year, most of the same questions were asked, along with a few new ones. There were 230 respondents to the 2016 survey. They were all healthcare marketers and digital professionals from various healthcare provider organizations - small community hospitals, academic medical centers, children's hospitals and large health systems with multiple sites. The respondents provided answers on their current use of digital marketing and their expectations for 2017.

This annual report analyzes and discusses the results from this second annual healthcare digital marketing survey. It provides valuable insight for CEOs, CMOs, web and digital managers and others involved in healthcare marketing to assess the current state of their organization's digital efforts, look at future plans and compare themselves to their peers.

Survey Methods

The survey was comprised of 65 questions, designed to elicit information pertaining to:

- The scope of the organization's digital and website activities
- The importance and effectiveness of the organization's digital marketing efforts
- Details about the organization's planned future web activities and challenges
- Details about the organization's marketing resources
- The organization's classification/demographics

The digital marketing survey was made available via SurveyMonkey to healthcare organizations from August 12-30, 2016. During this time, the survey was completed by 230 healthcare marketing professionals. As an added incentive to participate in the survey, participants were offered a \$10 Starbucks gift card for completing the survey.

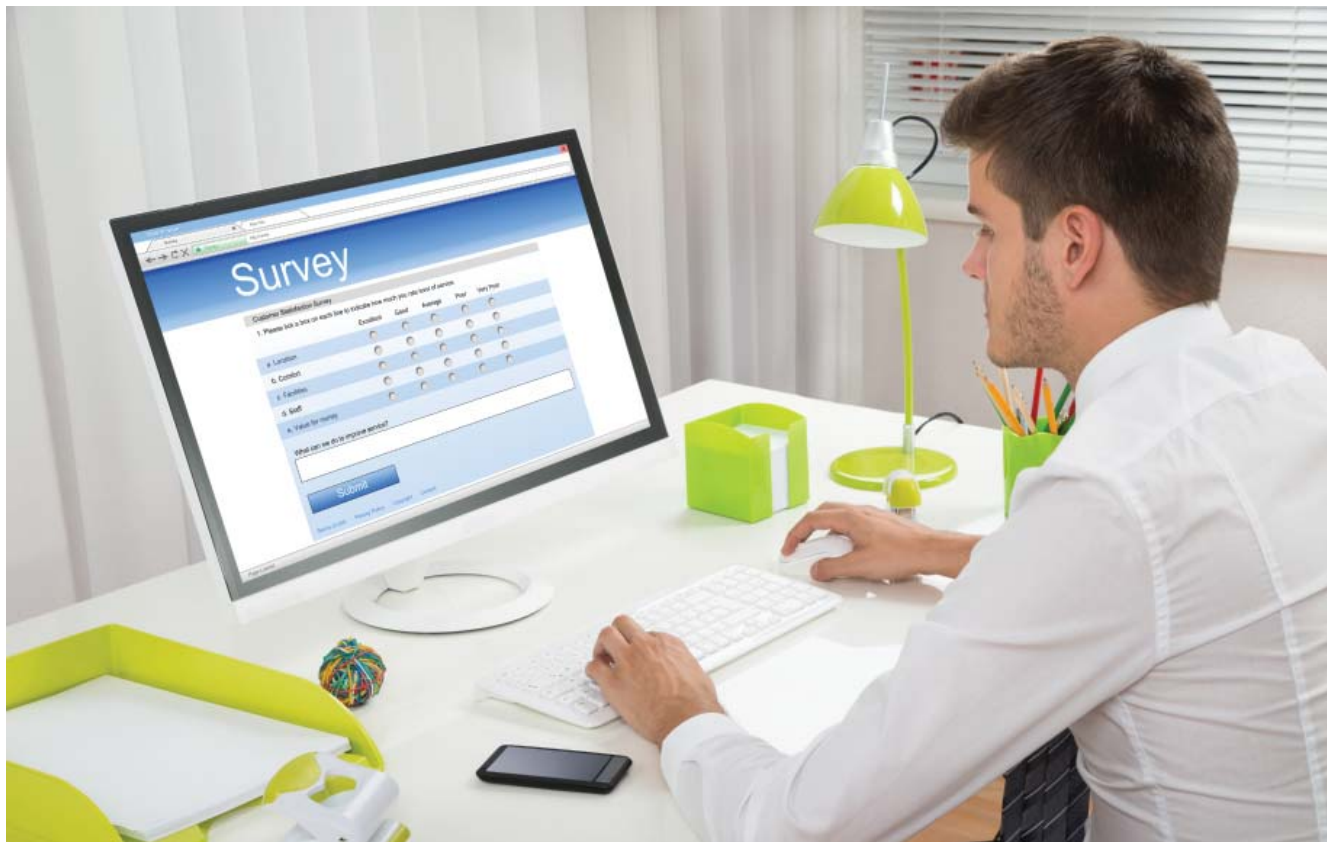
Survey Respondents Demographics

There were 230 unique responses to the Healthcare Digital Marketing Survey. Respondents came from 39 US states.

Demographic Profile

Demographics	2015 Benchmark	2016 Wave II
Organization Type		
Health system	47%	47%
AMC	21	25
Community hospital	11	15
Children's hospital	6	5
Cancer center	2	1
#Beds		
<200	20%	15%
200-499	19	21
500-999	29	27
1,000+	32	37
Title		
Director of Marketing	14%	15%
Chief Marketing Officer	5	14↑
Marketing Manager	13	13
VP of Marketing	8	10
Dir of Interactive/Digital Marketing	12	9
Web Manager	16	8↓
Chief Digital Officer	0	5
Director of Web Services	5	3
Webmaster	6	3
Chief Experience Officer	0	3
Other	21	15
11+ years in healthcare	47%	47%
40+ years old	64%	48%↓

What We Learned: **Detailed Survey Results**



Healthcare Marketing Leadership Index

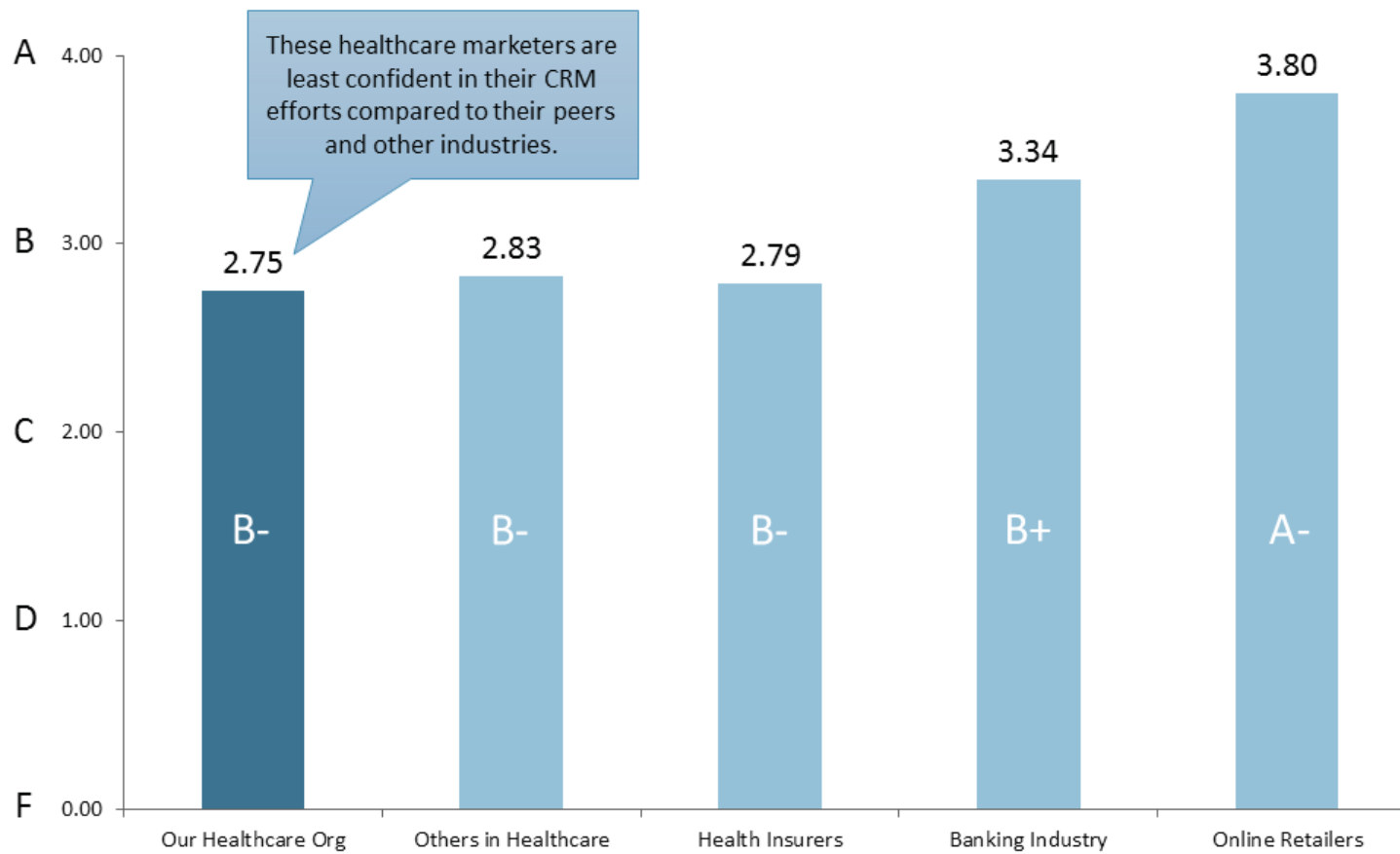
As part of the this year's Healthcare Digital Marketing Survey, there was a desire to get a sense of how respondents "graded" their organization's effectiveness in implementing four key marketing initiatives:

- Customer Relationship Management (CRM)
- Social Media
- Website Strategy and Development
- Digital Marketing

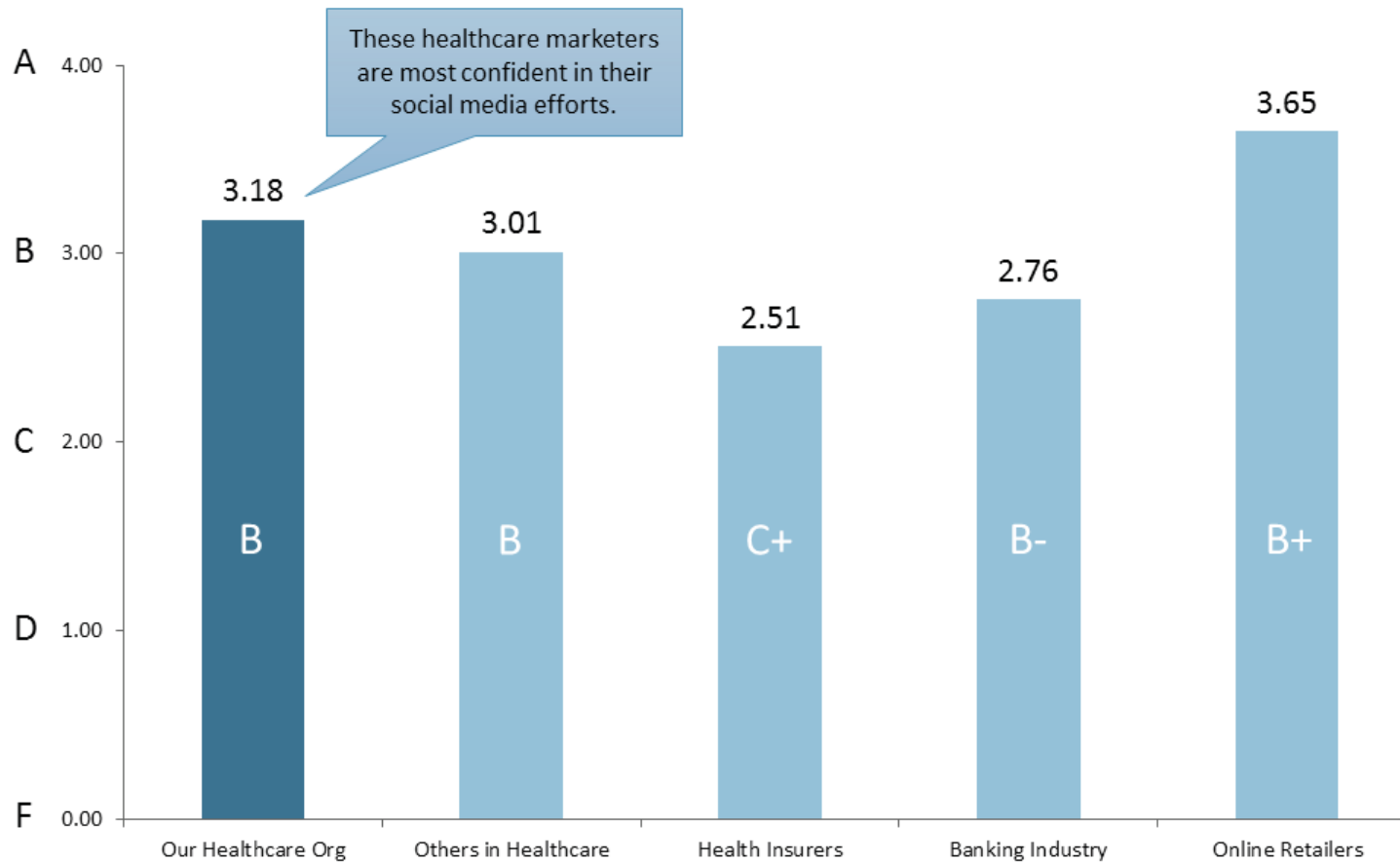
In addition, respondents were asked to grade the efforts of other hospitals and health systems along with three non-provider industries. From this data, a Healthcare Leadership Index was created that can be used to track an organization's progress compared to others over time. The efforts and spending of the "A" organizations will be profiled over time so that others can learn from and emulate them.

In the coming months, we will be profiling the industry leaders ("A" students) regarding their activities and resource use in an upcoming white paper.

