

The 3rd Annual State of Digital Healthcare Marketing Report – 2017



klein & partners

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Executive Summary

Highlights from the Survey

Executive Summary

This report shares the results of the 3rd Annual Healthcare Digital Marketing Survey administered by Greystone.Net and Klein & Partners. It provides valuable insight for CEOs, CMOs, web leaders, digital managers and others involved in healthcare marketing to assess the current state of their organizations' digital efforts, look at future plans and compare themselves to their peers.

Digital marketing is growing in importance and sophistication in healthcare. This survey is designed to measure the effectiveness of digital marketing in healthcare, and to help identify trends and challenges faced by the industry. The results represent an effort to better understand the state of digital marketing in healthcare.

The Healthcare Marketing Leadership Index is included again this year, in which survey respondents graded the effectiveness of their own marketing efforts in the areas of CRM, social media, website strategy and development and digital marketing.

Key Takeaways

- ❑ The results of the Healthcare Marketing Leadership Index suggest marketers are more confident in their website strategies, but grade their efforts in social media and digital marketing about the same as last year.
- ❑ Some newer digital marketing tools (marketing automation, programmatic buying and geo-fencing) have become more popular, while other tools (SMS/text messaging, dark posts on Facebook, real-time marketing) are being used less.
- ❑ Facebook and Google AdWords are by far the most-used online advertising tools by healthcare marketers, becoming even more dominant since the 2016 results.
- ❑ Most healthcare marketers are using social media to some degree, with Facebook, YouTube and Twitter being the top three social platforms.
- ❑ Nearly six in ten (57%) healthcare organizations have a customer relationship management (CRM) system, but only 12% report that their CRM and website(s) are well integrated.
- ❑ Among those currently without a CRM, 37% plan to implement a CRM within the next 12 months.

Key Takeaways, *cont'd.*

- ❑ **The top four CRM uses reported by healthcare marketers were list pulls (70%), ROI reporting (66%), campaign management (65%) and list management (64%).**
- ❑ **Conversions are the most commonly-used metric to measure CRM ROI.**
- ❑ **Almost half of healthcare marketers (47%) saw a 7-12 month or longer period to reach a largely-functioning CRM.**
- ❑ **Healthcare marketers are showing signs of frustration with their CRM efforts.**
- ❑ **While customer service is fairly strong for CRM, demonstrating value and effectiveness remain a challenge, and this is what is driving down the overall experience:**
 - Customer service (22% excellent, 22% very good)
 - Value defined as cost versus benefit (10% excellent, 23% very good)
 - Effectiveness at reaching organizational goals (8% excellent, 28% very good)
 - Overall experience (8% excellent, 30% very good).

Key Takeaways, *cont'd.*

- ❑ Only 19% of healthcare marketers currently use their CRM to support population health initiatives, but over one-third plan to do so in the next 12 months.
- ❑ Only 29% said their CRM and CMS systems are integrated.
- ❑ Healthcare organizations employing marketing automation use it primarily for streamlining the email process and creating relationships through engagement marketing and nurturing prospective customers.
- ❑ Google AdWords is by far the most commonly-used SEO tool among healthcare marketers (75%).
- ❑ Fewer organizations than last year are planning to change or upgrade their CMS platform or redesign their website or intranet in the coming year.
- ❑ The most common new/emerging website functionalities are online class/event registration and online bill pay. And our gSight web experience results have shown that bill paying is the biggest pain point for visitors.

Key Takeaways, *cont'd.*

- ❑ **Almost 70% said their organization's website is fully responsive in design, which is the same as last year. But still, that means fully 30% of hospital websites are not prepared to take advantage of the rapidly-growing mobile population and are missing many opportunities to better connect with potential visitors.**
- ❑ **Almost half (47%) of these organizations' website visitors use mobile to access their sites.**
- ❑ **When it comes to advanced digital marketing activities, live streaming has increased from last year, but all other advanced digital marketing activities (VR photography, IoT, wearables, etc.) have retreated from last year's report.**
- ❑ **The top marketing efforts considered to be essential or very important to a healthcare organization are public-facing websites, mobile responsiveness of digital properties and social media accounts.**
- ❑ **Healthcare marketers' confidence in managing a crisis continues to decline, and they also have less confidence in improving community relations.**

Key Takeaways, *cont'd.*

- ❑ Almost 70% said that a strong digital and interactive strategy is essential to building their brand, which is up from last year (61%).
- ❑ The top two challenges affecting digital marketing efforts are lack of staffing and lack of funding.
- ❑ Three-quarters of healthcare marketers expect their *total* marketing budgets to either stay the same or increase next year.
- ❑ With regard to staffing, there is a distinct shift in staffing skills needed – from traditional and mixed responsibility staff – to staff with more digital and web development-focused skills (i.e., departments are beefing up their digital and web teams).

Introduction

What We Did and Why

Introduction

As the healthcare environment has changed, so have healthcare consumers and healthcare marketers. Factors such as increasing costs, health insurance insecurity and a greater desire for wellness have changed the behavior of consumers when it comes to seeking healthcare services. In addition, changes and improvements in communications technology have changed the way consumers interact not only with healthcare providers but with most all businesses and organizations.

As a result, marketers have had to employ strategies to engage with consumers in the manner in which they want to be engaged in order to acquire and retain them as customers. This survey is part of an effort to better understand how healthcare marketers are reaching out to actual and potential customers.

Greystone.Net and Klein & Partners first developed and administered a survey to assess the state of digital marketing in the healthcare space in 2015. The results of that survey were reported in The State of Digital Marketing in Healthcare in 2015, a white paper released in November 2015. The survey was repeated and expanded in 2016, and included the Healthcare Marketing Leadership Index for the first time.

Introduction, *cont'd.*

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 240 respondents to the 2017 survey – 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) – who provided answers on their current use of digital marketing and their expectations for 2018.

This report analyzes and discusses the results from this 3rd 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.

About the Survey

Methodology and Survey Demographics

About the Survey

Survey Methods

The survey was comprised of 74 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 Survey Monkey to healthcare organizations from **June 27-July 19, 2017**. During this time, the survey was completed by 240 healthcare marketing professionals. As an incentive to participate in the survey, participants were offered a \$10 Starbucks gift card for completing the survey.

Survey Respondents Demographics

There were 240 unique responses to the Healthcare Digital Marketing Survey. Respondents came from 38 states and the District of Columbia in the United State.

The table on the following page describes the respondents in this study.