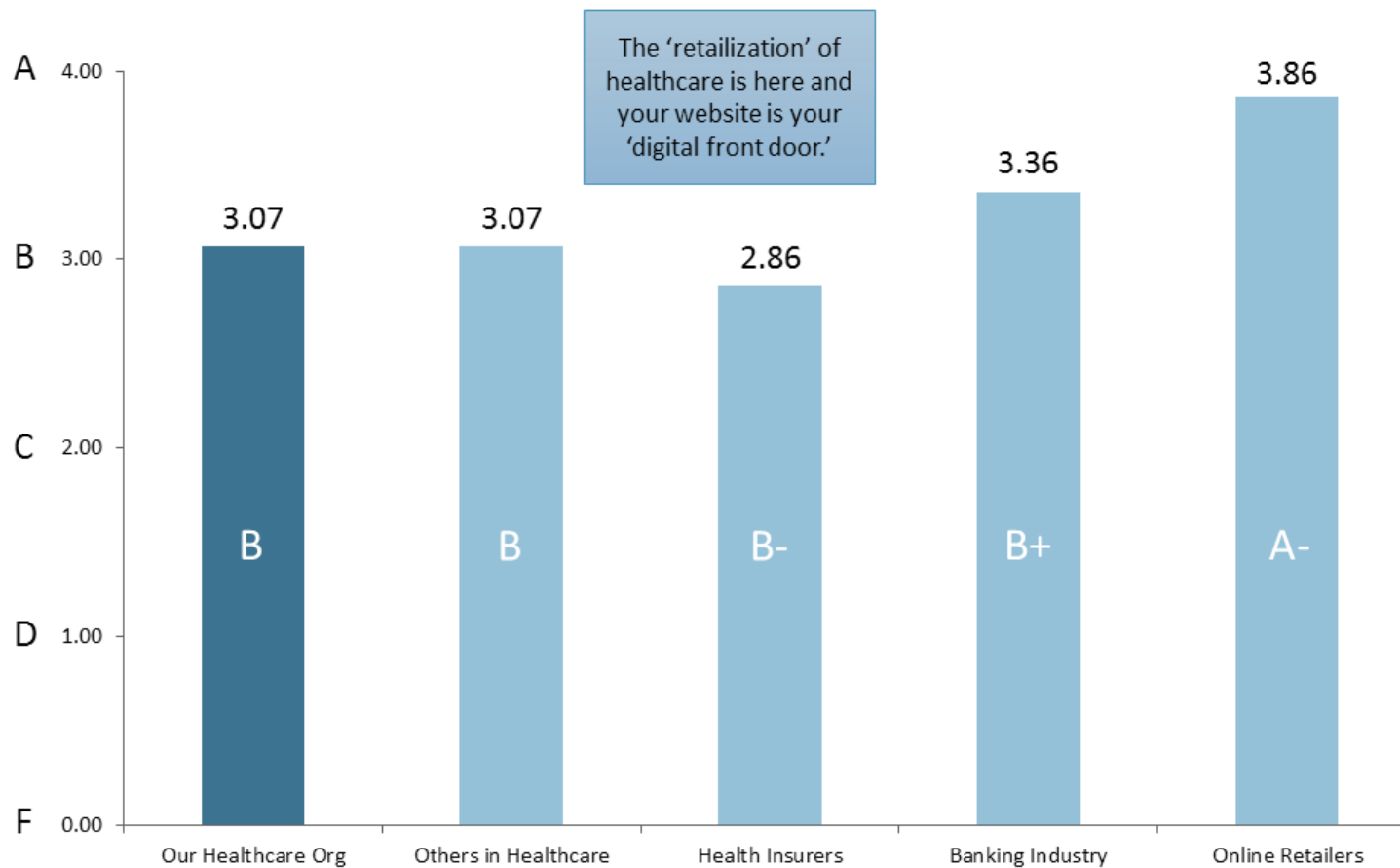
The CRM Marketing Leadership Index



The Social Media Marketing Leadership Index



The Website Strategy Marketing Leadership Index

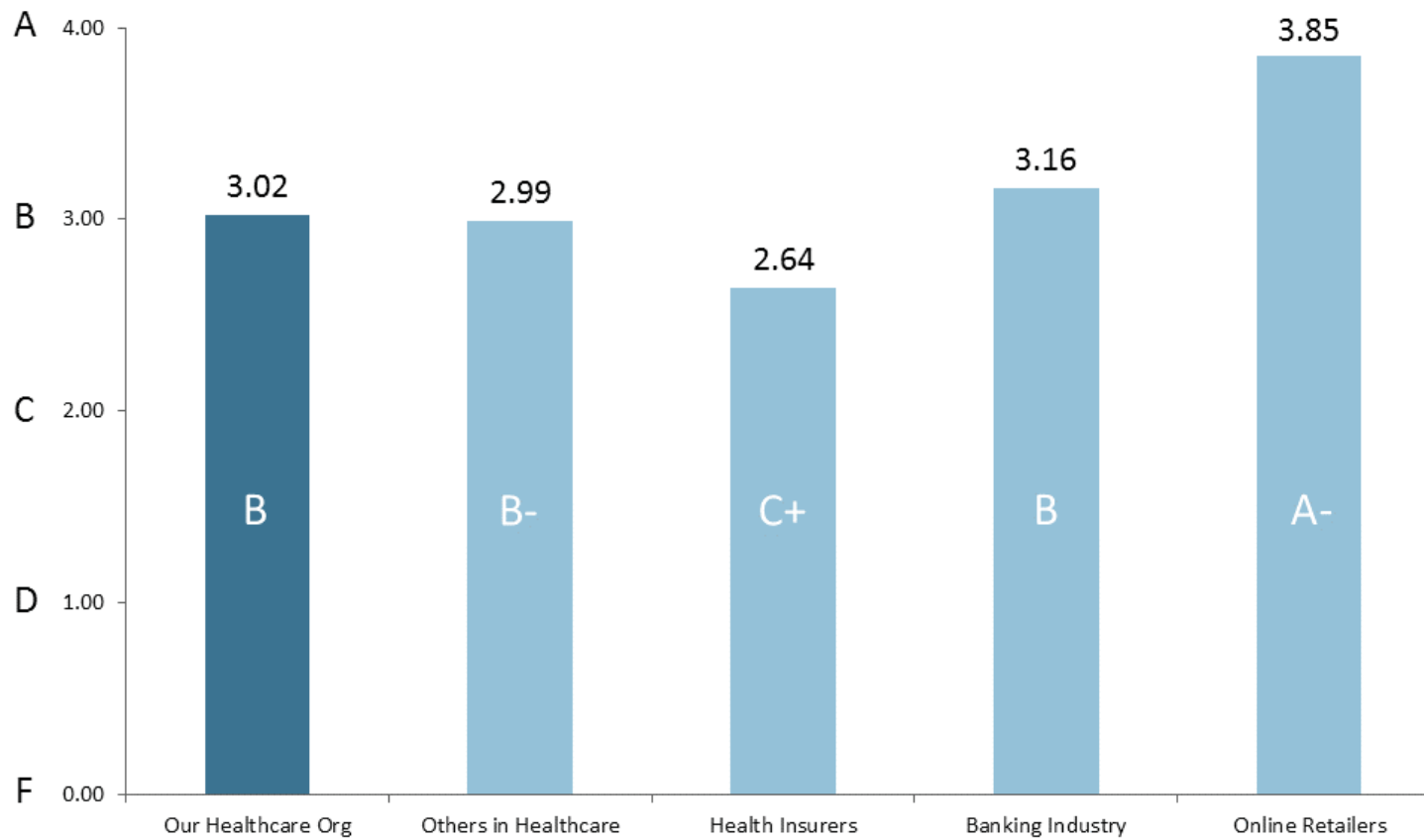


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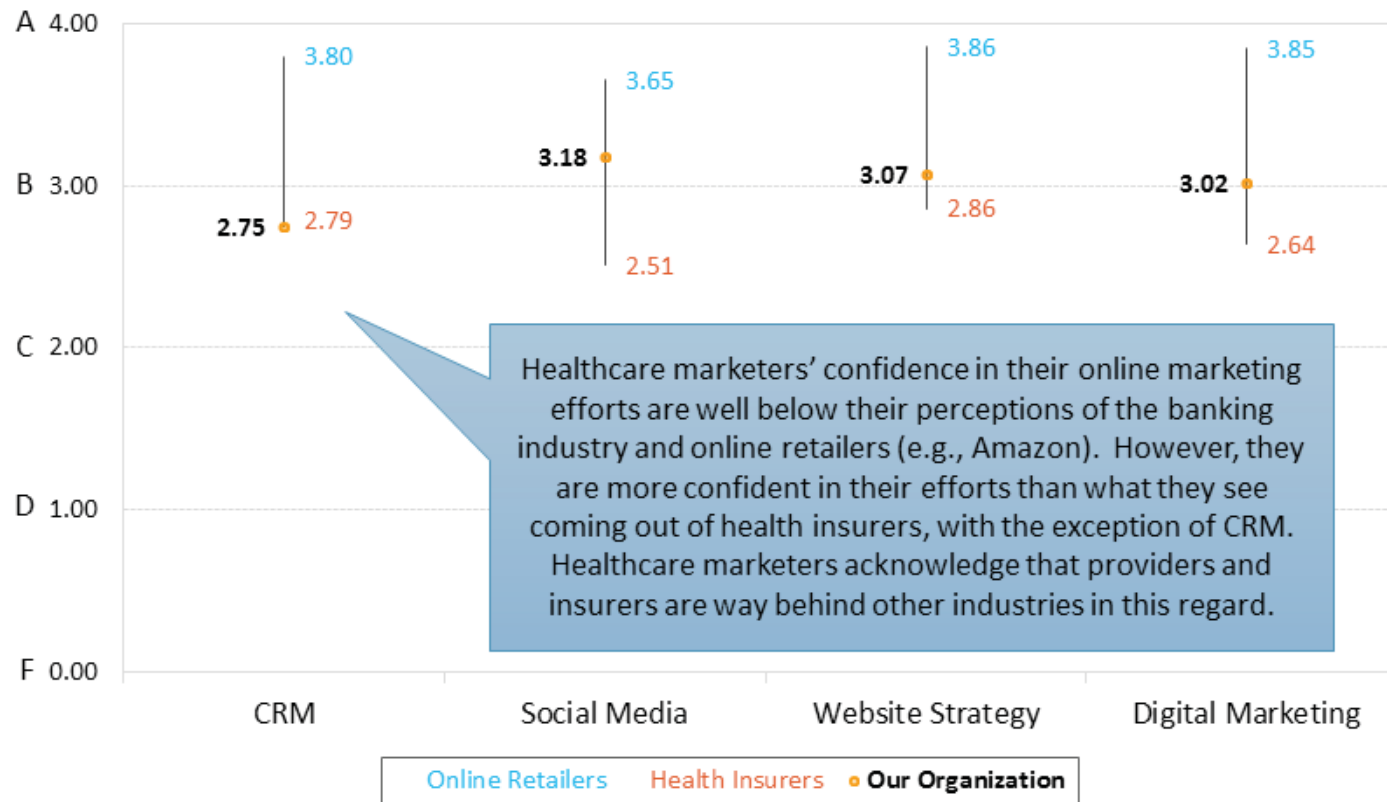
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The Digital Marketing Leadership Index



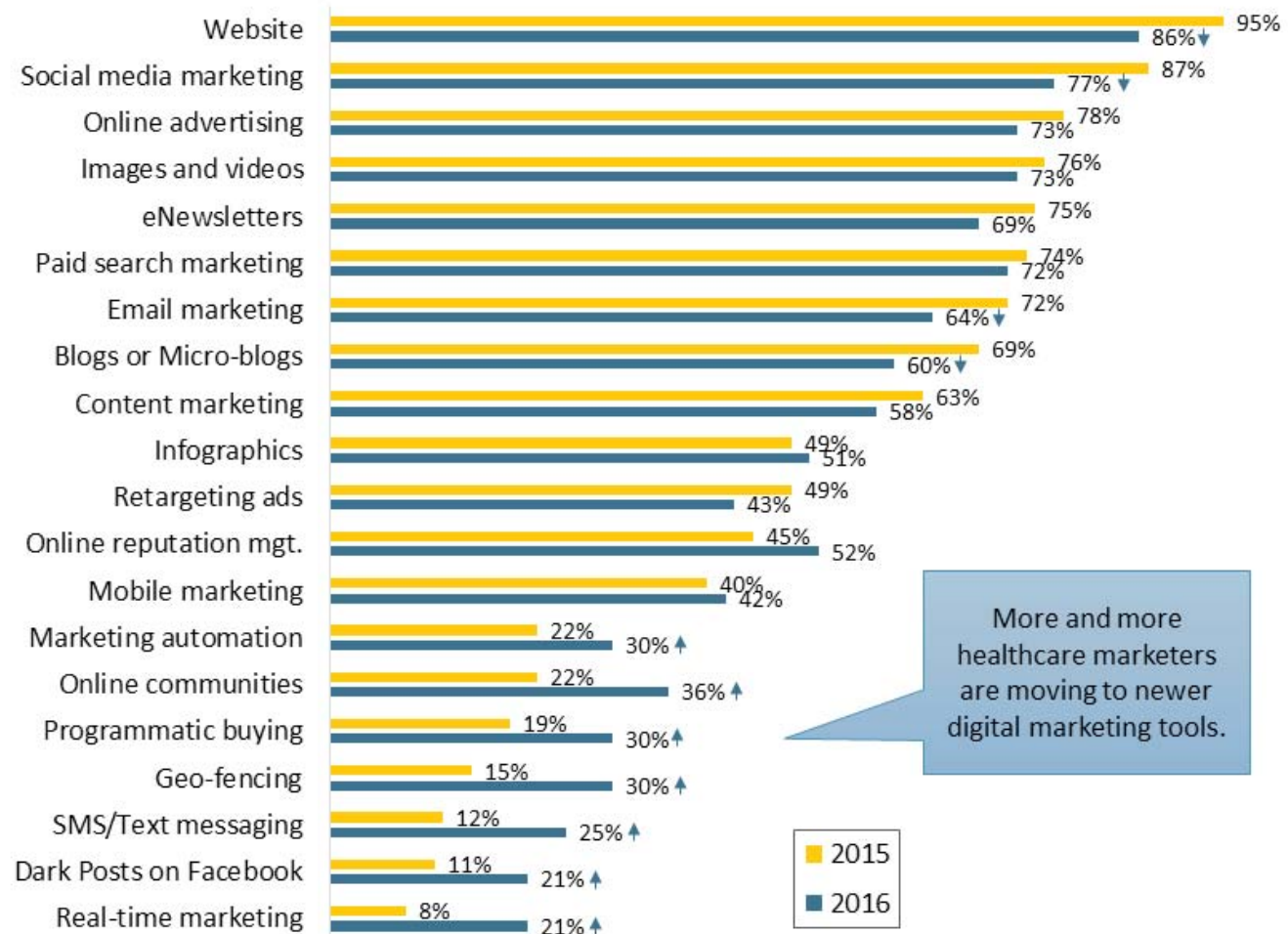
Healthcare Marketing Leadership Index Summary



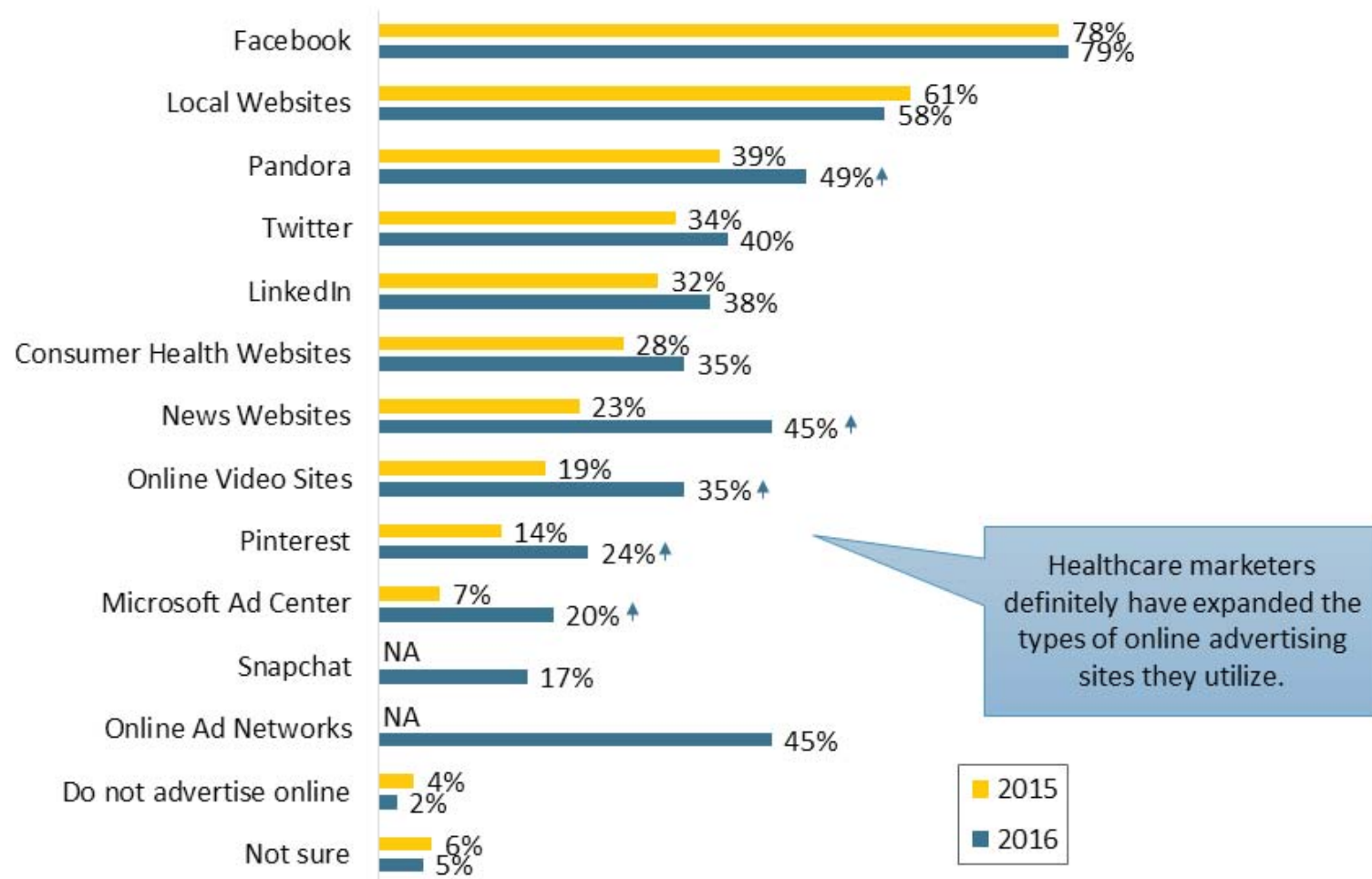
Note: This chart shows the range between the highest and lowest score, along with where healthcare marketers place their efforts in comparison.

Online/Digital Marketing Techniques Used

Online/Digital Marketing Currently Used at Hospital/System

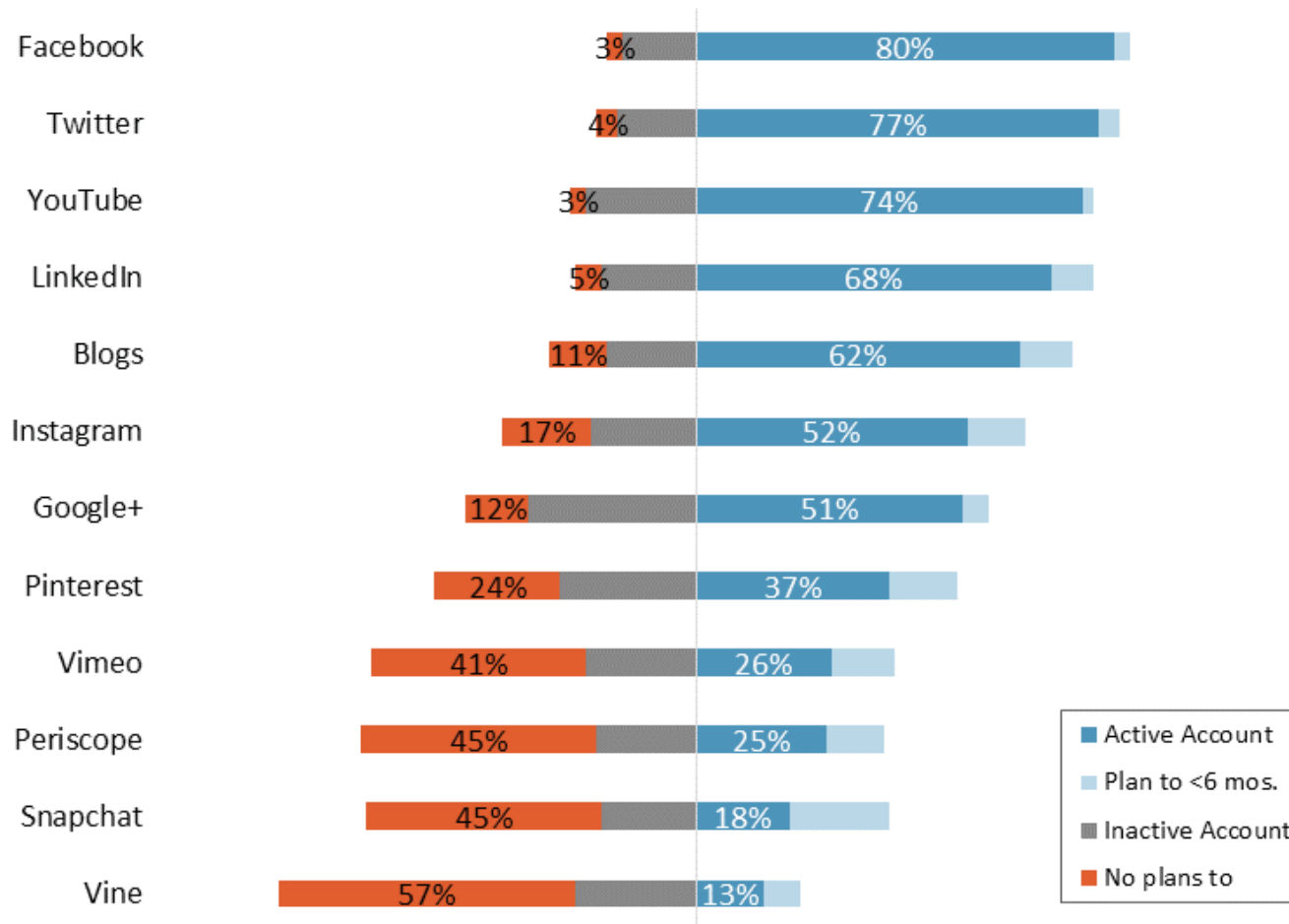


Online Advertising Used In Healthcare

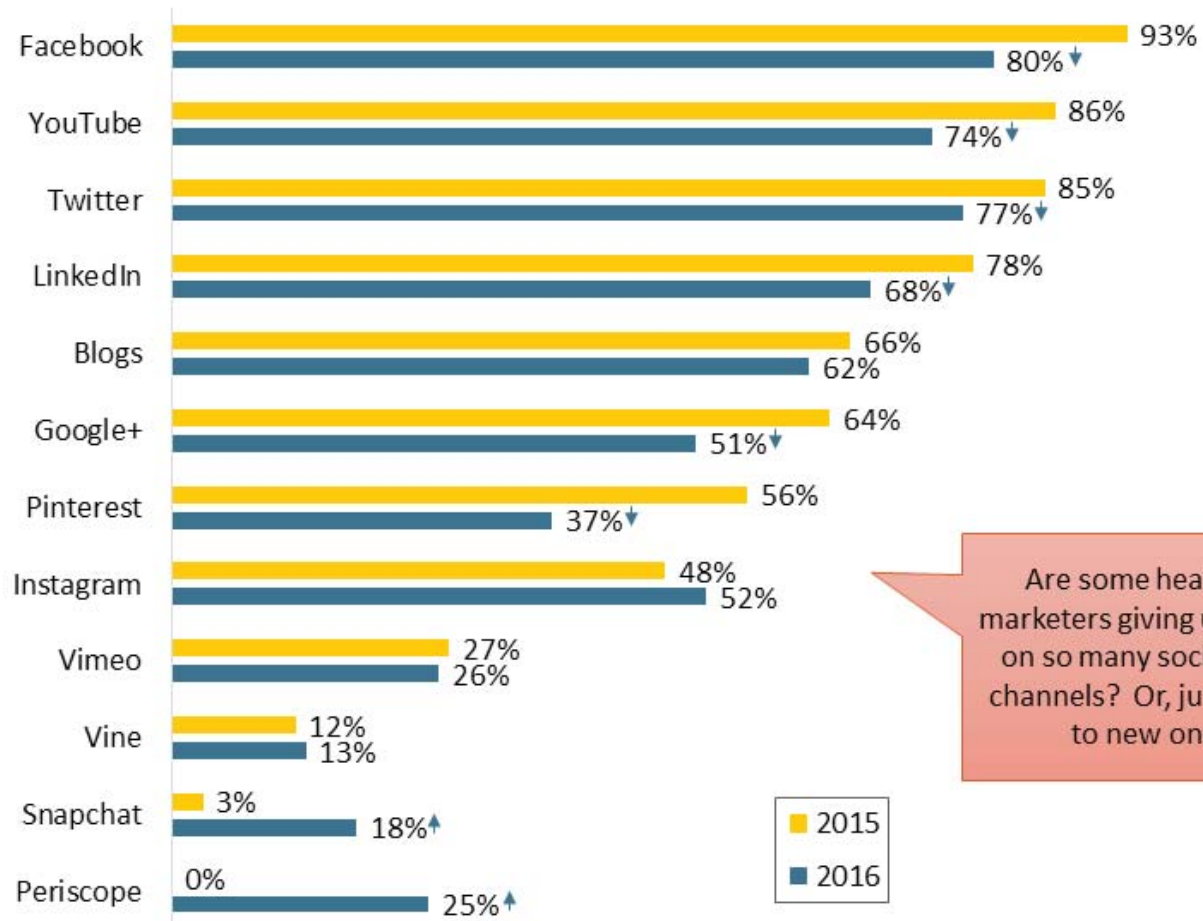


Social Media Channels

They Either Are **Doing It Already** or **Are Not Going To**

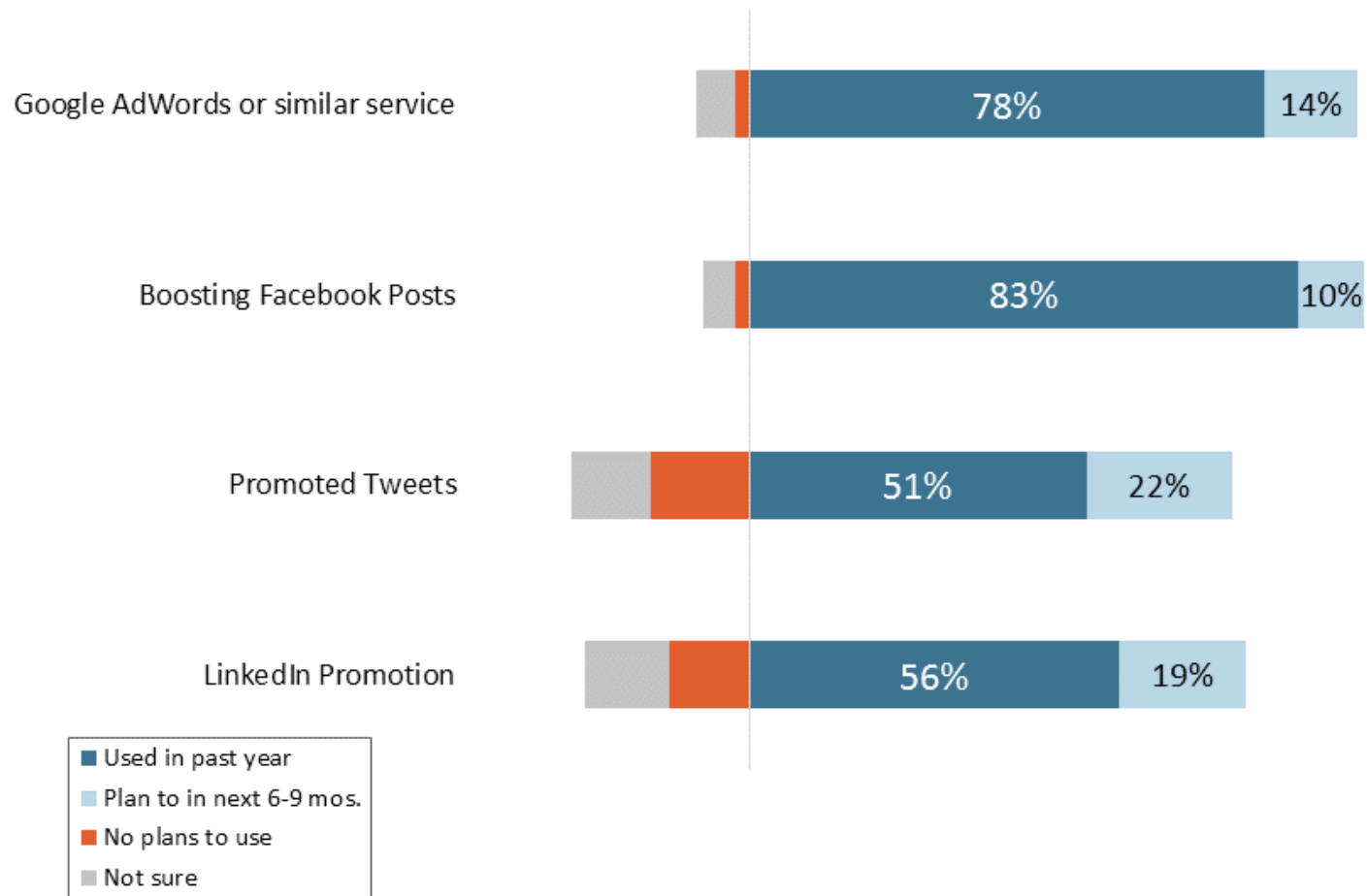


Active Social Media Channel Accounts - trended

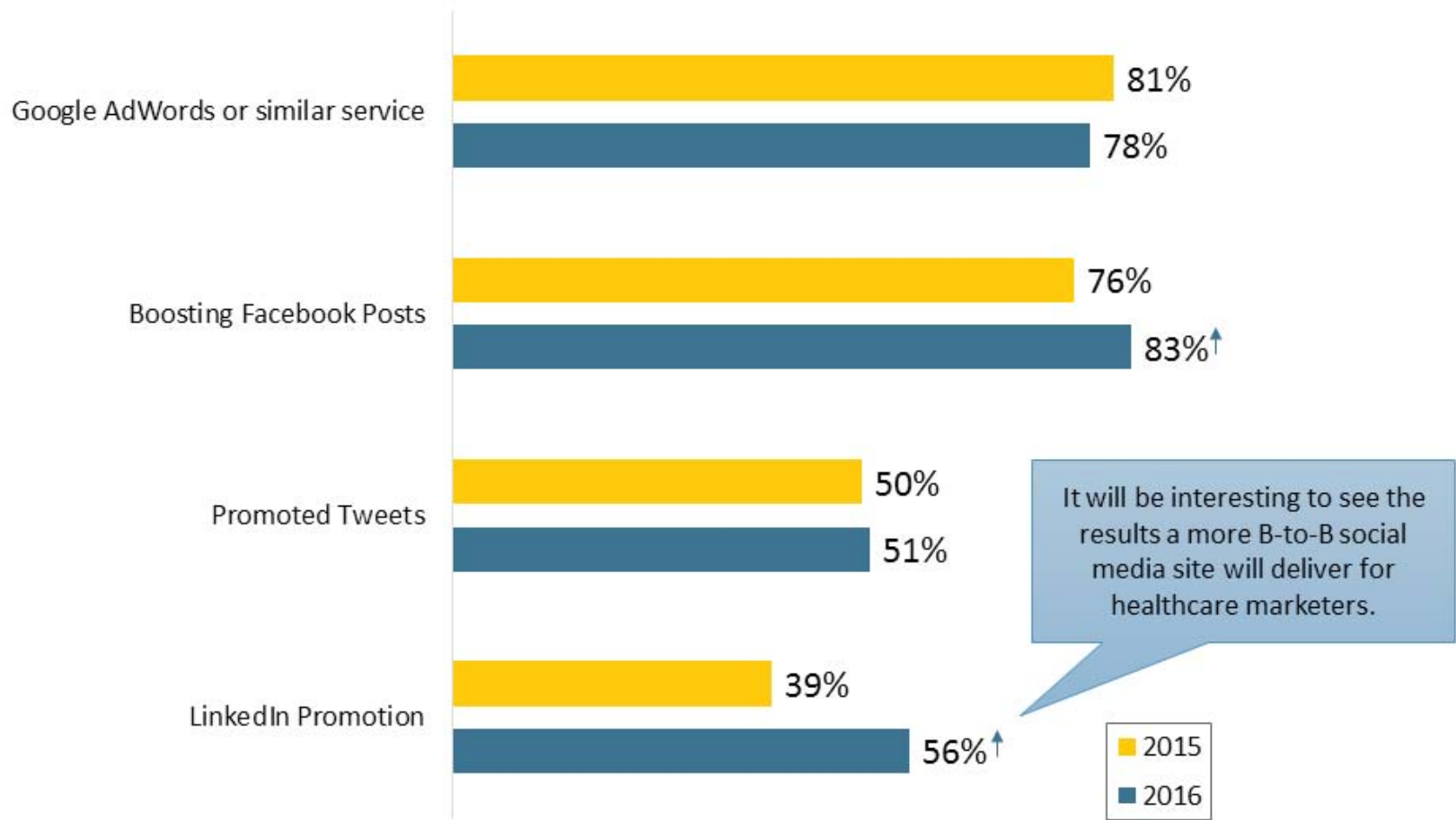


Are some healthcare marketers giving up already on so many social media channels? Or, just moving to new ones?

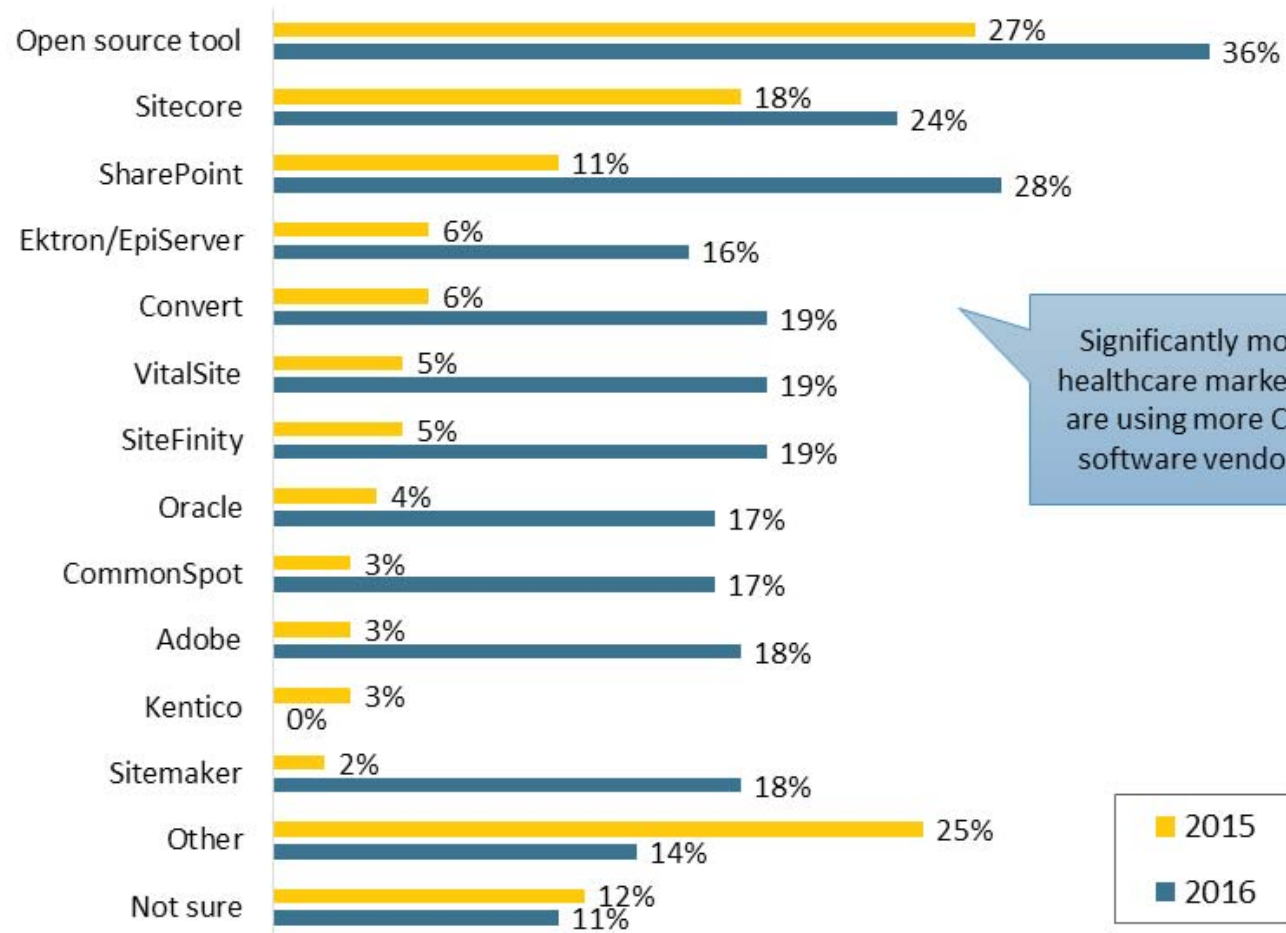
Online Advertising Techniques Used in Healthcare



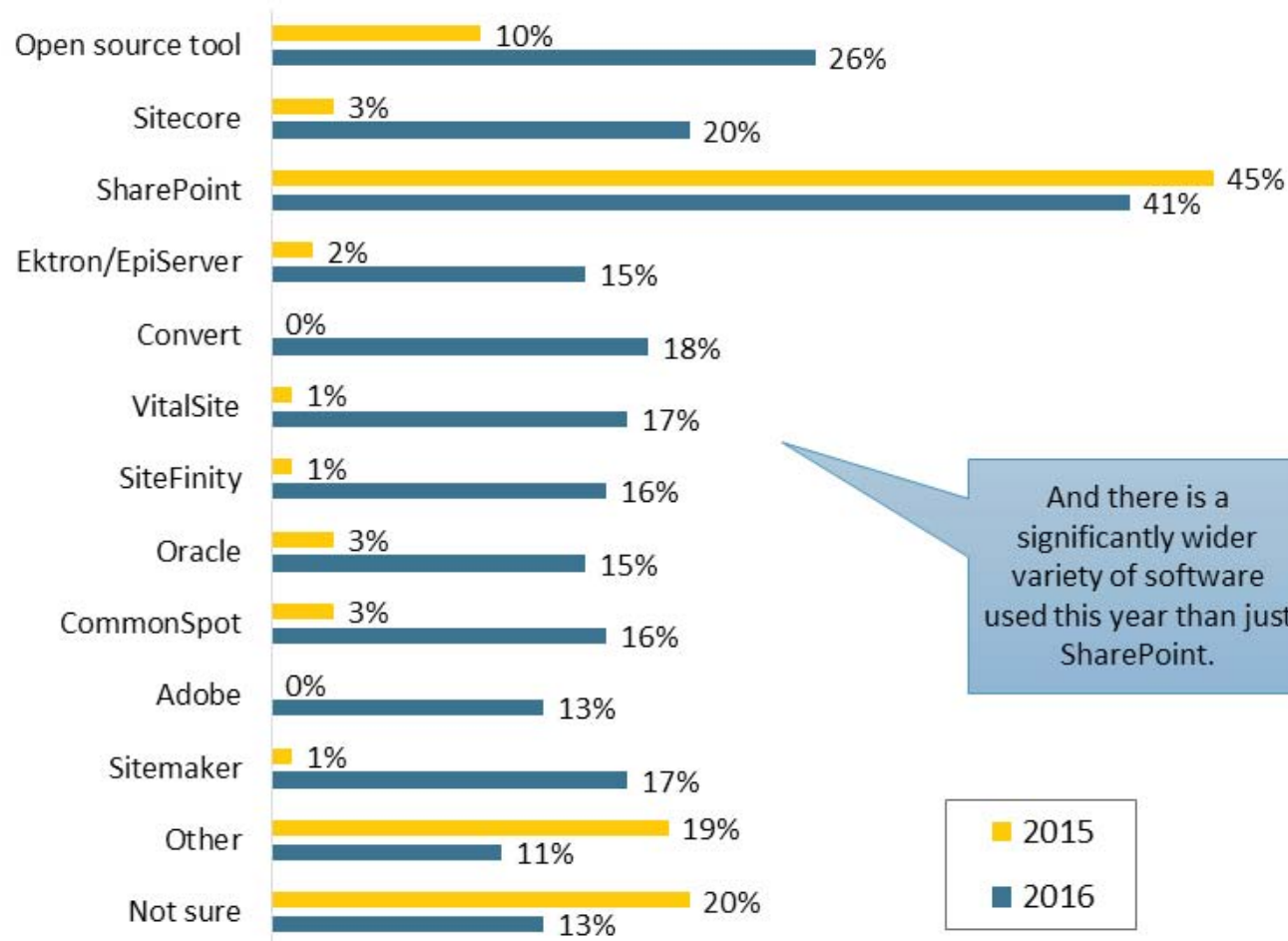
Online Advertising Techniques Used in Healthcare - trended



CMS Software Used to Support Website

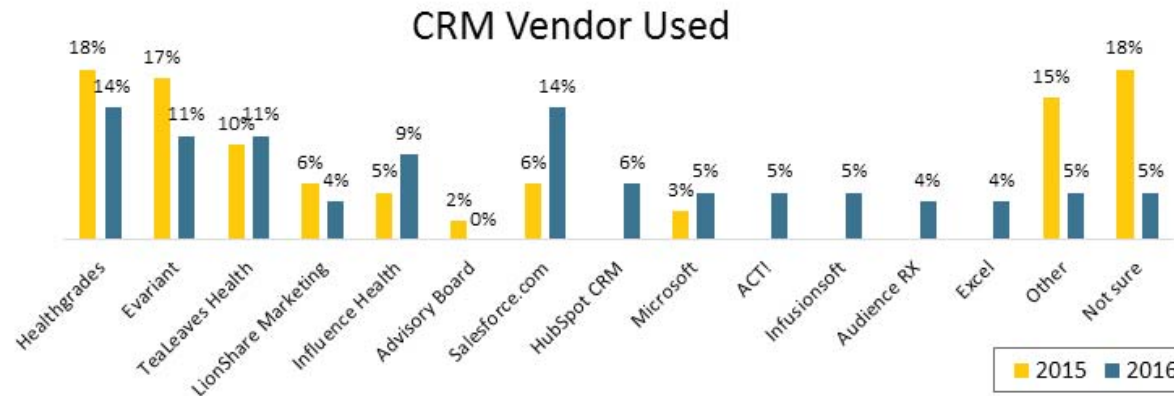


CMS Software Used to Support Intranet

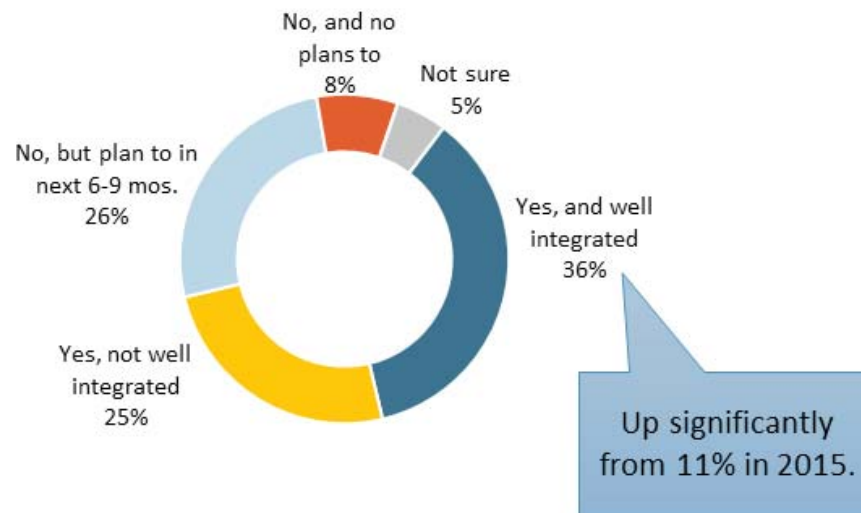


50%/65%
Have a CRM System

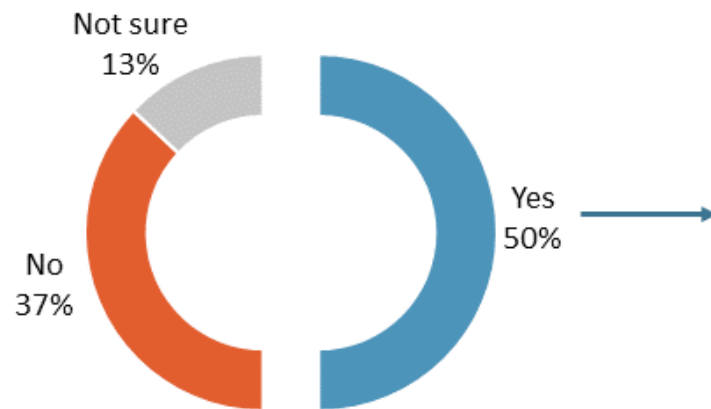
Note: 2015/2016



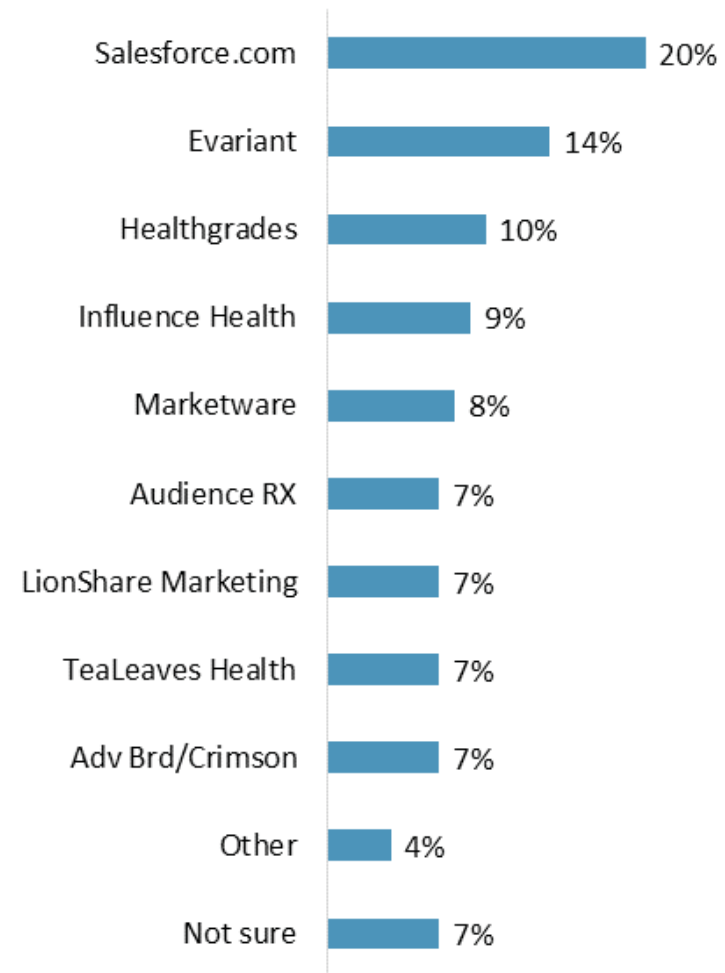
Website and CRM Integrated



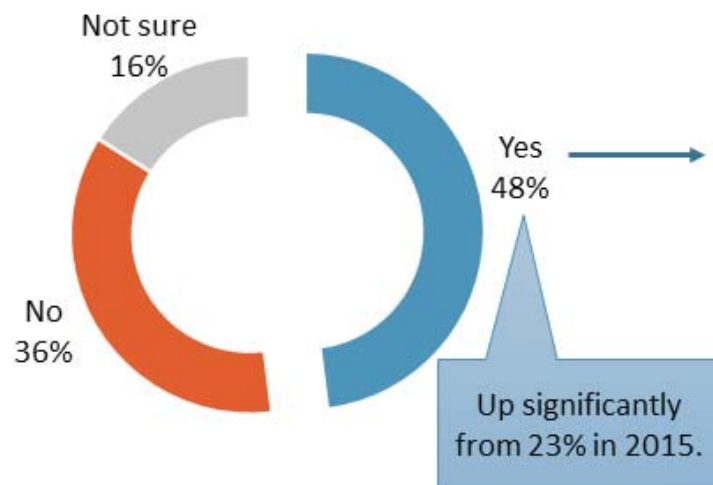
Use of a Physician Relationship Management (PRM) System