Demographic Profile

| Demographics | 2015 Benchmark | 2016 Wave II | 2017 Wave III |
|--------------------------------------|----------------|--------------|---------------|
| Organization Type | | | |
| Health system | 47% | 47% | 38% |
| AMC | 21 | 25 | 23 |
| Community hospital | 11 | 15 | 26 |
| Children's hospital | 6 | 5 | 5 |
| Cancer center | 2 | 1 | 3 |
| #Beds | | | |
| <200 | 20% | 15% | 20% |
| 200-499 | 19 | 21 | 26 |
| 500-999 | 29 | 27 | 25 |
| 1,000+ | 32 | 37 | 29 |
| Title | | | |
| Director of Marketing | 14% | 15% | 14% |
| Chief Marketing Officer | 5 | 14 | 3 |
| Marketing Manager | 13 | 13 | 18 |
| VP of Marketing | 8 | 10 | 8 |
| Dir of Interactive/Digital Marketing | 12 | 9 | 10 |
| Web Manager | 16 | 8 | 10 |
| Chief Digital Officer | 0 | 5 | 1 |
| Director of Web Services | 5 | 3 | 5 |
| Webmaster | 6 | 3 | 3 |
| Chief Experience Officer | 0 | 3 | 1 |
| Other | 21 | 15 | 28 |
| 11+ years in healthcare | 47% | 47% | 47% |
| 40+ years old | 64% | 48% | 66% |
| Female | NA | NA | 63% |

The size differences in healthcare organizations from last year to this year may partially account for some of the score changes.

What We Learned

Detailed Survey Results

Healthcare Marketing Leadership Index

As part of 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

The chart on the following page details the Leadership Index results.

How Healthcare Marketers Grade Their Efforts in...

A 4.00

B 3.00

C 2.00

D 1.00

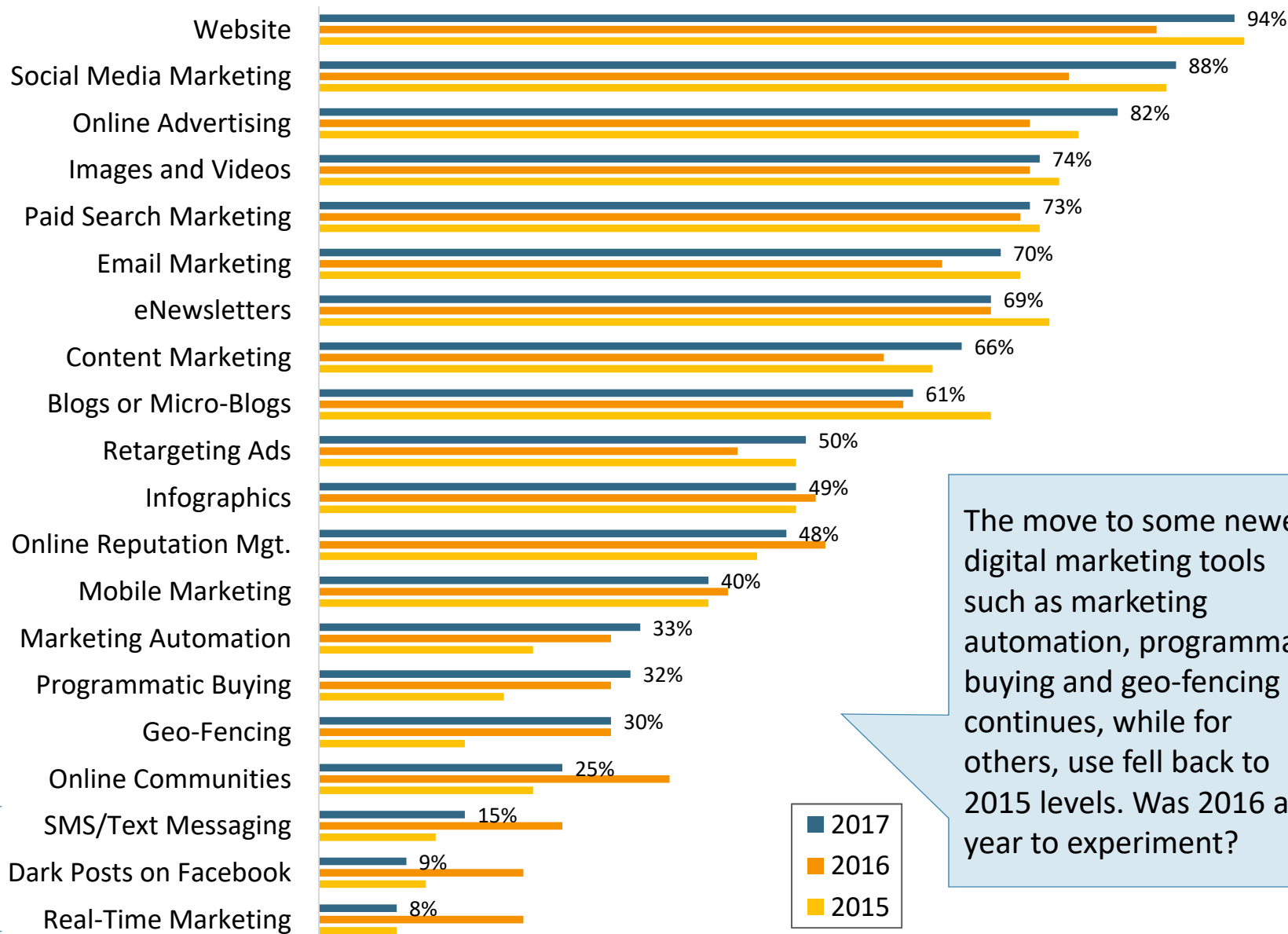
F 0.00

Healthcare marketers are losing confidence in their CRM efforts. As a note, this is also reflected in the anecdotal frustrations we are hearing from clients and colleagues.

| | 2016 | 2017 |
|-------------------|------|--------|
| CRM | 2.75 | 2.50 ↓ |
| Social Media | 3.18 | 3.17 |
| Website Strategy | 3.07 | 3.14 |
| Digital Marketing | 3.02 | 2.97 |

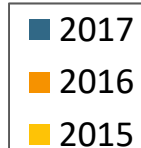
Online and Digital Marketing Techniques Used