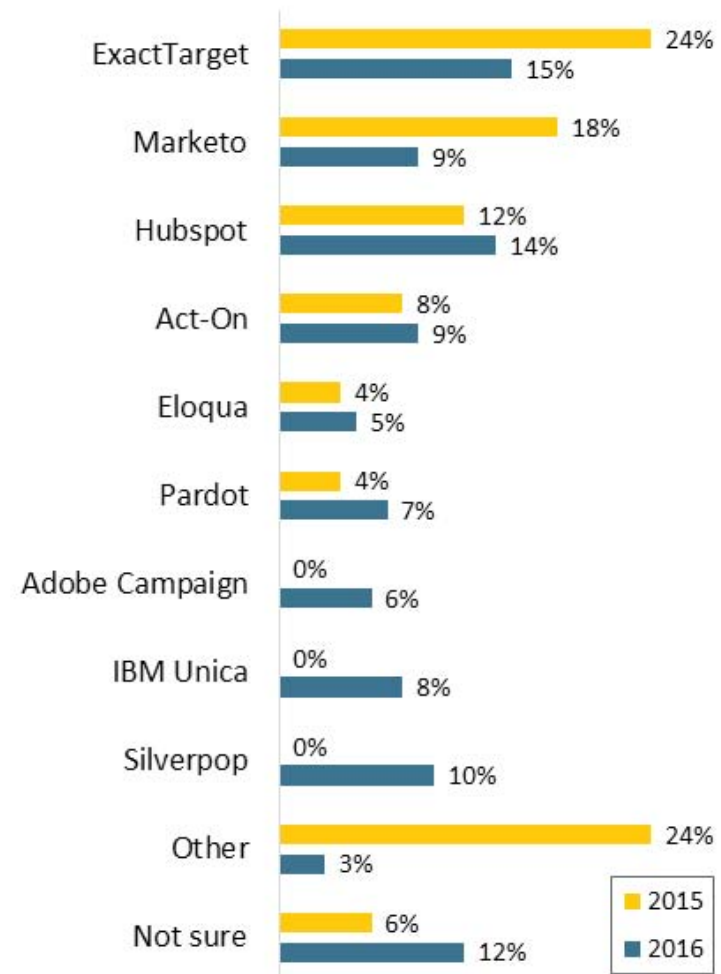
PRM Vendor



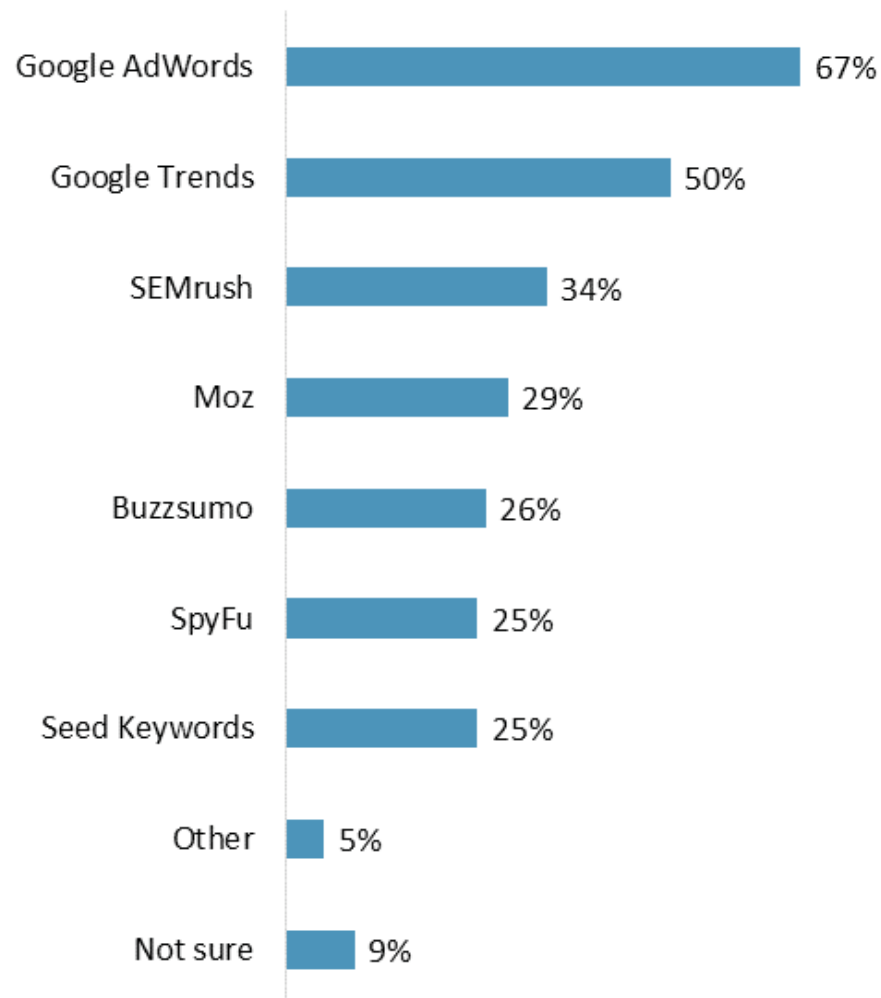
Use of a Marketing Automation Tool



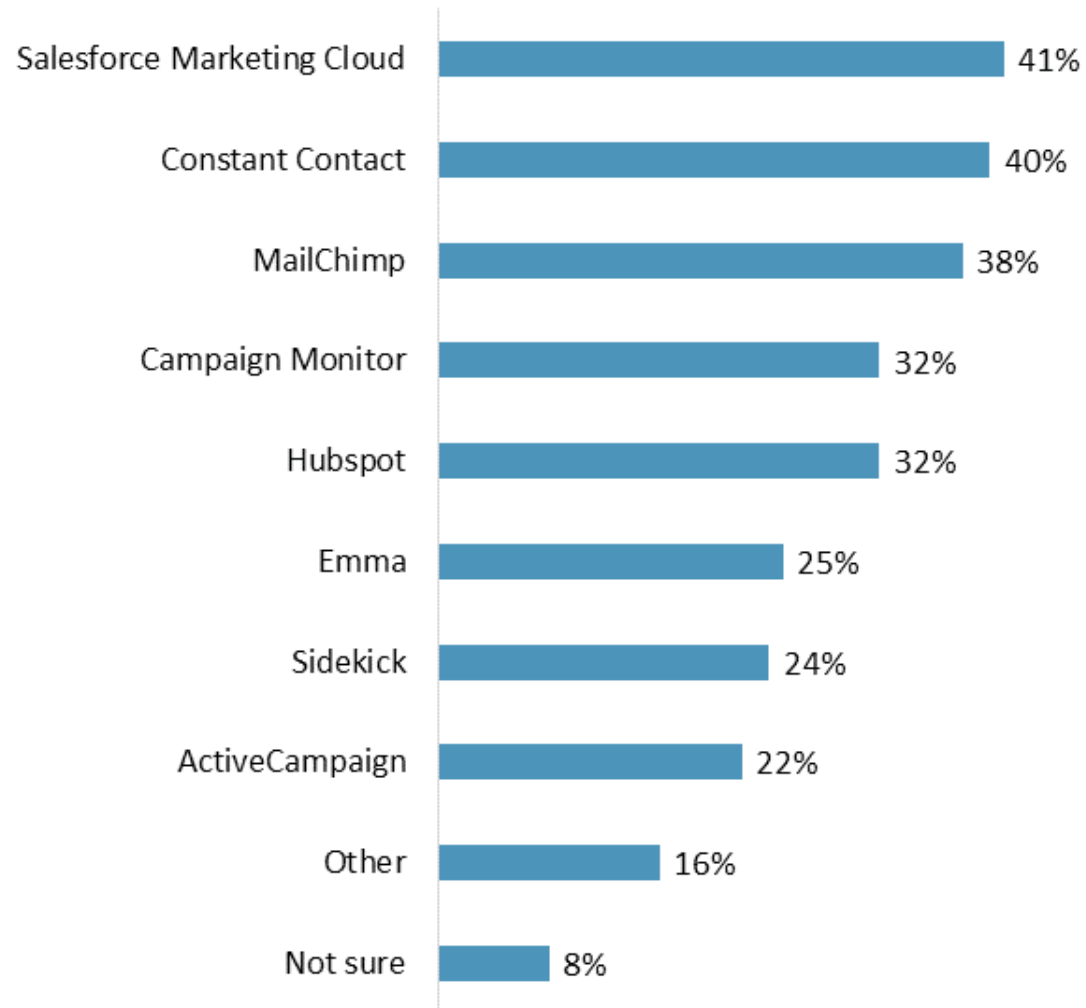
Marketing Automation Tool Used



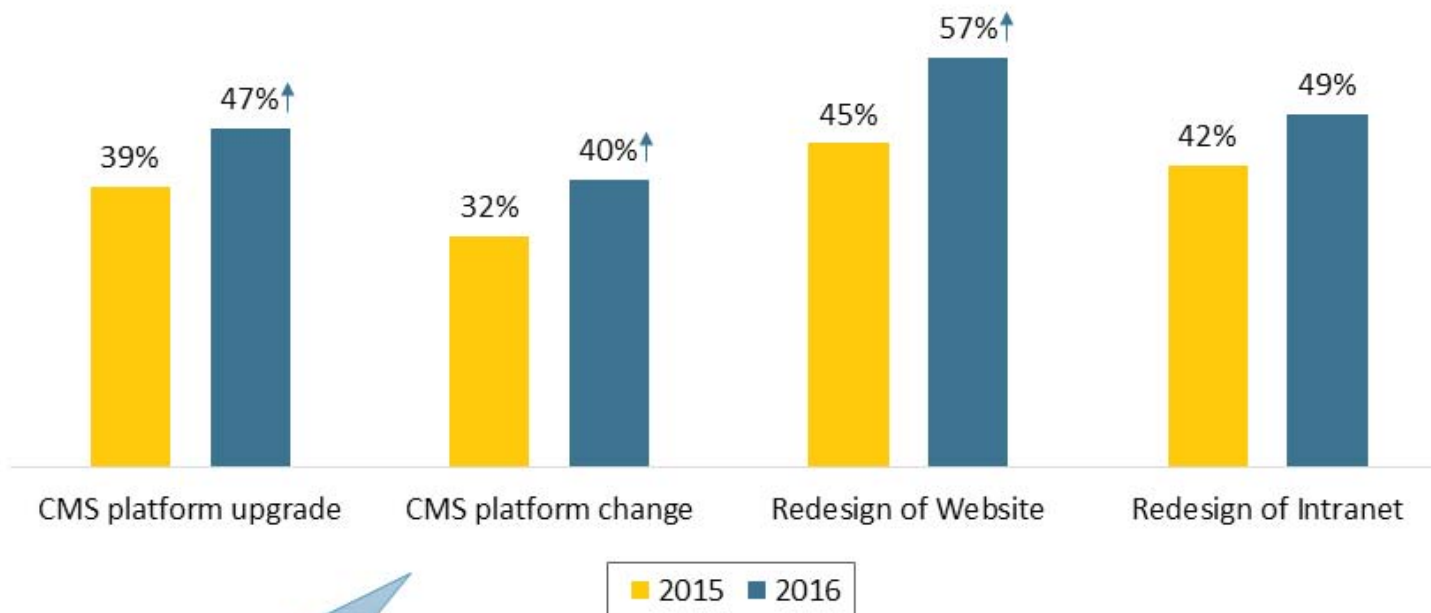
SEO Tools Currently Use



Email Marketing Service Currently Use

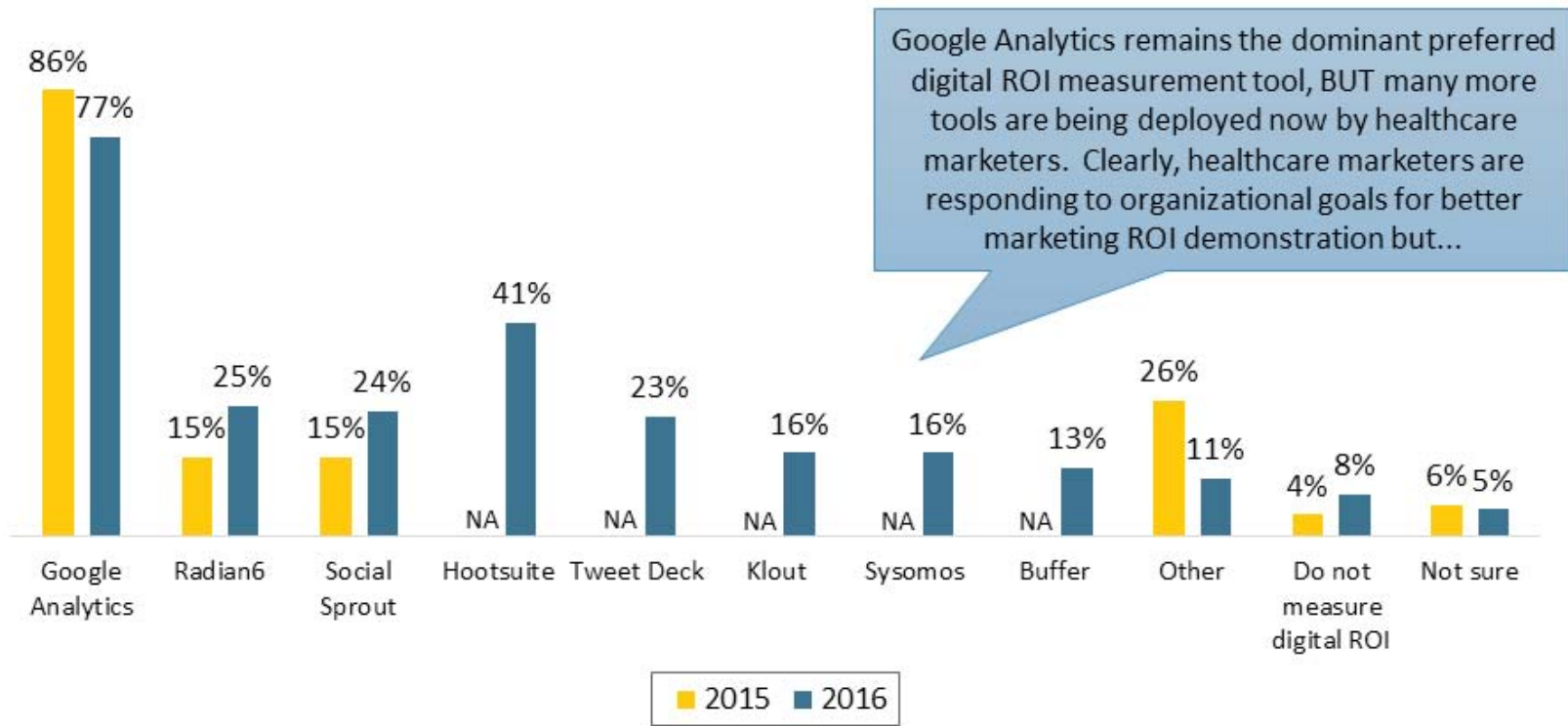


Planning Platform and Design Changes in the Coming Year?

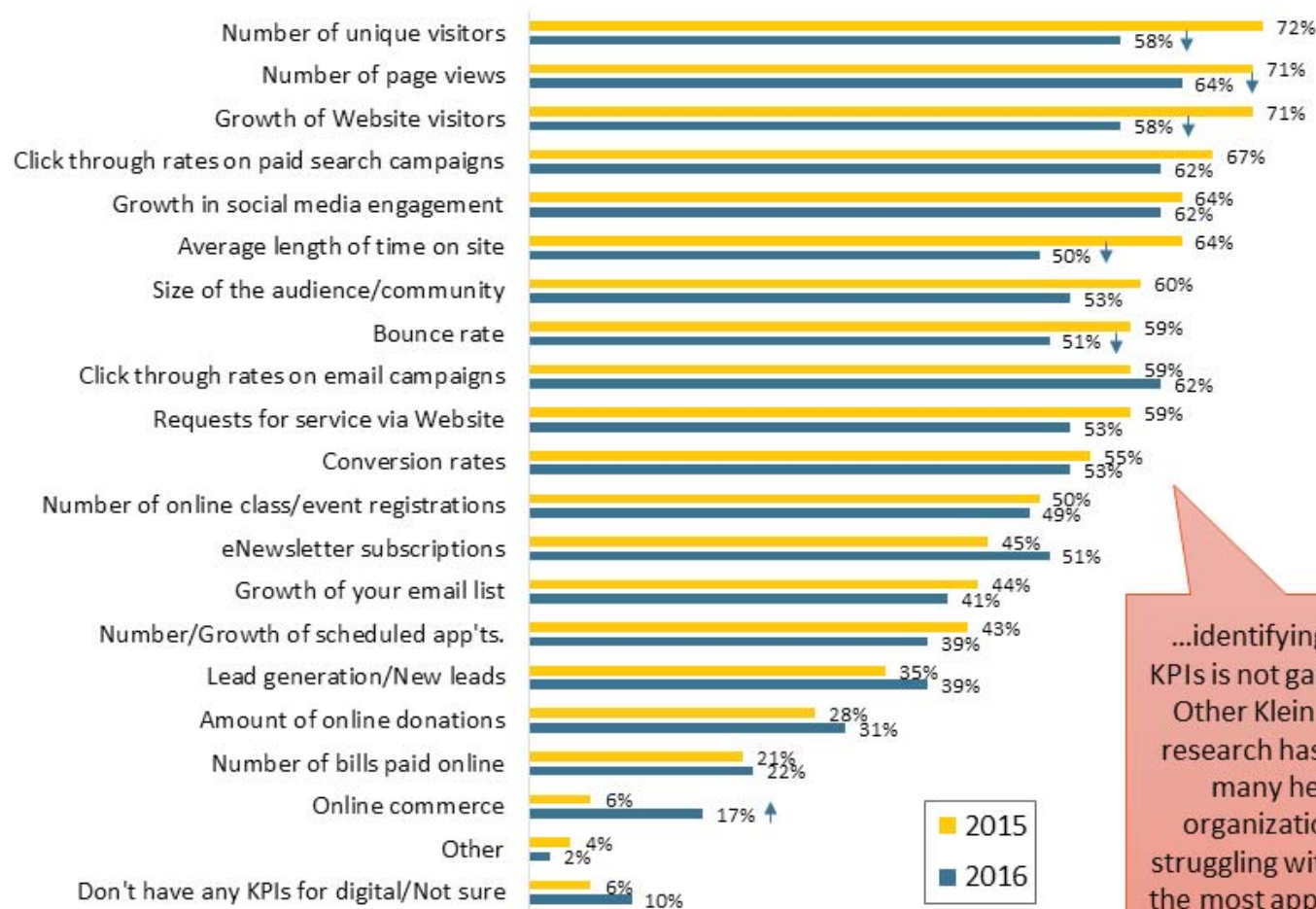


Even more change and redesign is in the wings this coming year.