Currently Used Online/Digital Marketing Techniques

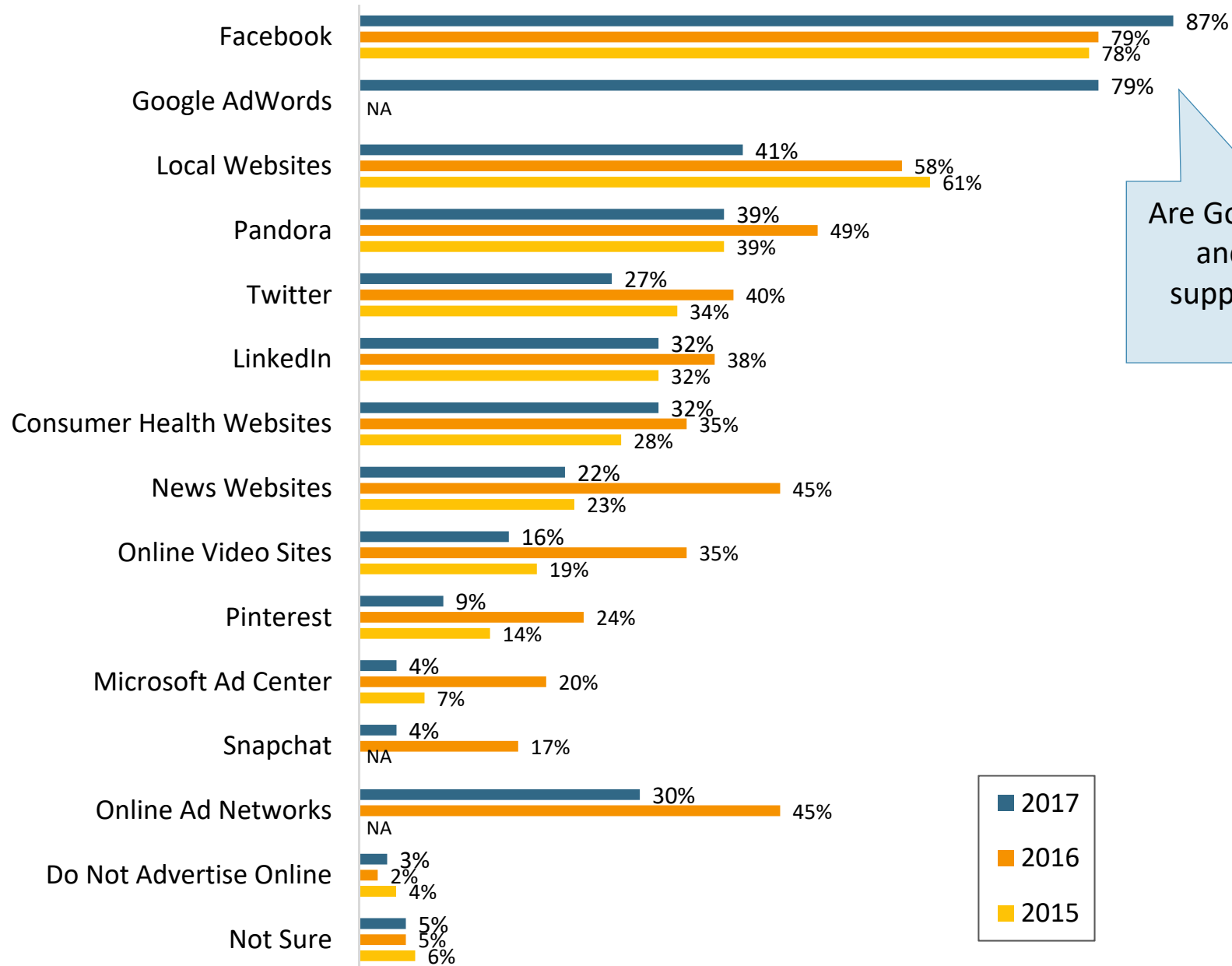


Is the decline due to ROI, complexity or something else?

The move to some newer digital marketing tools such as marketing automation, programmatic buying and geo-fencing continues, while for others, use fell back to 2015 levels. Was 2016 a year to experiment?



Online Advertising Used In Healthcare

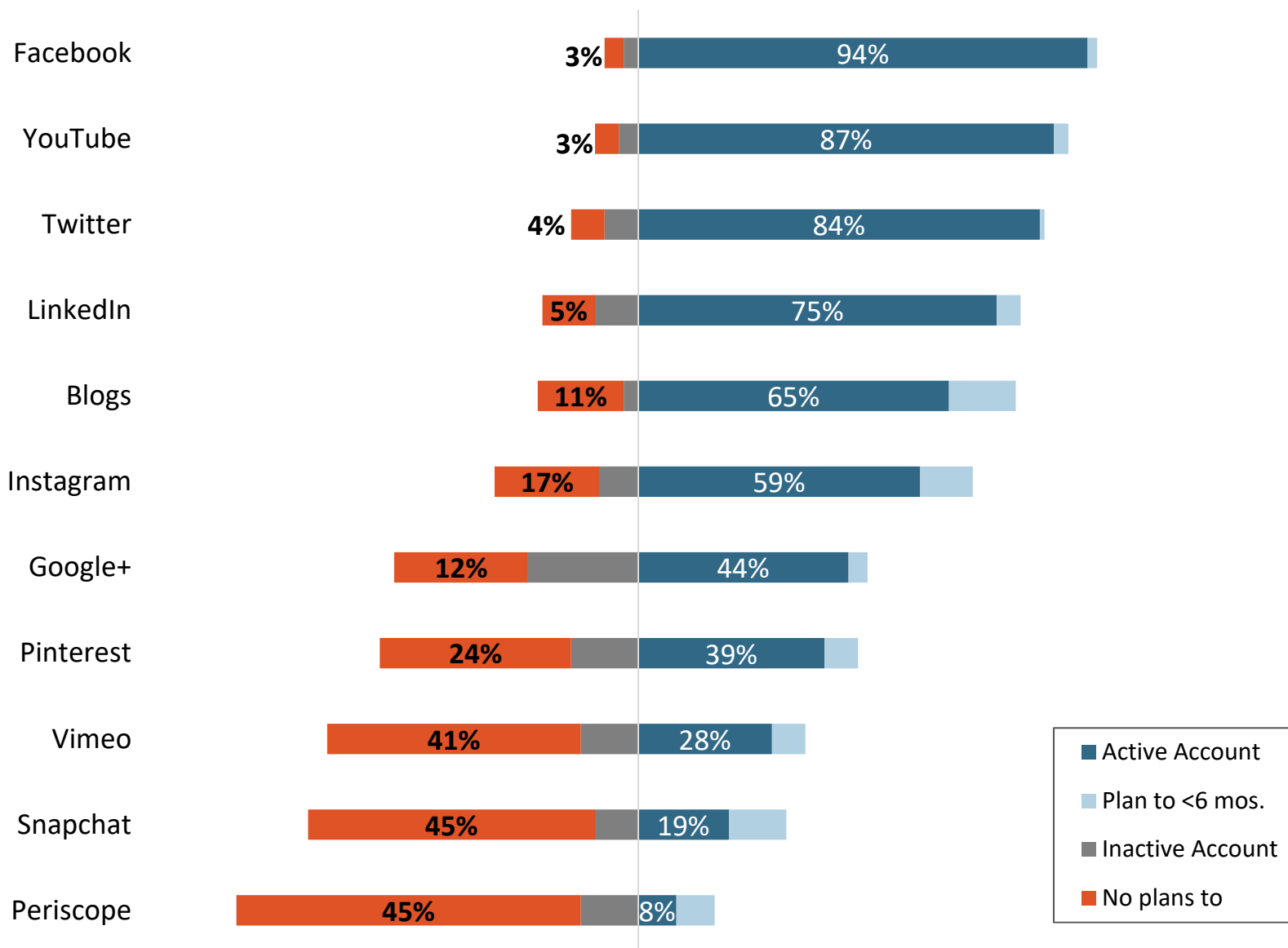


Are Google AdWords and Facebook supplanting other efforts?

■ 2017
■ 2016
■ 2015

Social Media Channels

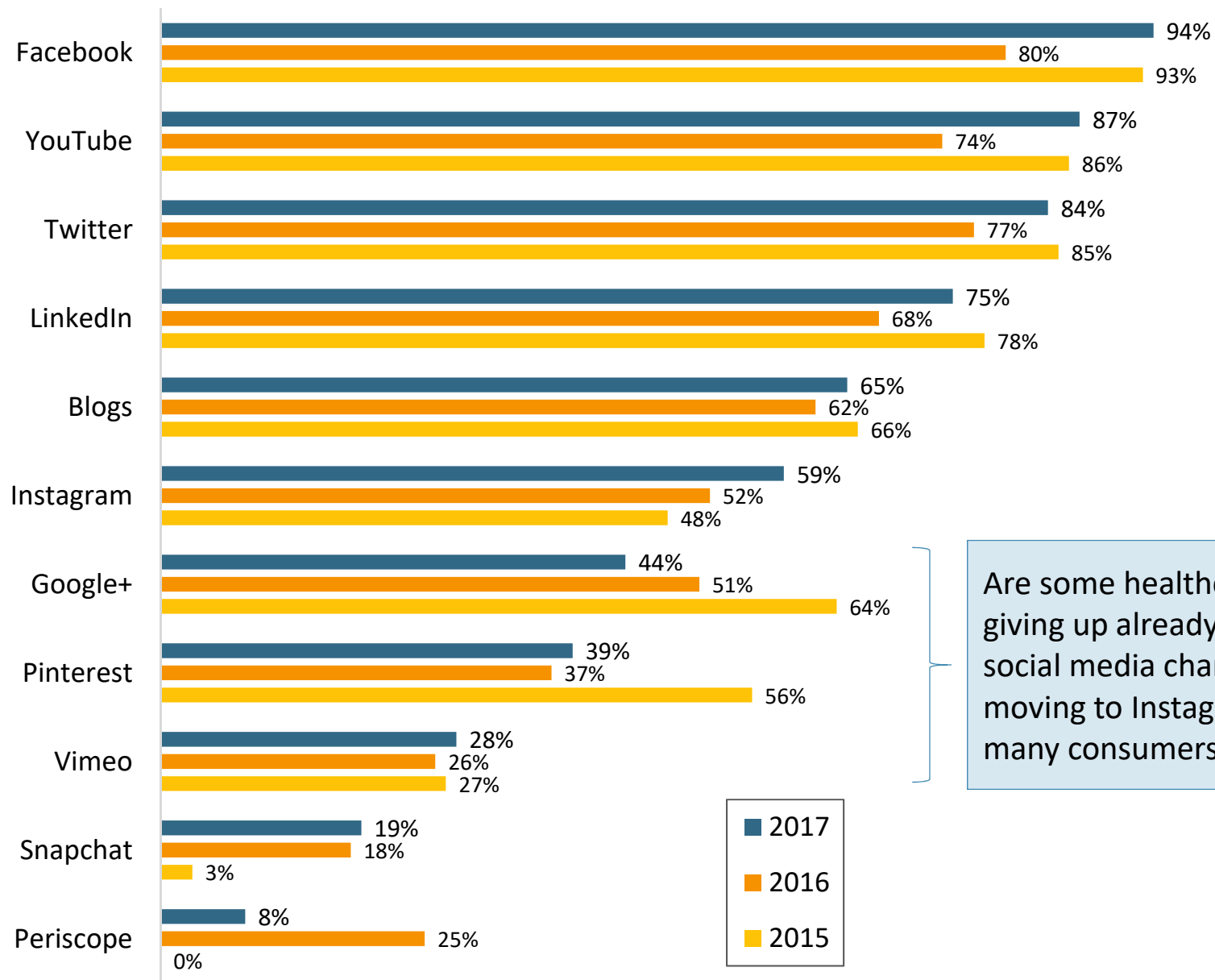
*They Either Are **Doing It Already** or **Are Not Going To***



Note: Data are from the 2017 wave

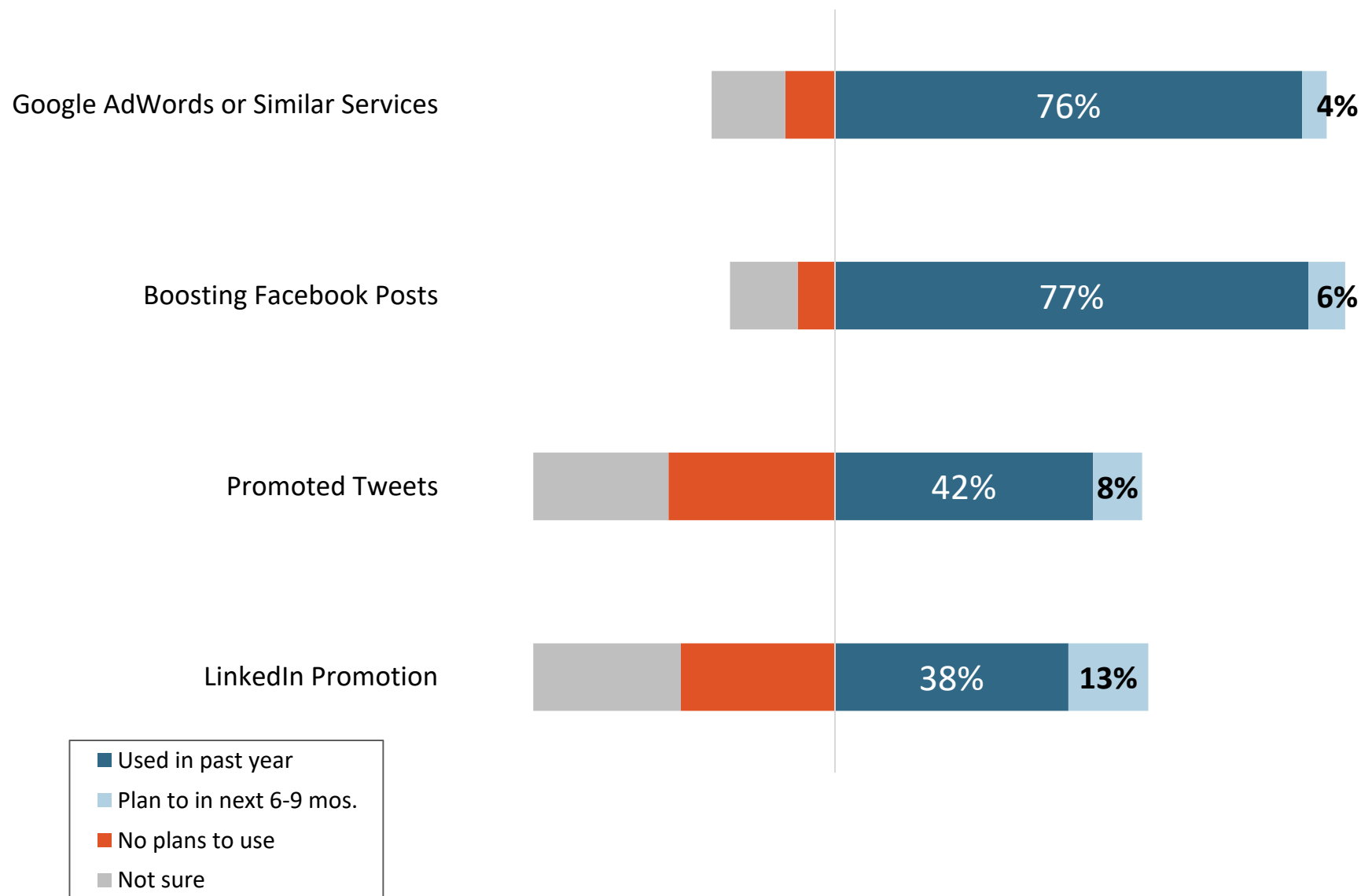
Active Social Media Channel Accounts

Trended Data



Are some healthcare marketers giving up already on these social media channels? Or, just moving to Instagram like so many consumers?