Tools Used to Measure Digital Return on Investment (ROI) - trended

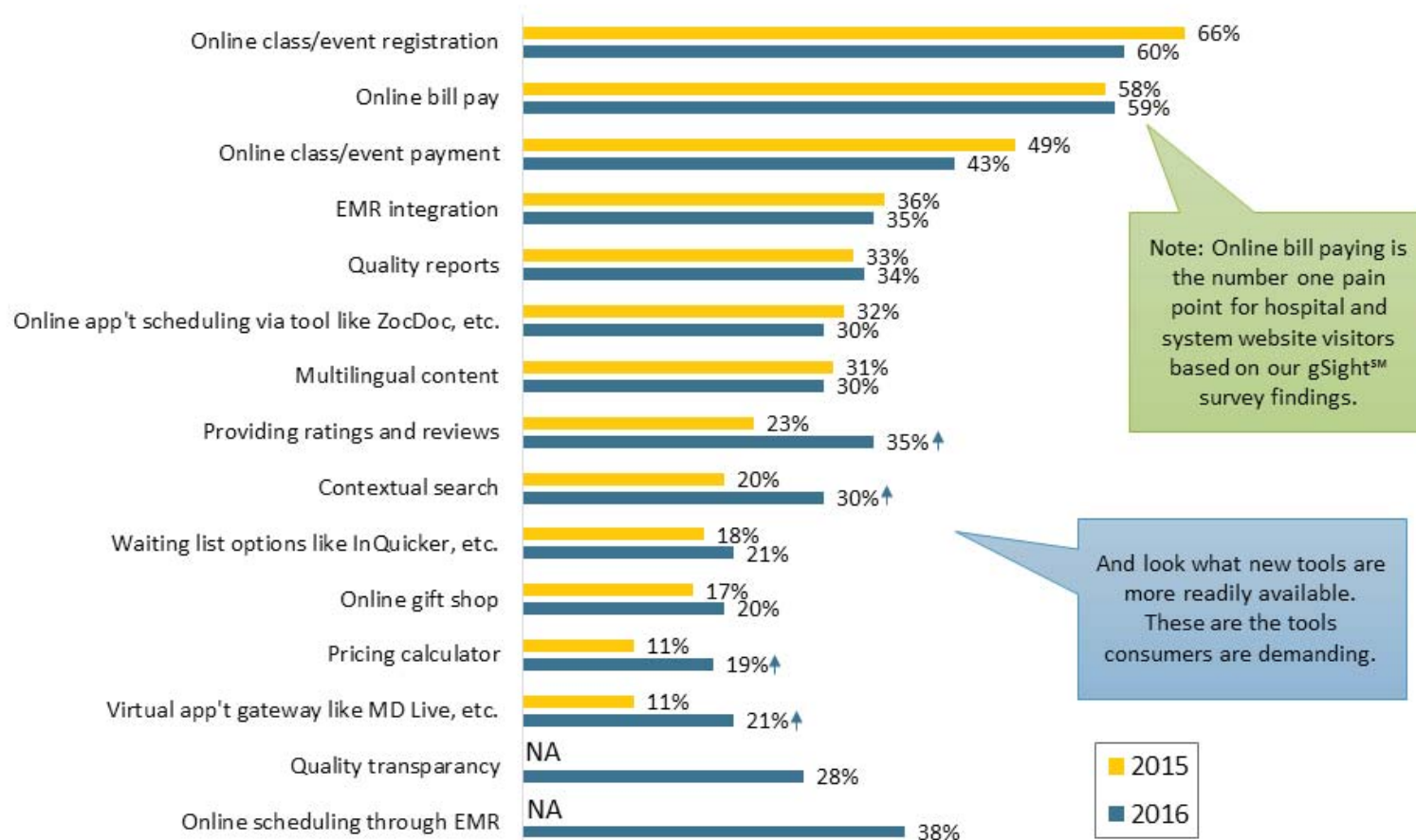


Digital Key Performance Indicators (KPIs) - trended

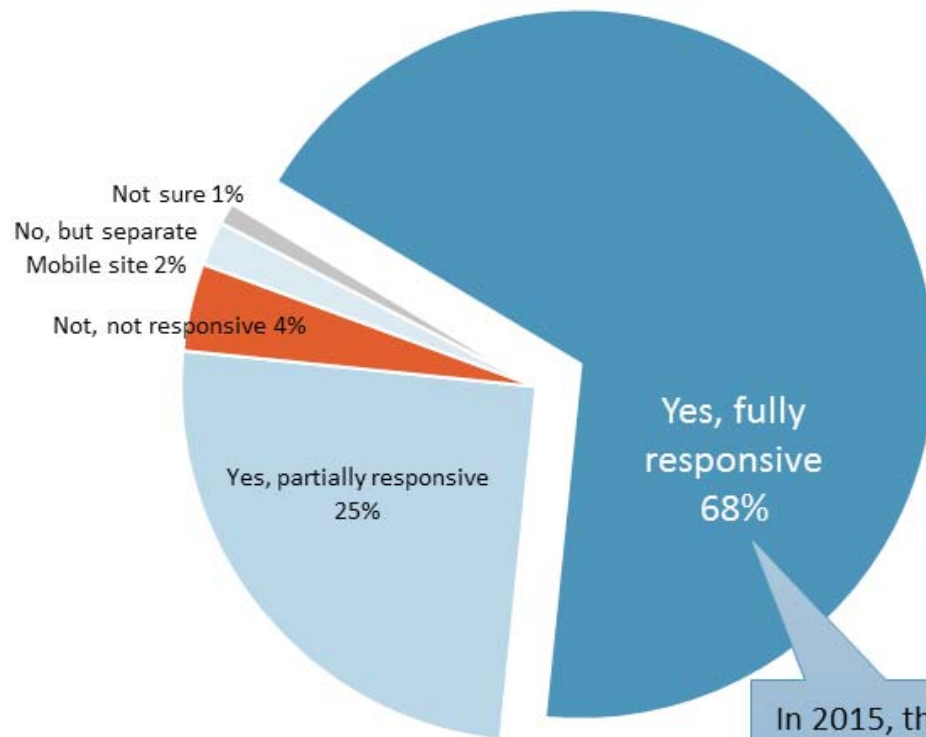


...identifying key digital KPIs is not gaining ground. Other Klein & Partners research has shown that many healthcare organizations are still struggling with identifying the most appropriate KPIs for their organizations.

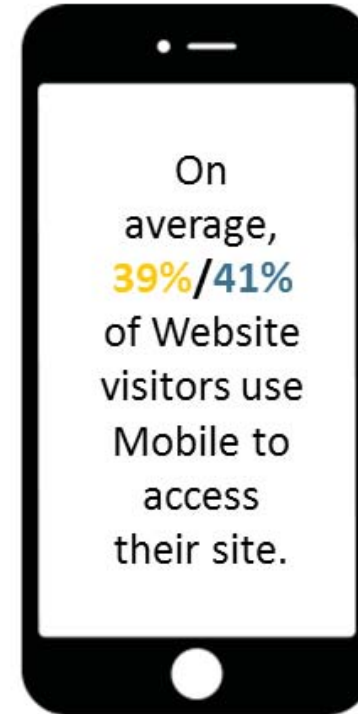
New or Emerging Functionality Available on Website



Website Responsively Designed



In 2015, this figure was significantly lower at 57%.