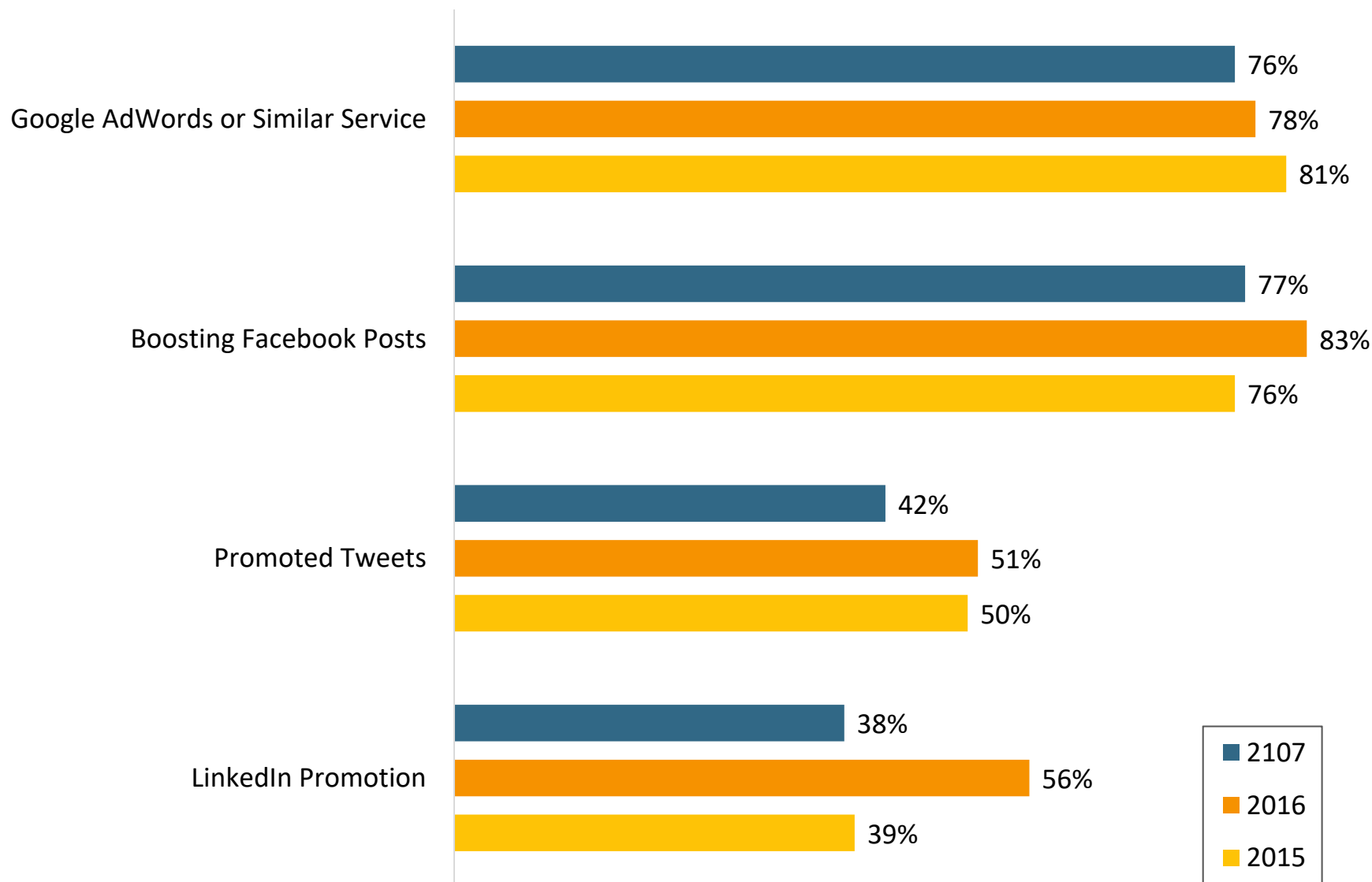
Online Advertising Techniques Used in Healthcare



Note: Data are from the 2017 wave

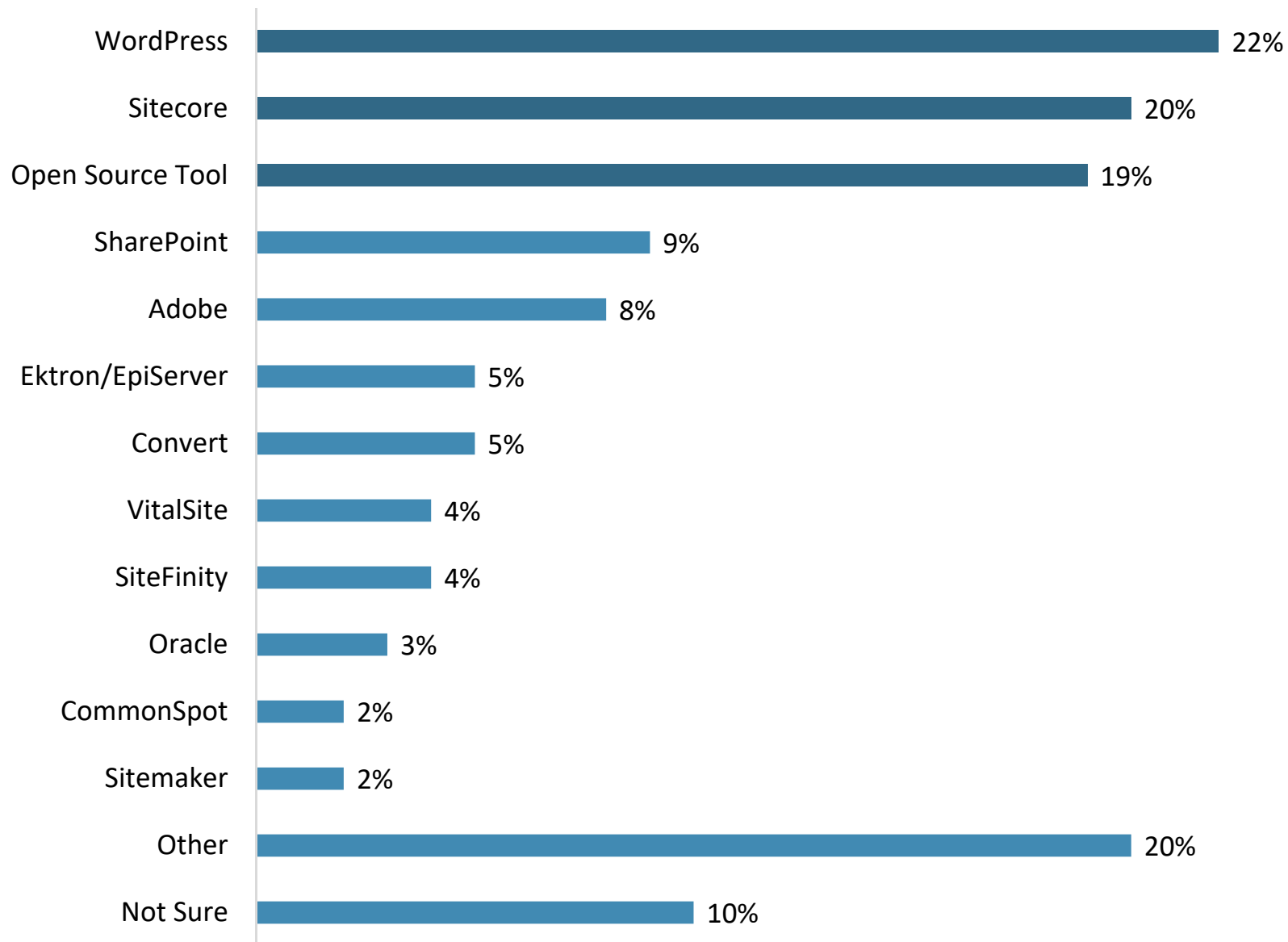
Online Advertising Techniques Used in Healthcare

Trended Data

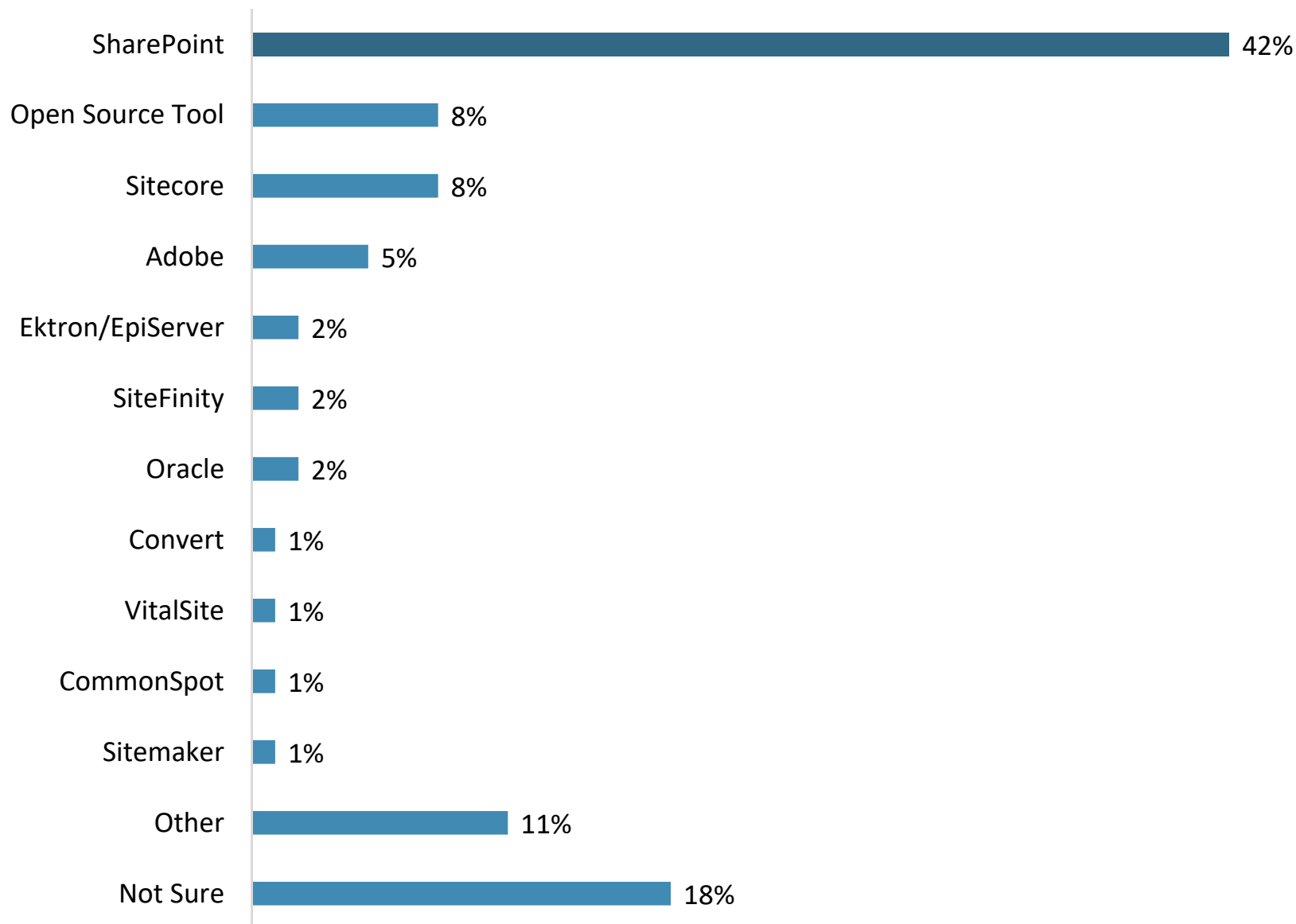


CMS, CRM and Marketing Automation

CMS Software Used to Support Website in 2017



CMS Software Used to Support Intranet in 2017

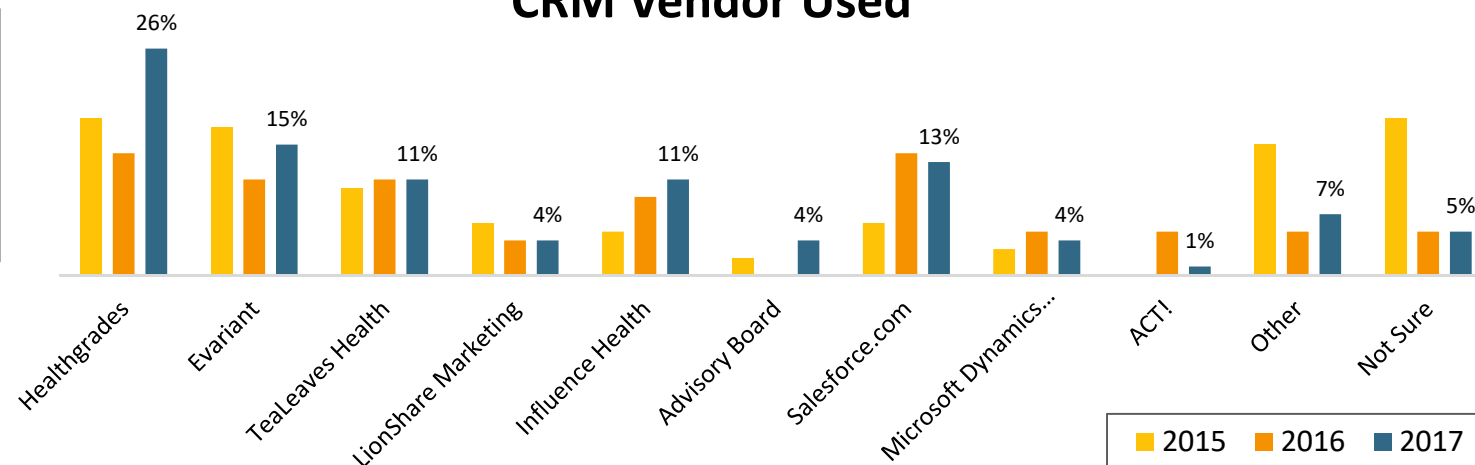


50%/65%/57%

Have a CRM
System

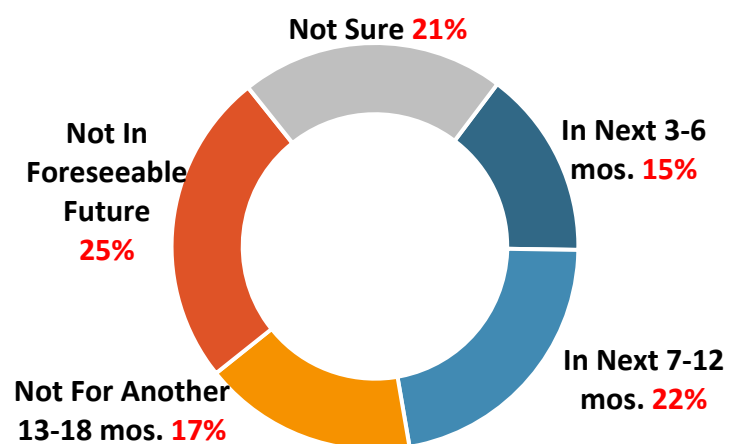
Note: 2015/2016/2017

CRM Vendor Used

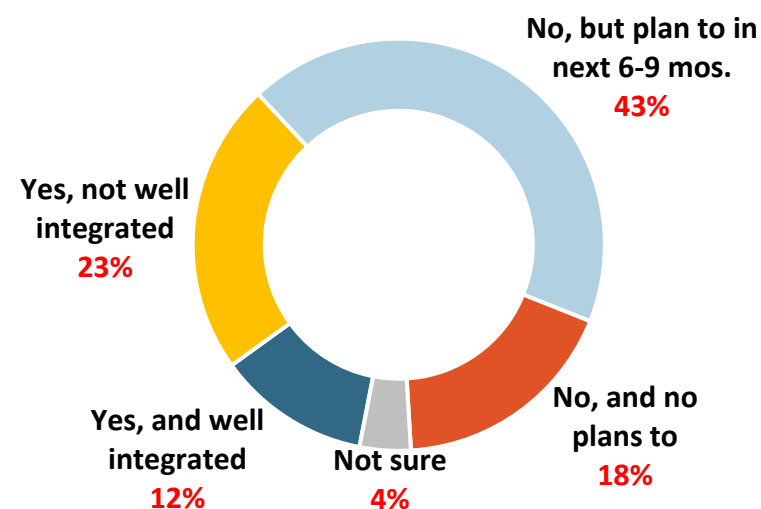


Plans to Implement CRM

(Among The 43% Without CRM)