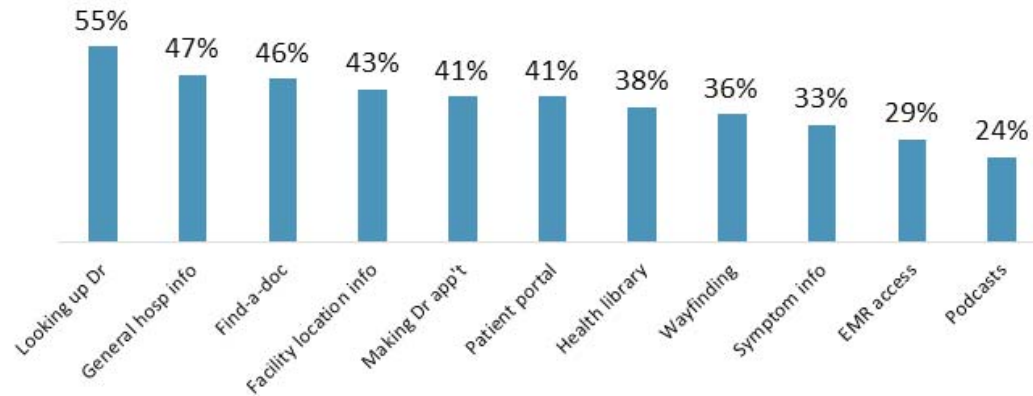


Note: 2015/2016

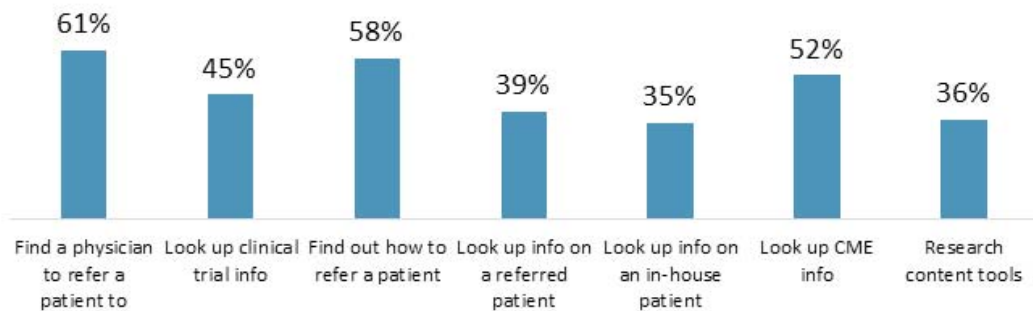


Note: 2015/2016

Main Purpose of Consumer Mobile App

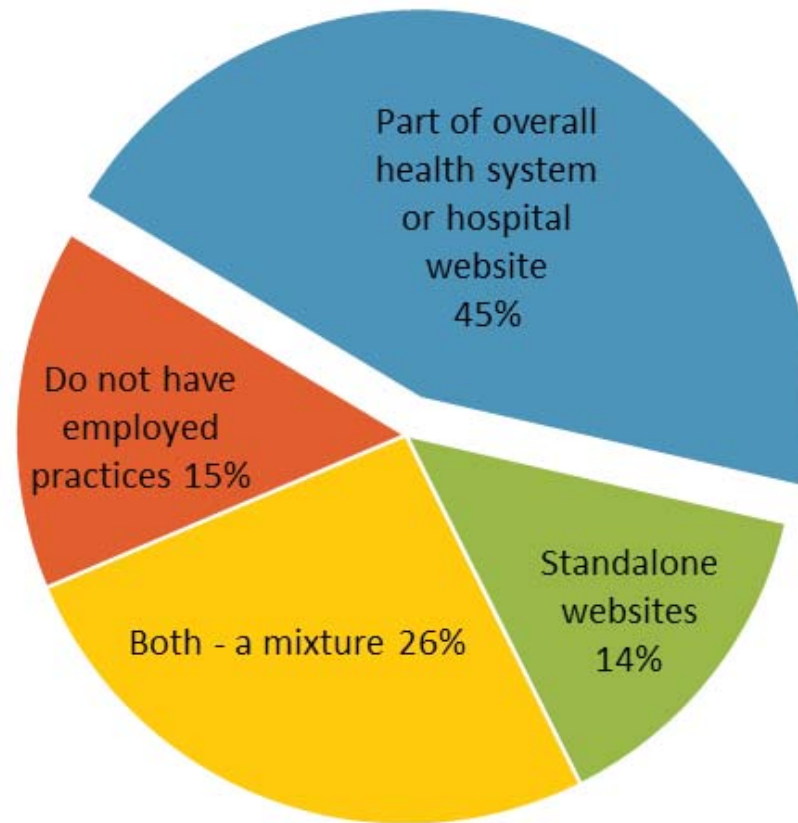


Main Purpose of Physician Mobile App



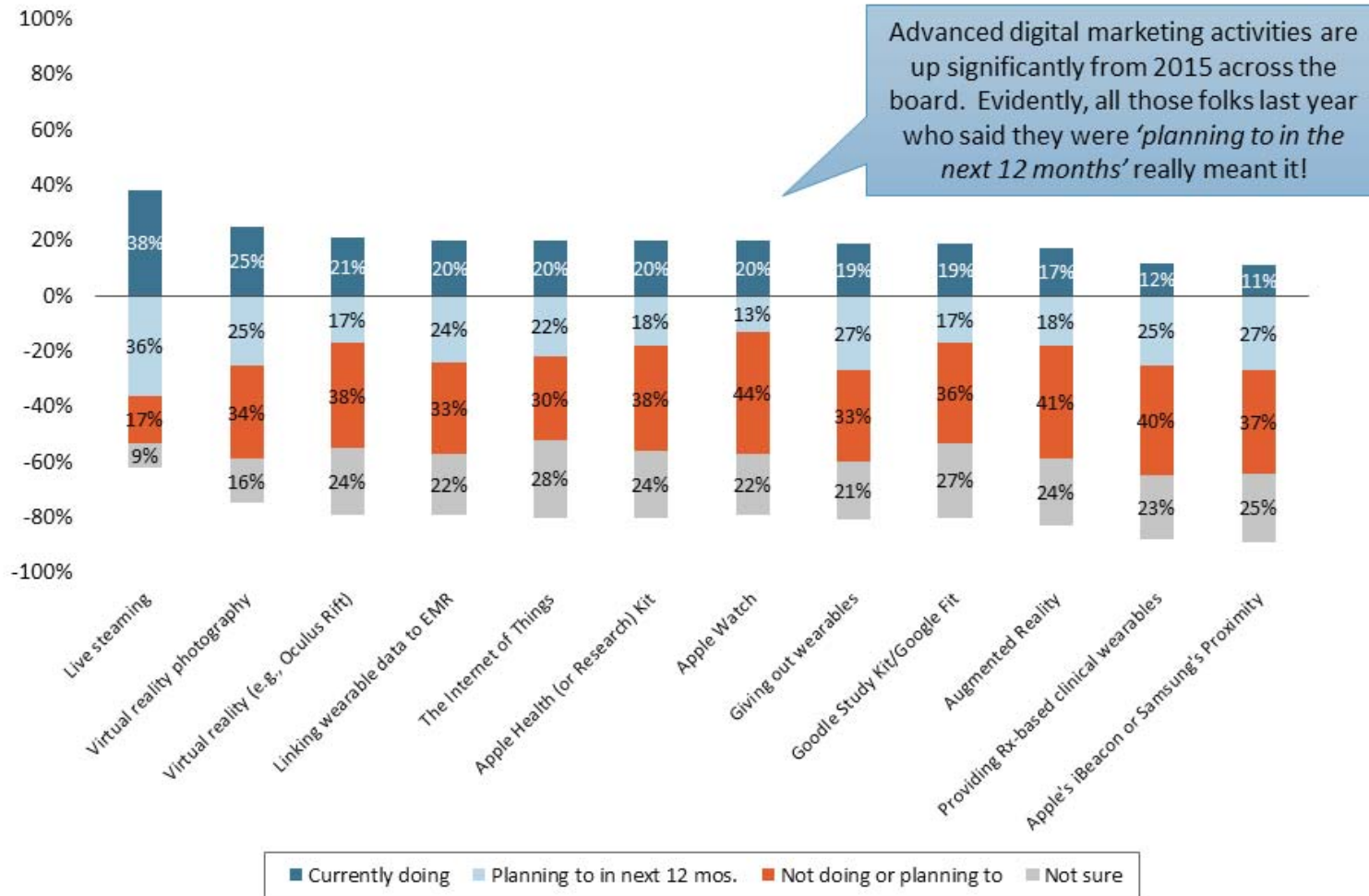
Note: Data are from the 2016 wave

Offer Practice Websites for Employed Physicians



Importance/Effectiveness of Digital Marketing Efforts

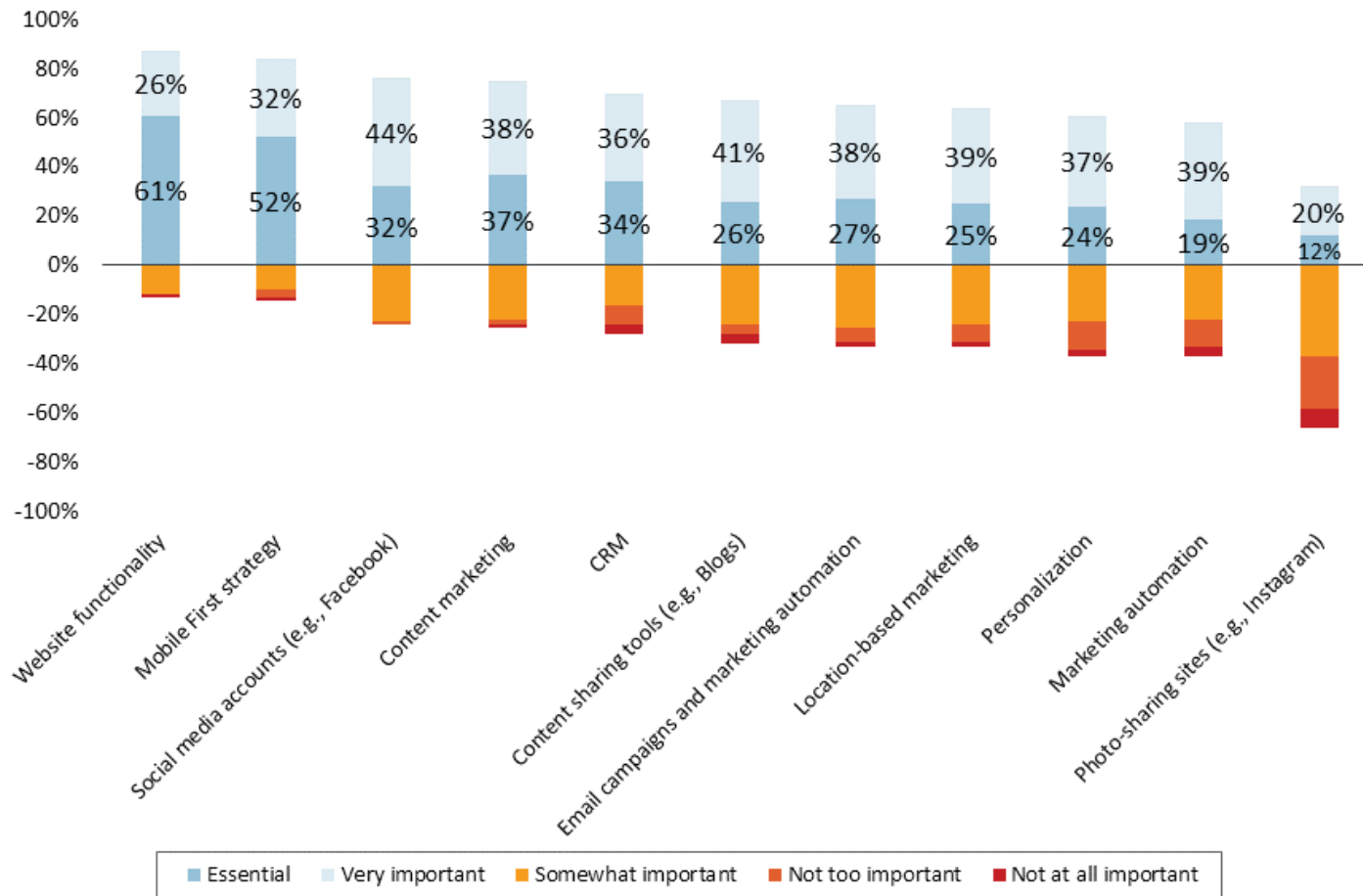
Advanced Digital Marketing Activities



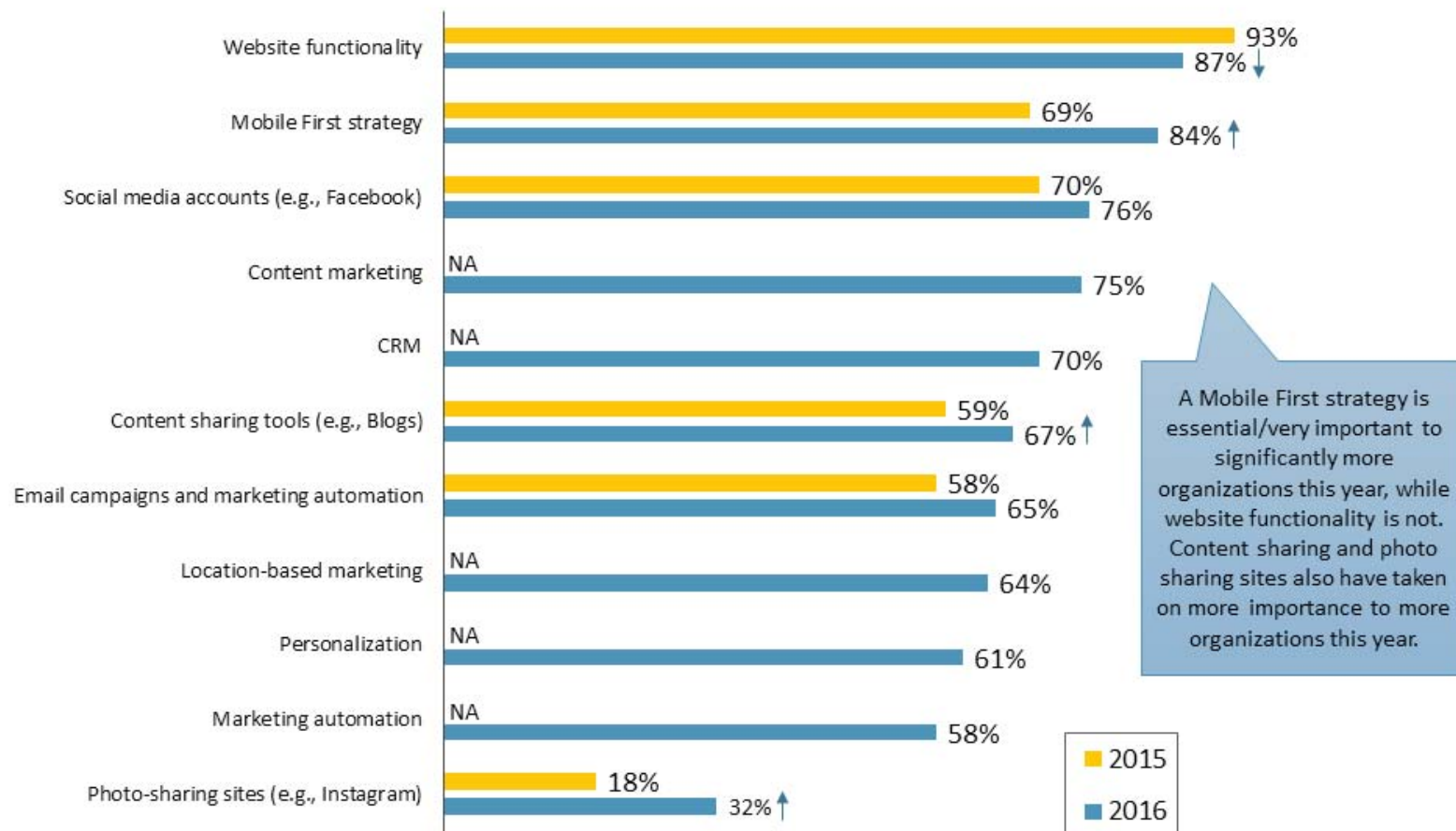
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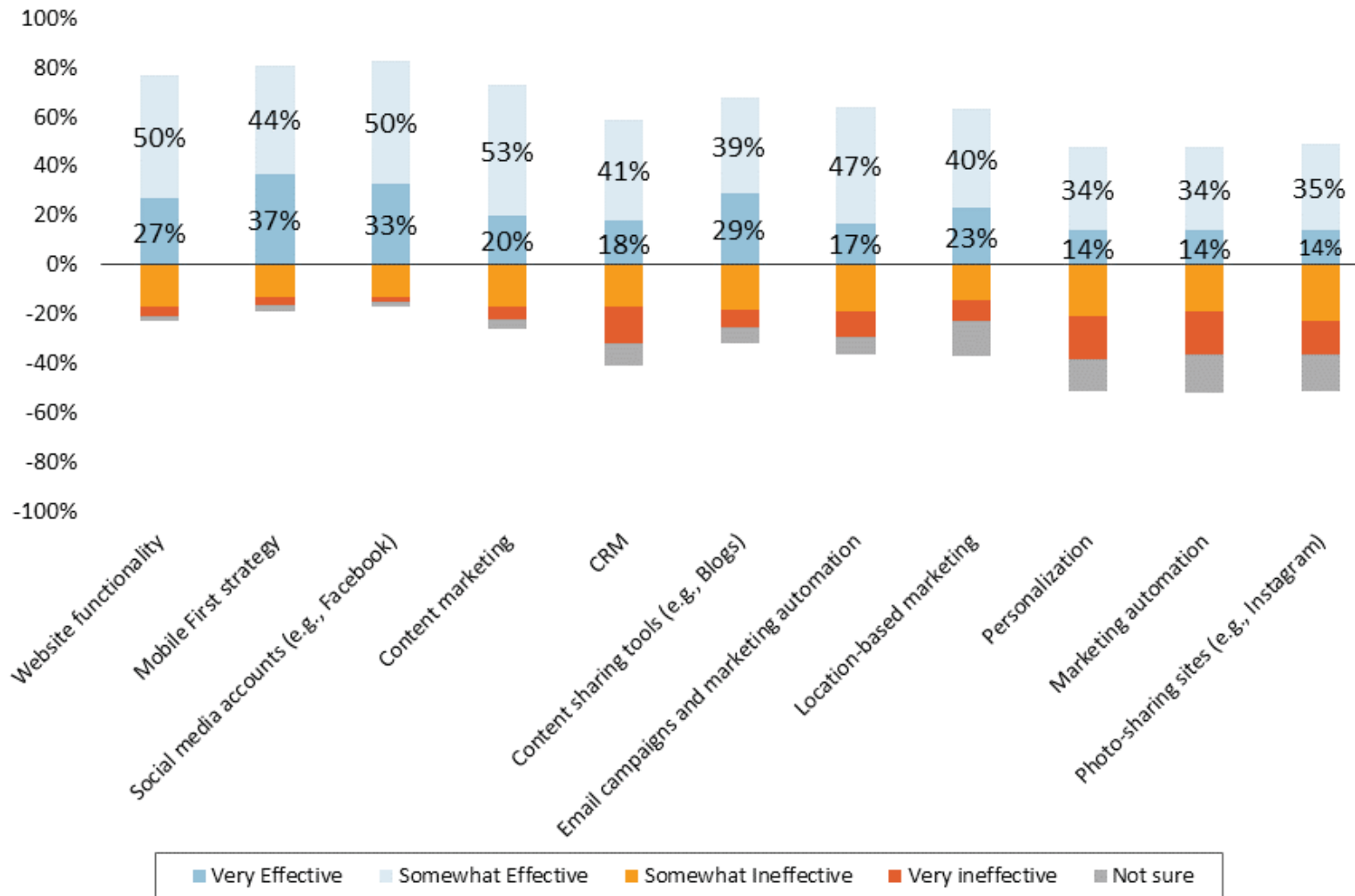
Importance of _____ to the Organization



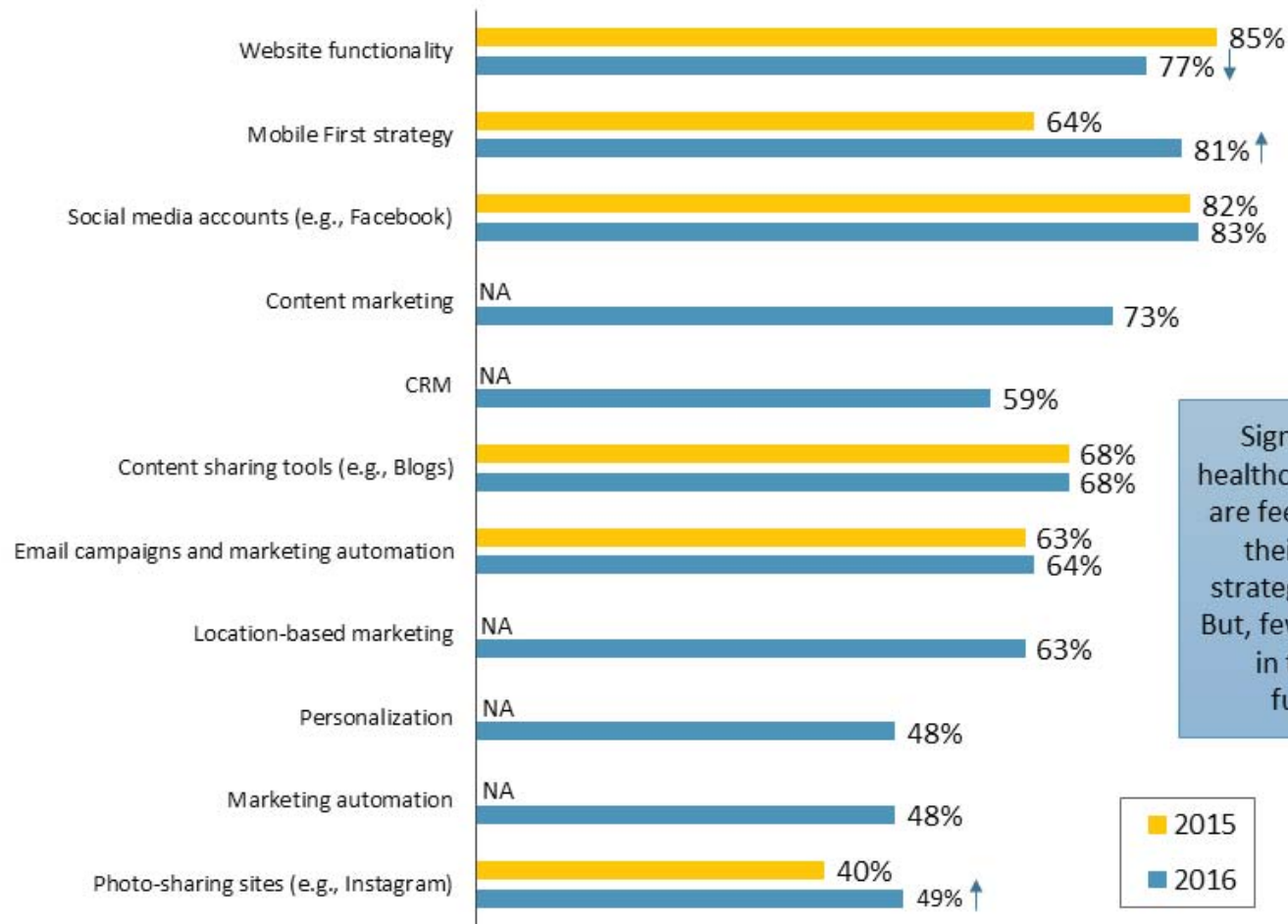
Essential/Very Important to the Organization - trended



How Effective Organization has Been at Meeting Goals



Very/Somewhat Effective at Meeting Goals



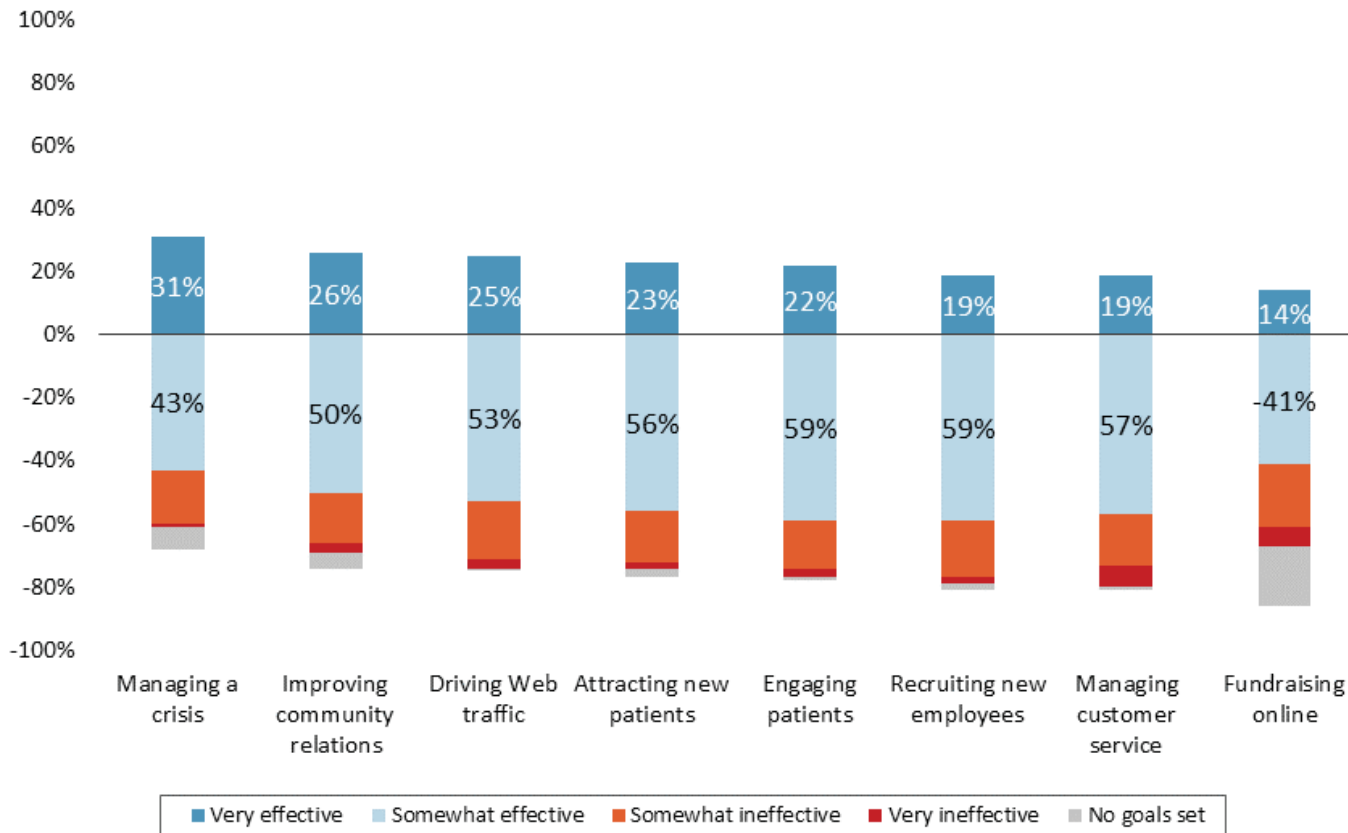
Significantly more healthcare organizations are feeling confident in their Mobile First strategy efforts of late. But, fewer are confident in their website functionality.

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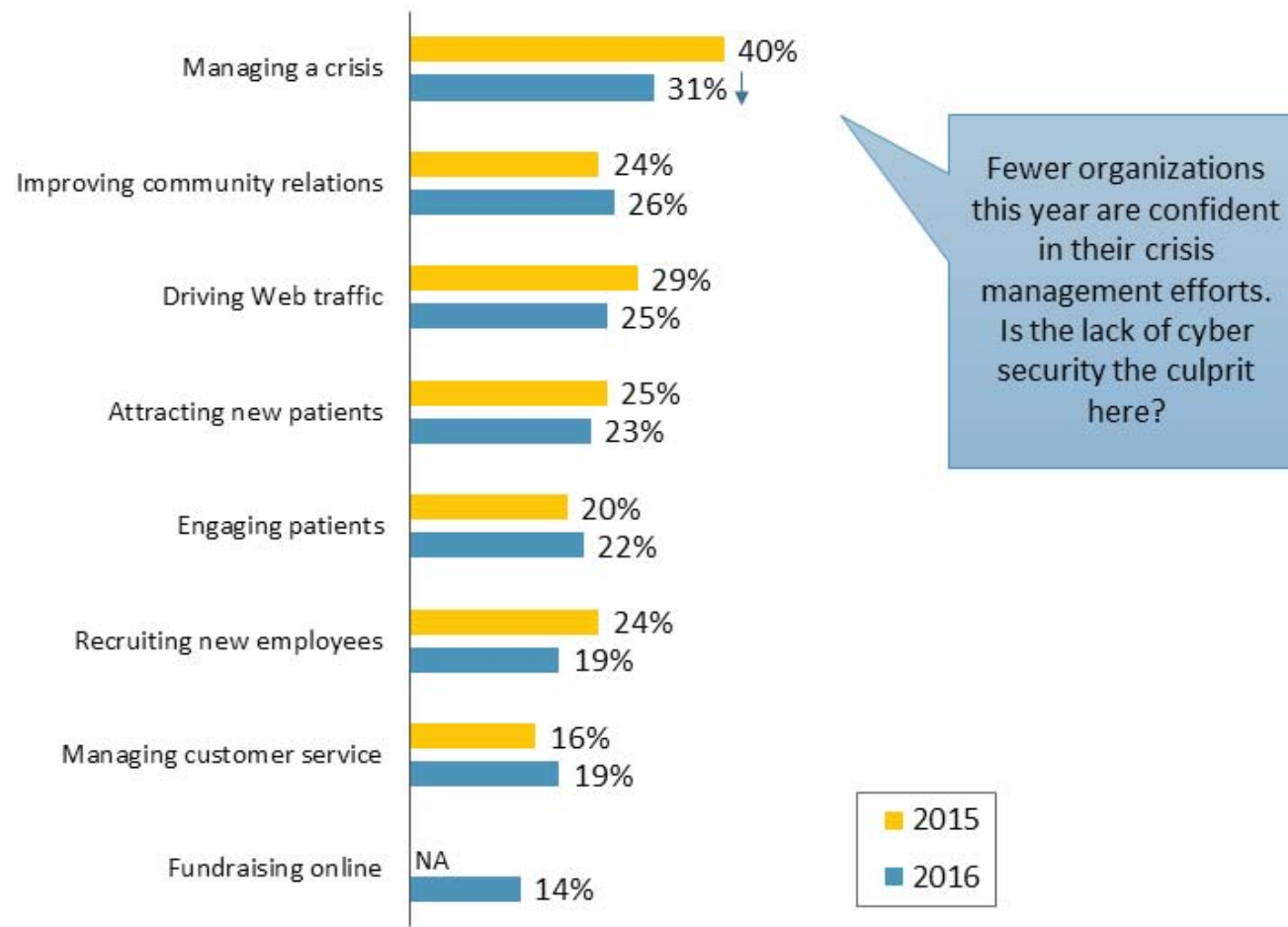
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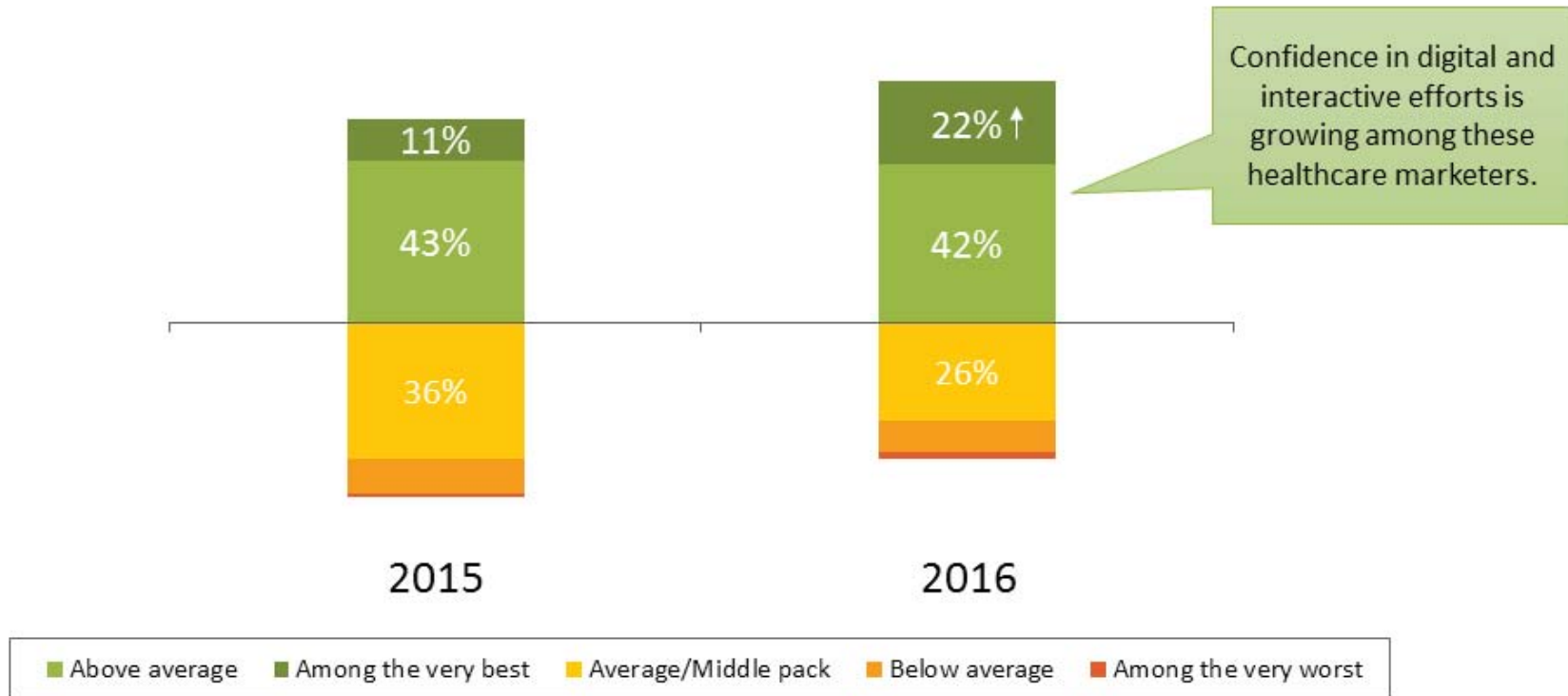
How Effective Organization has Been at...