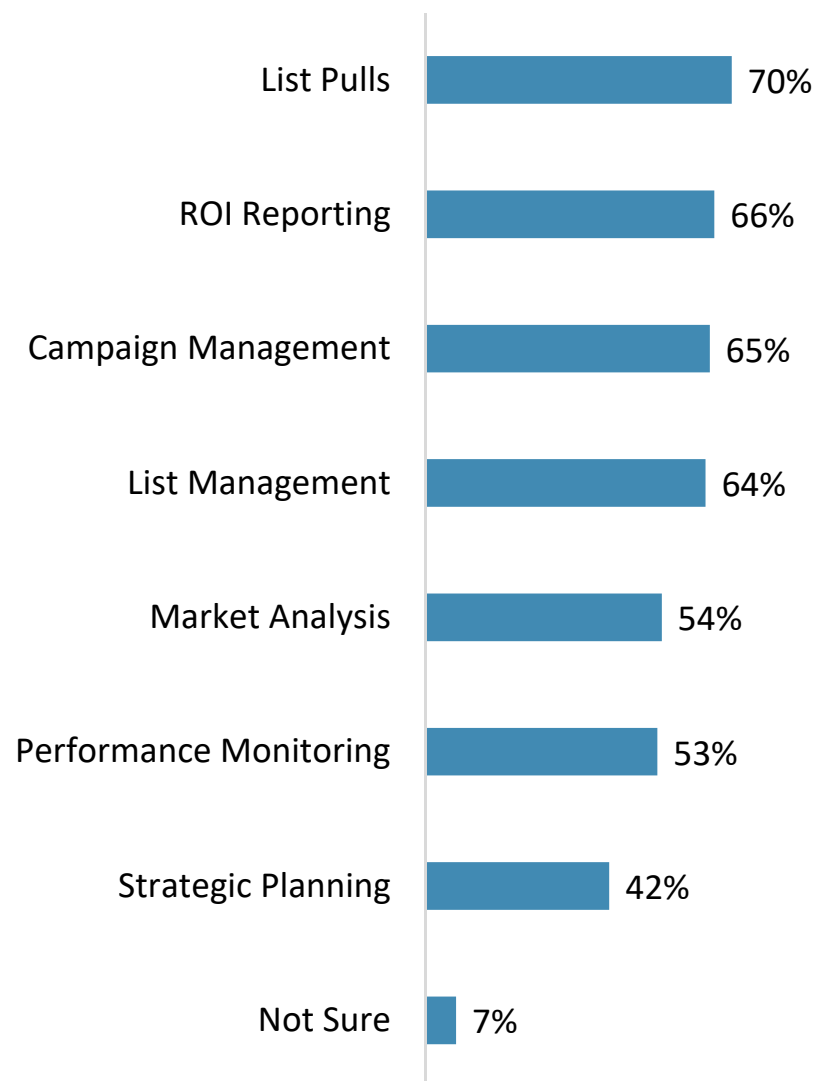


Website and CRM Integrated

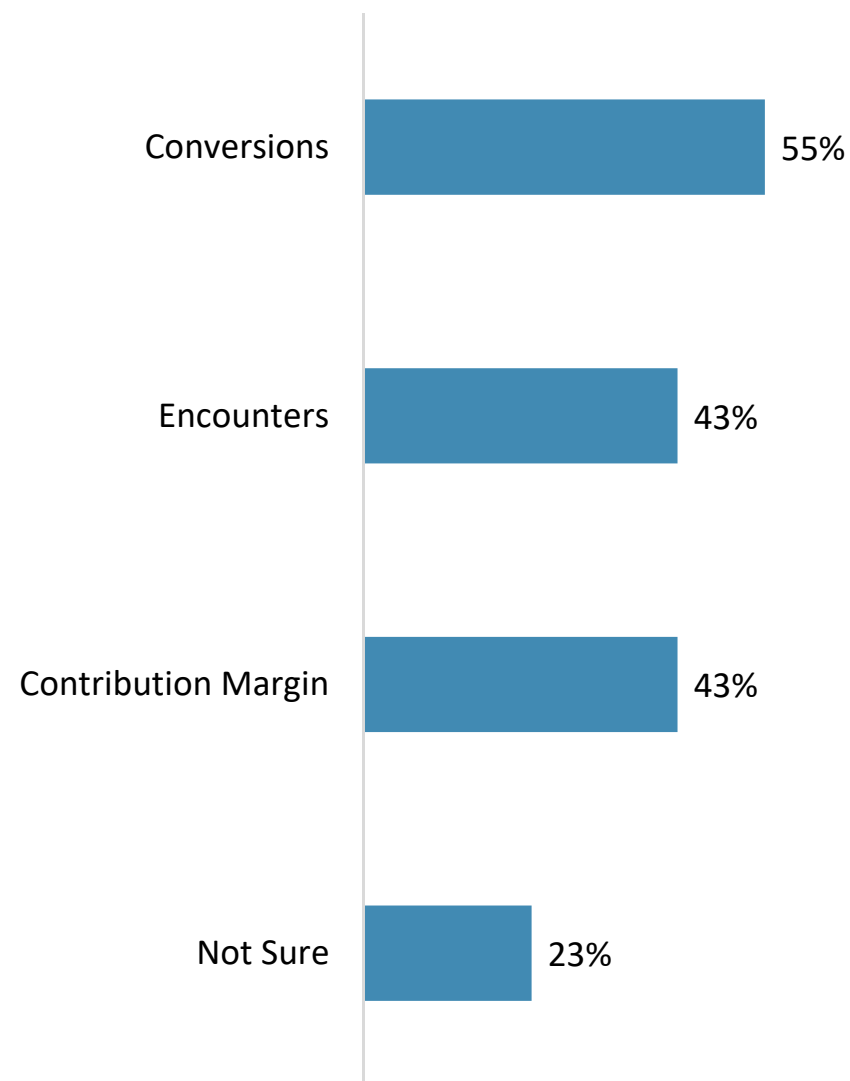


How CRM Is Being Used in Healthcare

Use Our CRM System for...



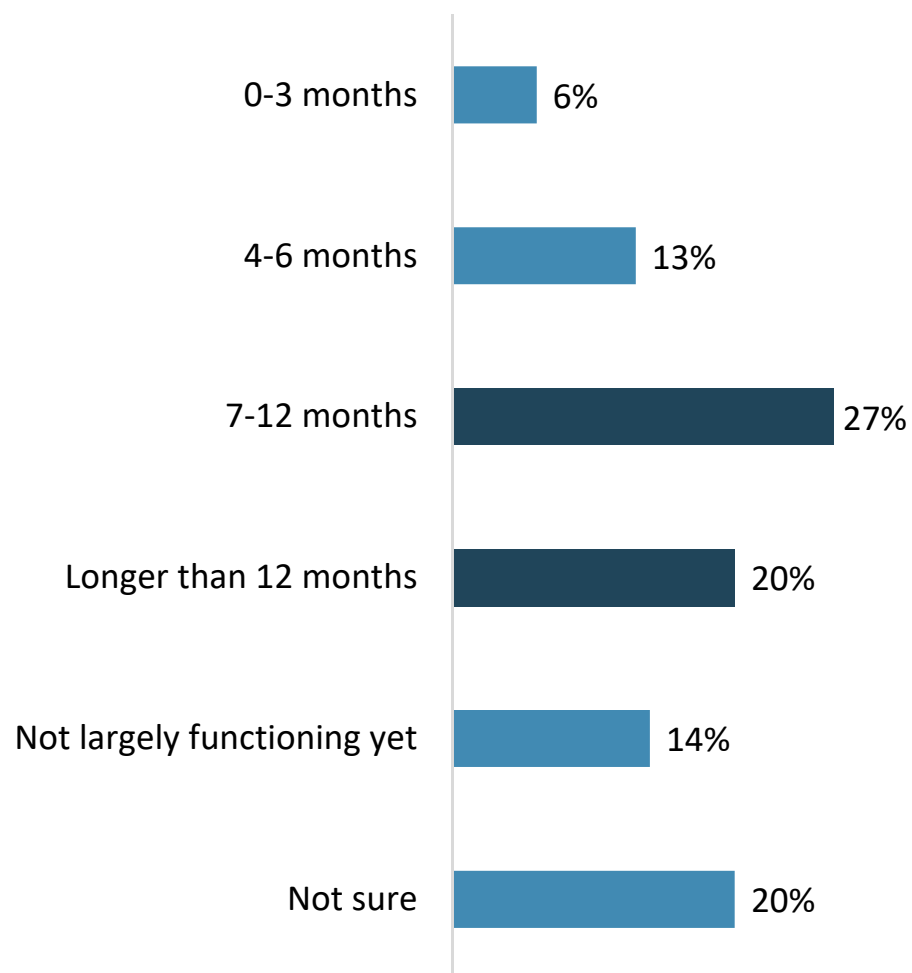