Organization has Been Very/Somewhat Effective at... - trended



How An Organization Rates its Digital and Interactive Efforts Compared to Other Hospitals/Systems Across the US



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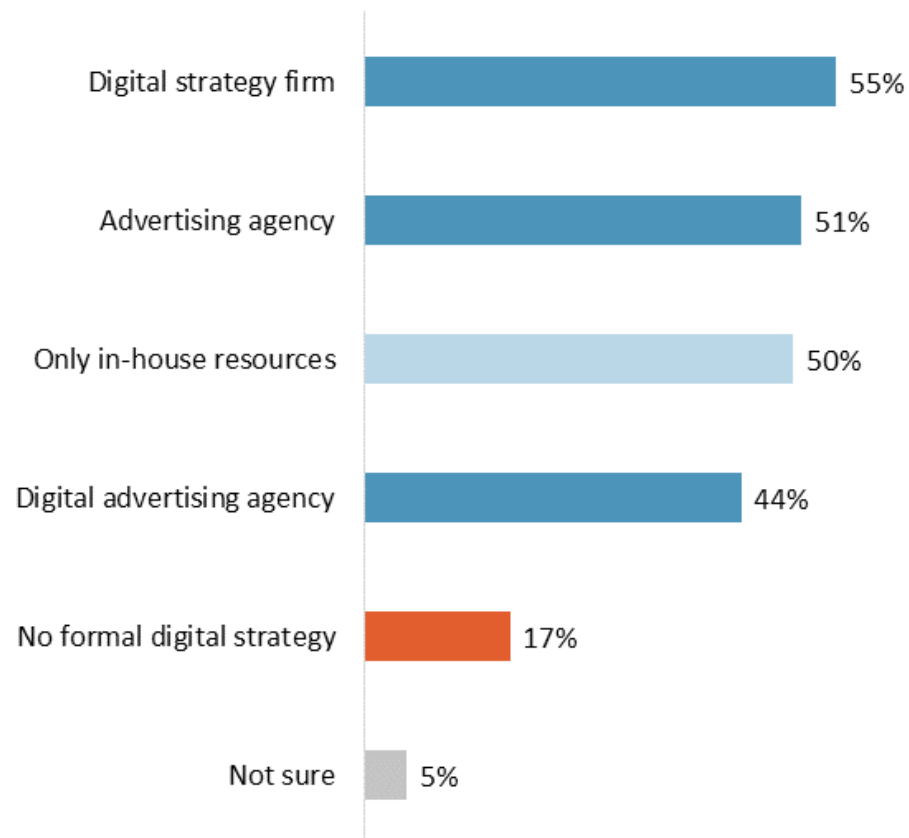
75% of these healthcare marketers view their website as its new 'virtual front door.'

But only 61% of these healthcare marketers feel their website is funded appropriately as the virtual front door.



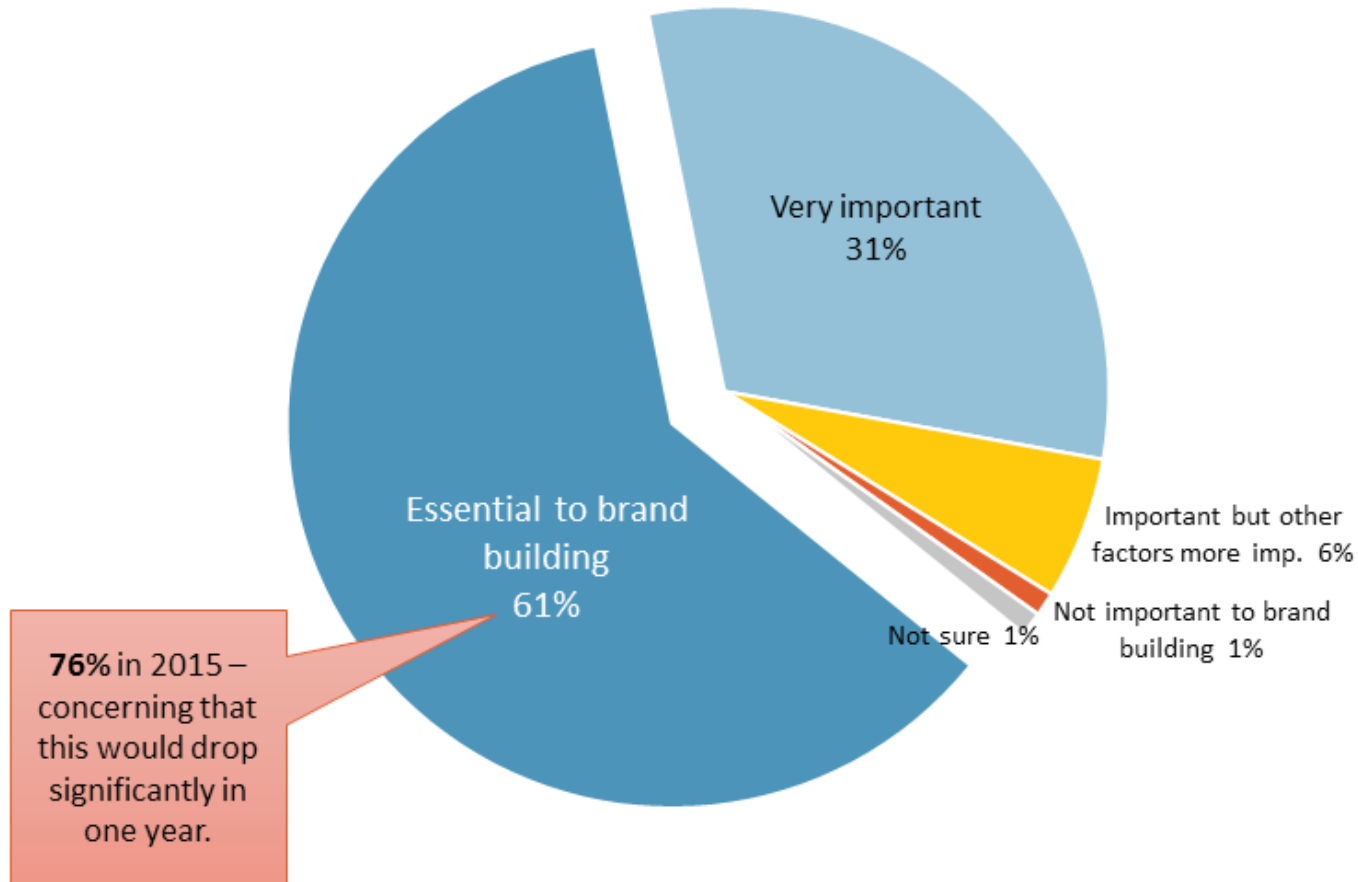
That means just 46% have a properly funded virtual front door

Who Helps Organization with Digital and Web Strategies

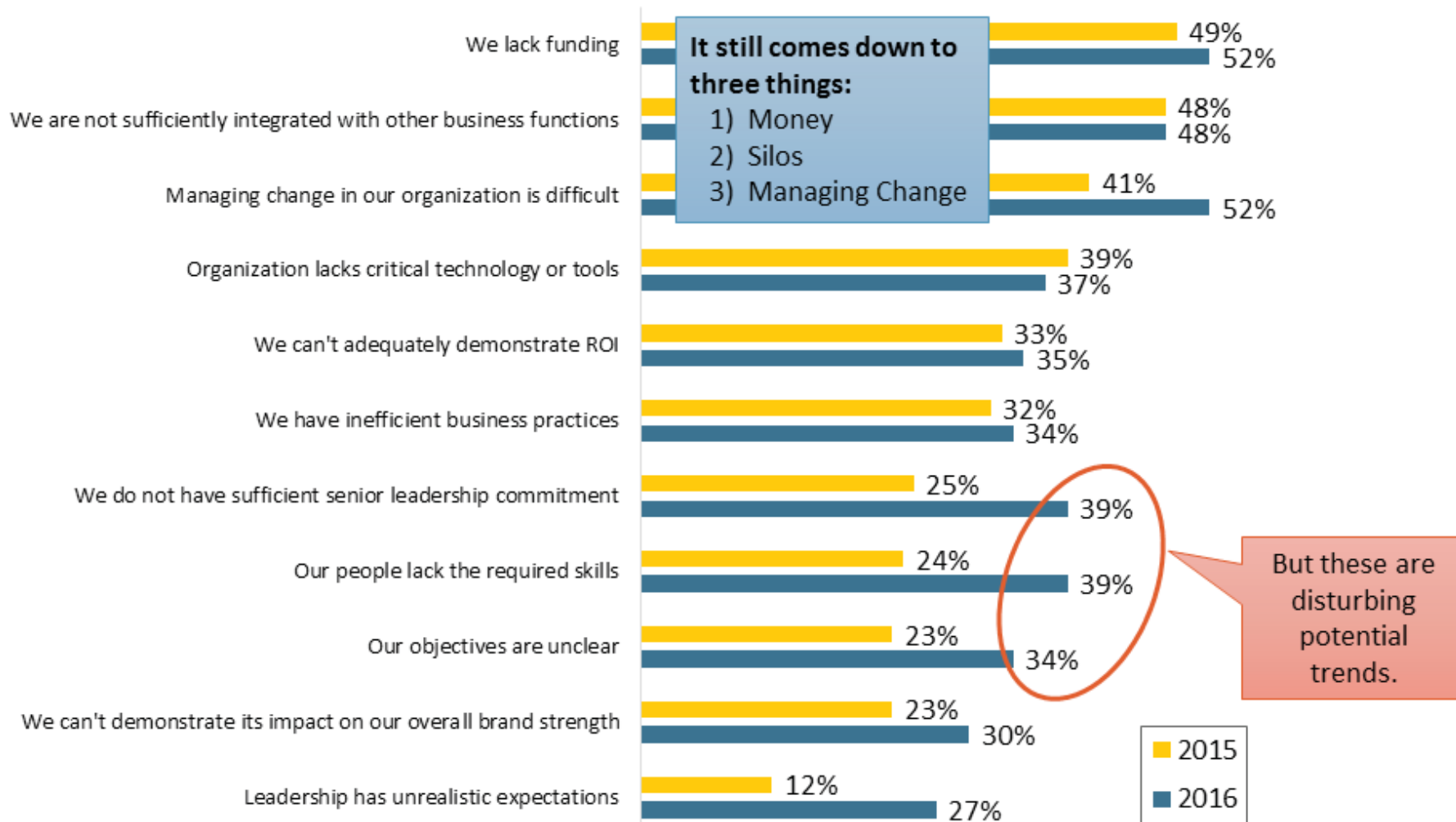


Driving Digital Transformation of the Healthcare Brand

Importance of a Strong Digital and Interactive Strategy in Building a Strong Brand Overall



Challenges/Barriers Affecting Digital Marketing Efforts



Overall Star Rating

	Overall Number of Stars Awarded to Website	Mean Score
2016 perceptions	★ ★ ★ ☆ ☆	3.39
2015 perceptions	★ ★ ★ ☆ ☆	3.27
*Benchmark	★ ★ ★ ★ ☆	3.77
**Leaderboard	★ ★ ★ ★ ☆	4.38+

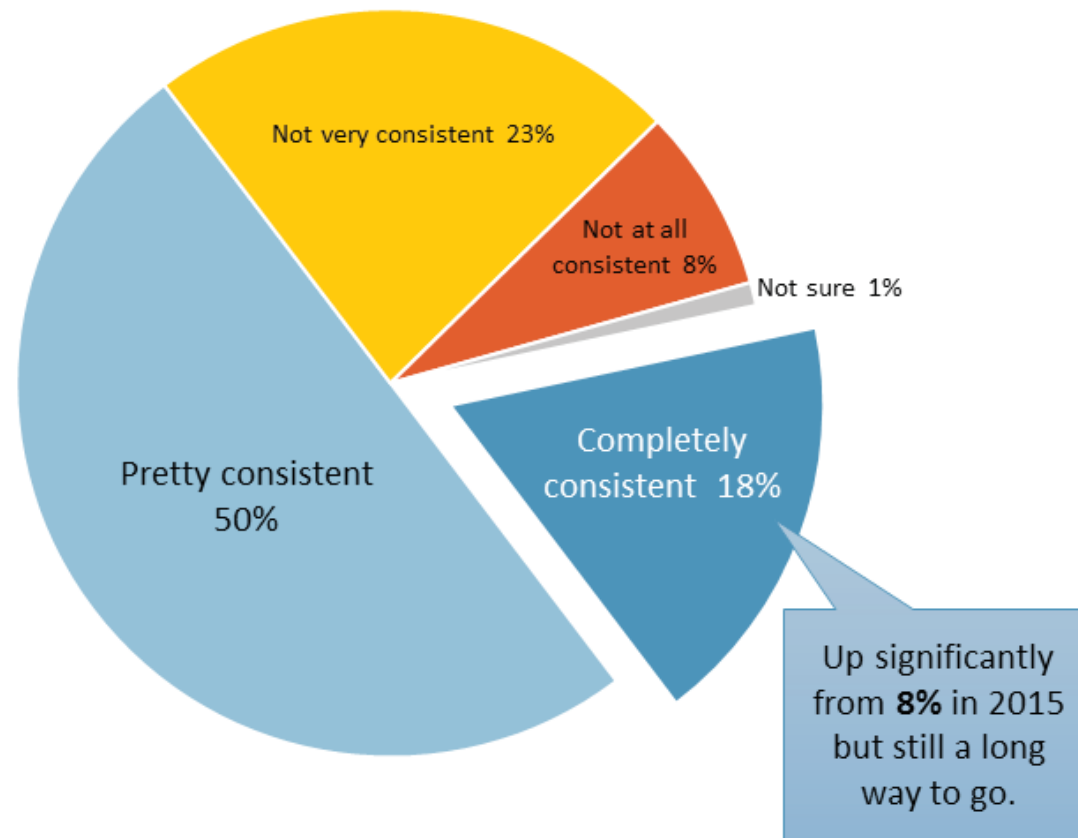
Confidence in their websites is growing but still lags far below how actual visitors rate their experiences.

Scores based on gSightSM, our online website experience survey

***Benchmark:** These are 'average' scores across all gSight studies combined.

****Leaderboard:** The Stars Leaderboard score is calculated based on those who want to return to the site because it was useful and feel the experience either re-affirmed or created new positive feelings towards the brand. Leading websites exceed the leaderboard metric.

Consistency of the Customer Journey Across Digital Platforms and Channels



MAPPING THE CUSTOMER JOURNEY



35%/49%↑
have mapped the **'Mobile'**
customer journey

46%/62%↑
have mapped the **'Digital'**
customer journey

The proportion of healthcare organizations that have mapped their mobile and digital customers' journeys has increased significantly. Mapping is the first step in understanding and optimizing the online customer experience.

Note: **2015/2016**

Website Market Research Conducted



50%/61%↑
conduct usability testing



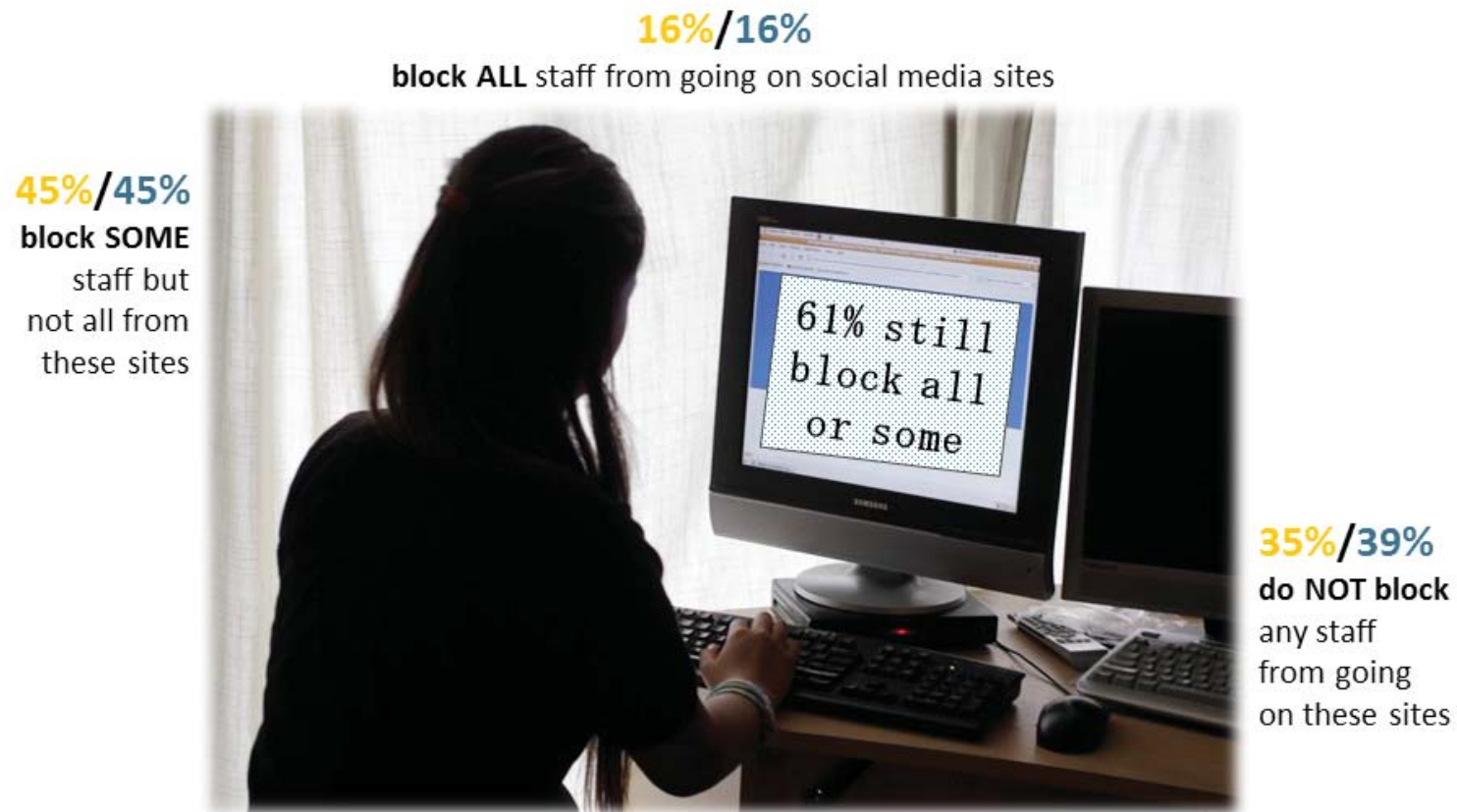
47%/57%↑
conduct Web visitor
experience research

Note: **2015/2016**

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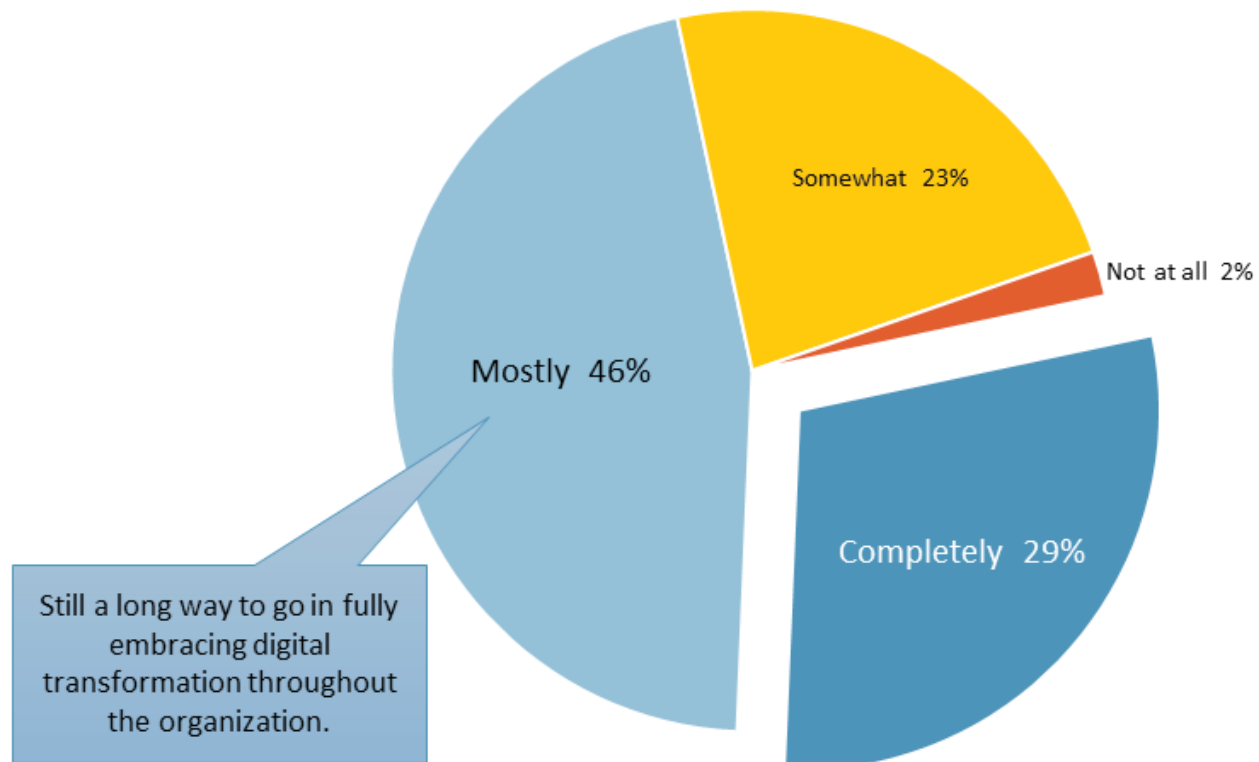
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Note: **2015/2016**

Organization is Embracing Digital Transformation



Note: New question in 2016 wave

Top-2 Pressing Issues in Healthcare Marketing



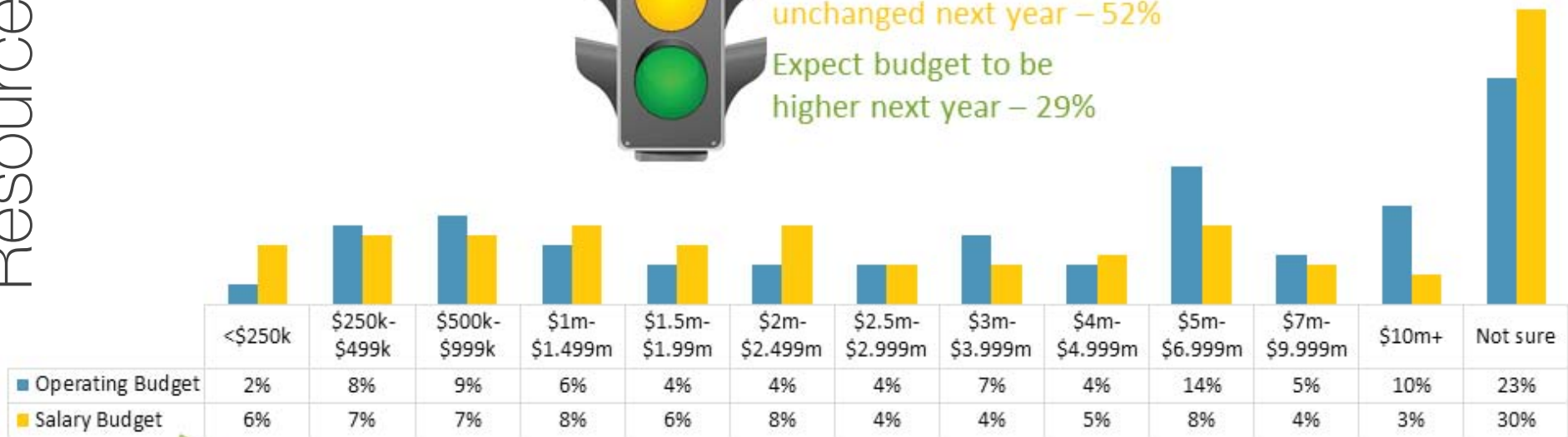
Note: New question in 2016 wave

Total [Operating & Salary] Marketing Budgets

Healthcare Marketing
Resources



Expect budget to be lower next year – 11%
Expect budget to be unchanged next year – 52%
Expect budget to be higher next year – 29%



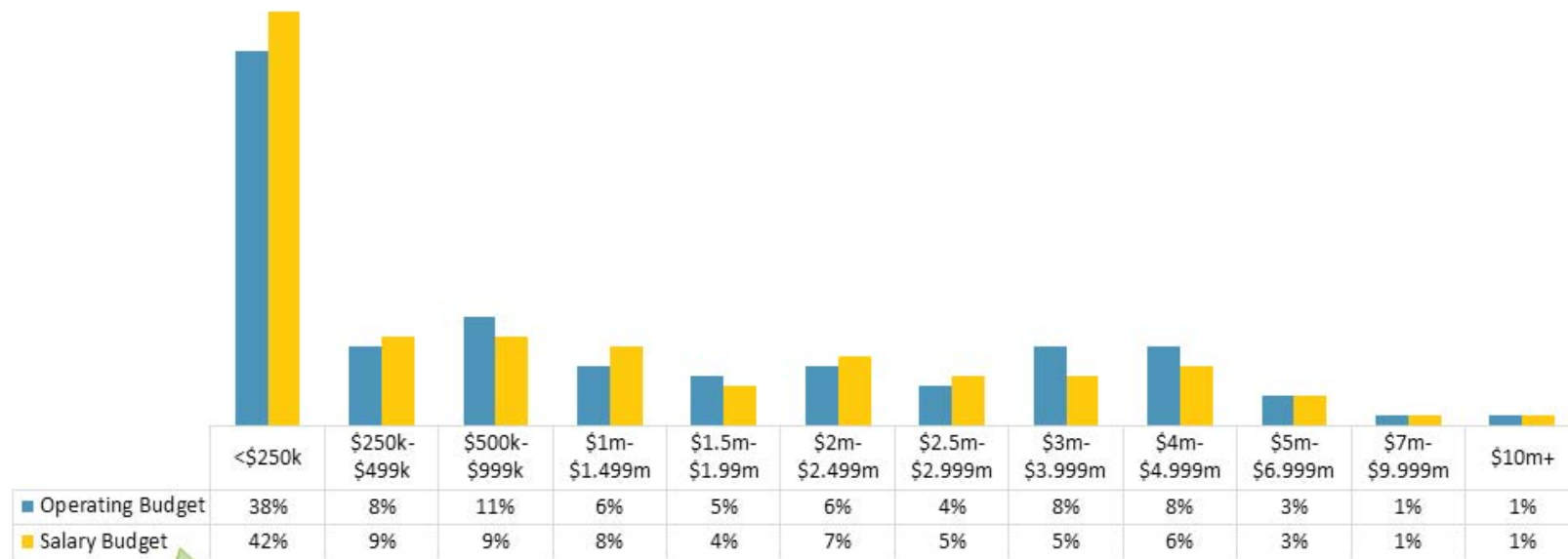
Median Operating Budget: \$3.1m
Median Salary Budget: \$2.1m

Total [Operating & Salary] Digital and Interactive Marketing Budgets



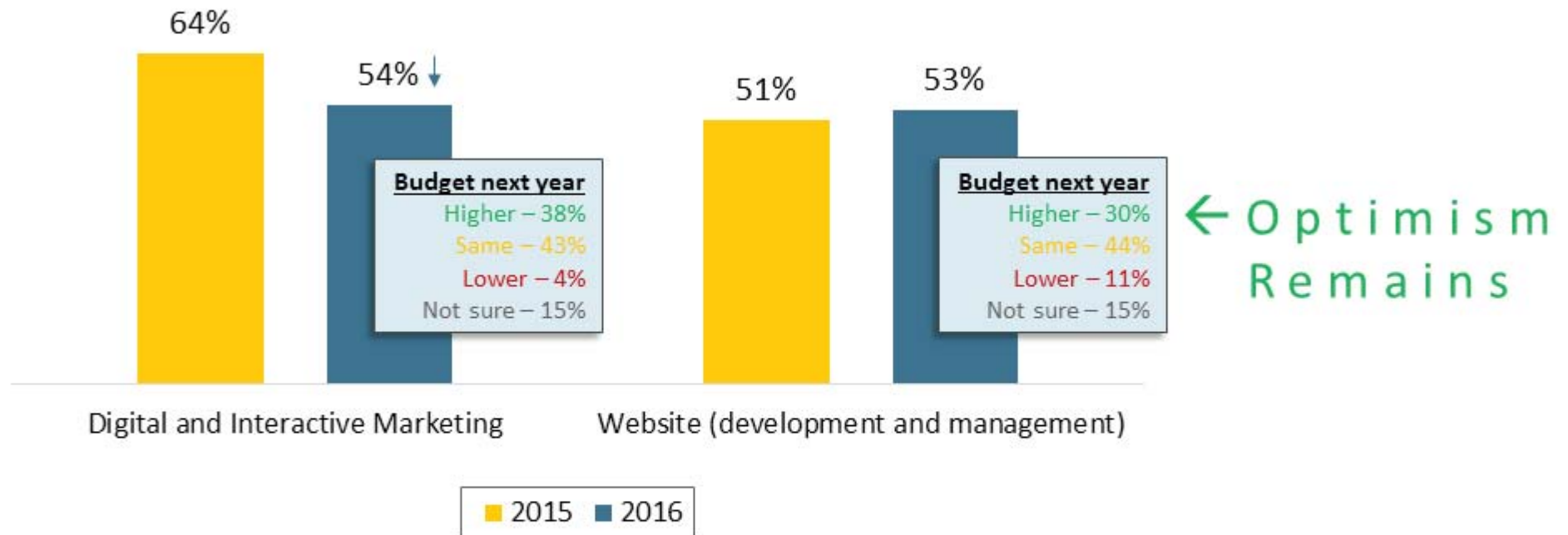
Median Operating Budget: \$950k
Median Salary Budget: \$700k

Total [Operating & Salary] Website Development Budgets



Median Operating Budget: \$640k
Median Salary Budget: \$468k

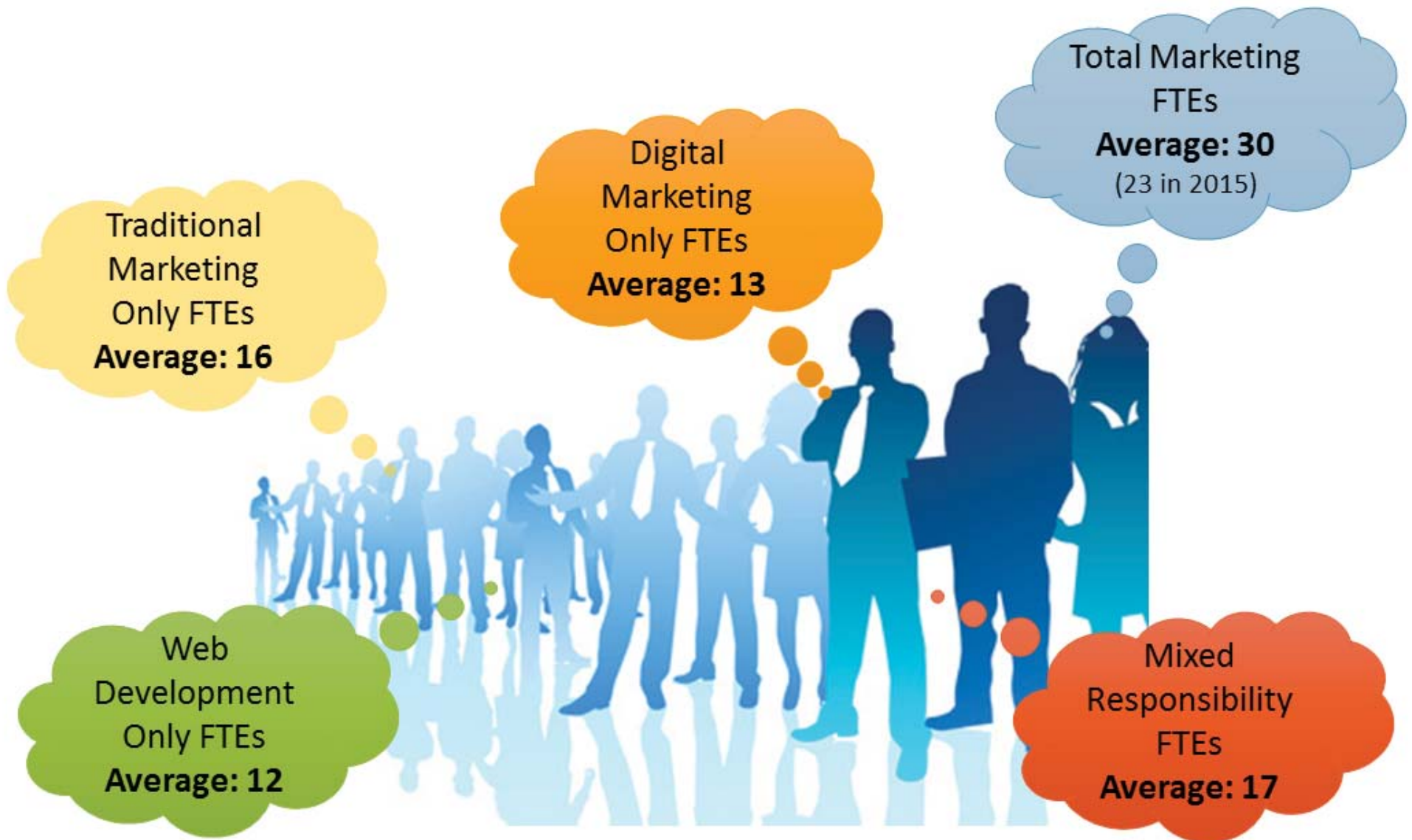
Budgets Part of the Overall Marketing Budget



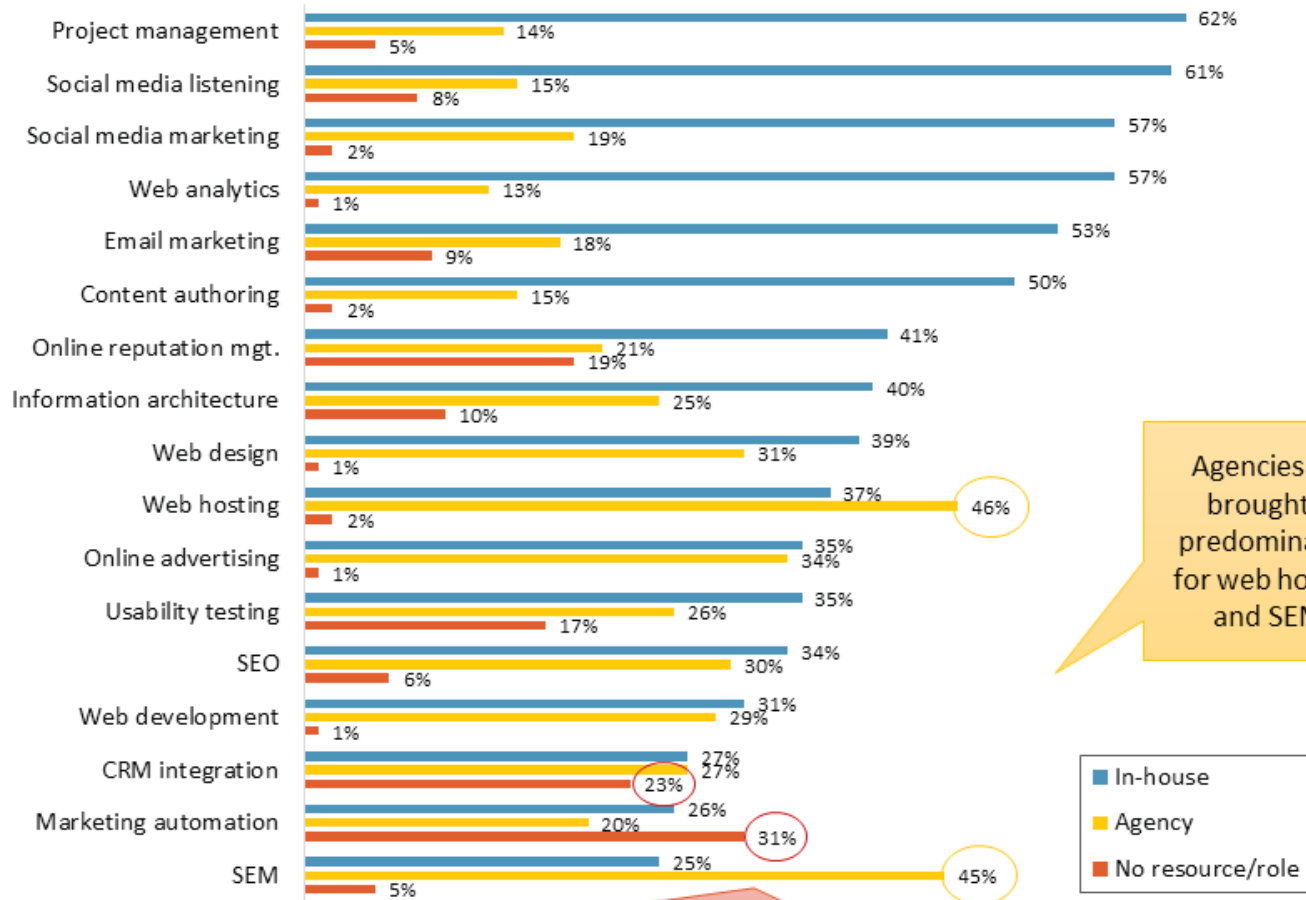
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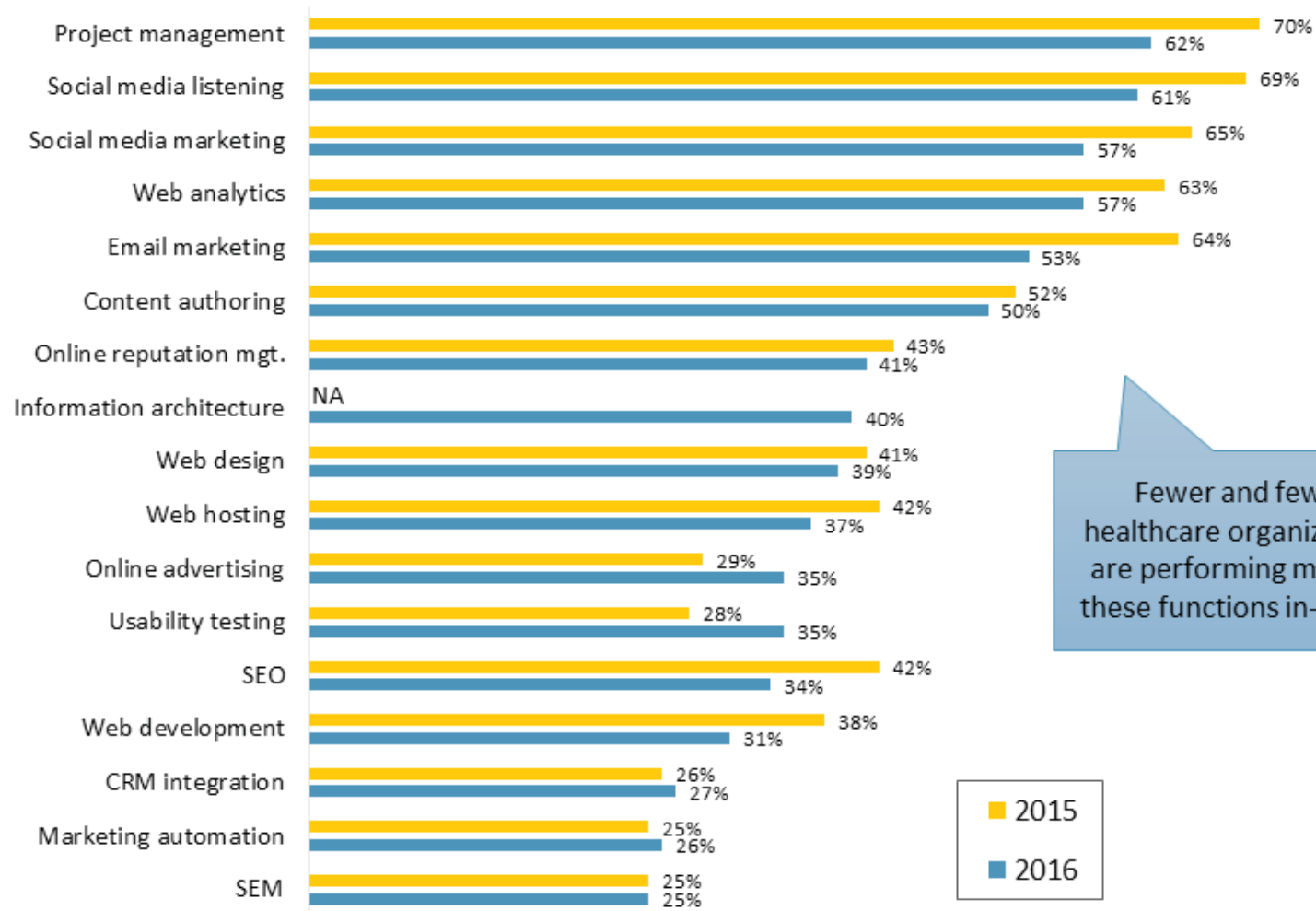
Web and Interactive Marketing Roles Performed...



Agencies are brought in predominantly for web hosting and SEM.

Digital roles less likely to have a resource include CRM integration and marketing automation. Recall that CRM is an area where these healthcare marketers feel least confident. However, these scores have improved since last year when 49% didn't have a marketing automation resource and 39% didn't have resources for CRM.

Web and Interactive Marketing Roles Performed **In-house** - trended



Greystone.Net

Founded in 1996, Greystone.Net provides education, consulting services and products that are the innovation through which we build skills and capabilities and develop knowledge capital for healthcare organizations. We were formed with a vision of how both classic and interactive marketing techniques could transform the way healthcare organizations interact with patients, consumers, physicians, employees and others. Throughout its history, Greystone has expanded its offerings and capitalized on evolving trends and technologies to benefits its clients. We have worked with hundreds of hospitals and health systems as they strive to develop, implement and integrate interactive marketing strategies. Learn more at www.greystone.net.

About Klein & Partners

The objective of any brand that strives to be strong is to “acquire and retain customers more efficiently and profitably than competitors over the long-term.” These two elements of a single strategy are brought to life through an effectively communicated brand promise (i.e., patient acquisition) and the effective internal operationalization of the brand promise by creating a strong brand experience (i.e., patient retention). All of Klein & Partners’ quantitative and qualitative research and consulting services are geared toward improving your brand’s overall health; whether it is in providing information that helps your brand increase its share of new patients or increase its retention of existing patients or even improve current patients’ level of interaction (i.e., share of experience) with the brand... **because it’s all brand research.**

A knowledge leader you can trust: Rob Klein, Founder & CEO, is a recognized expert in healthcare market research and brand management. His focus on staying abreast with developments in healthcare, brand management, and market research ensures information that will keep you one step ahead of the competition. When you work with Klein & Partners, there is no language barrier. You can be assured of strategic and tactical counsel well beyond the numbers.

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