Metrics to Measure CRM ROI



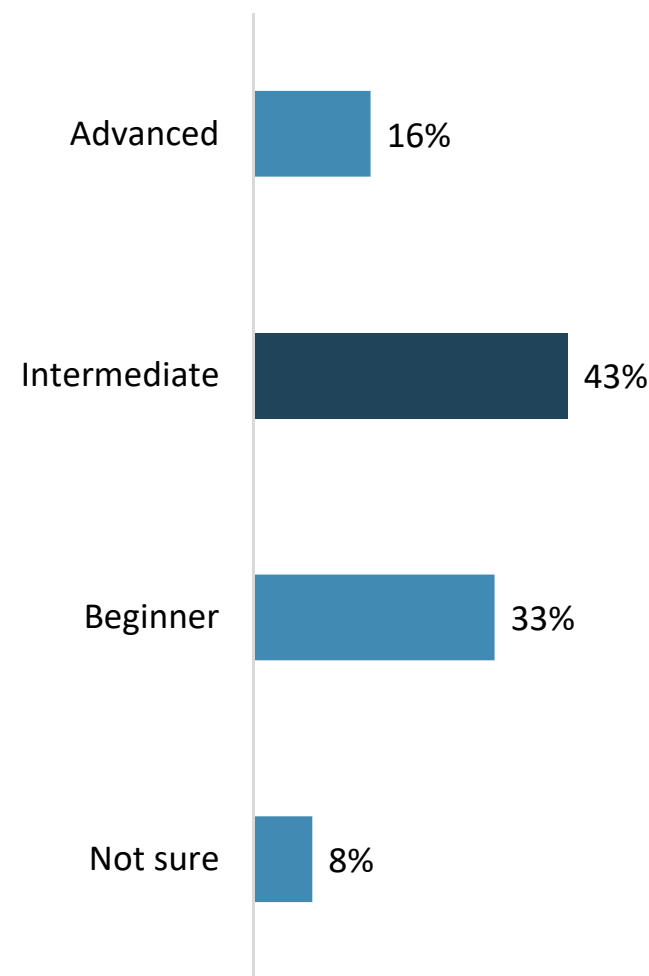
Note: New question in 2017 wave.

CRM Integration to Organization

Time It Took to Reach a Largely Functioning CRM



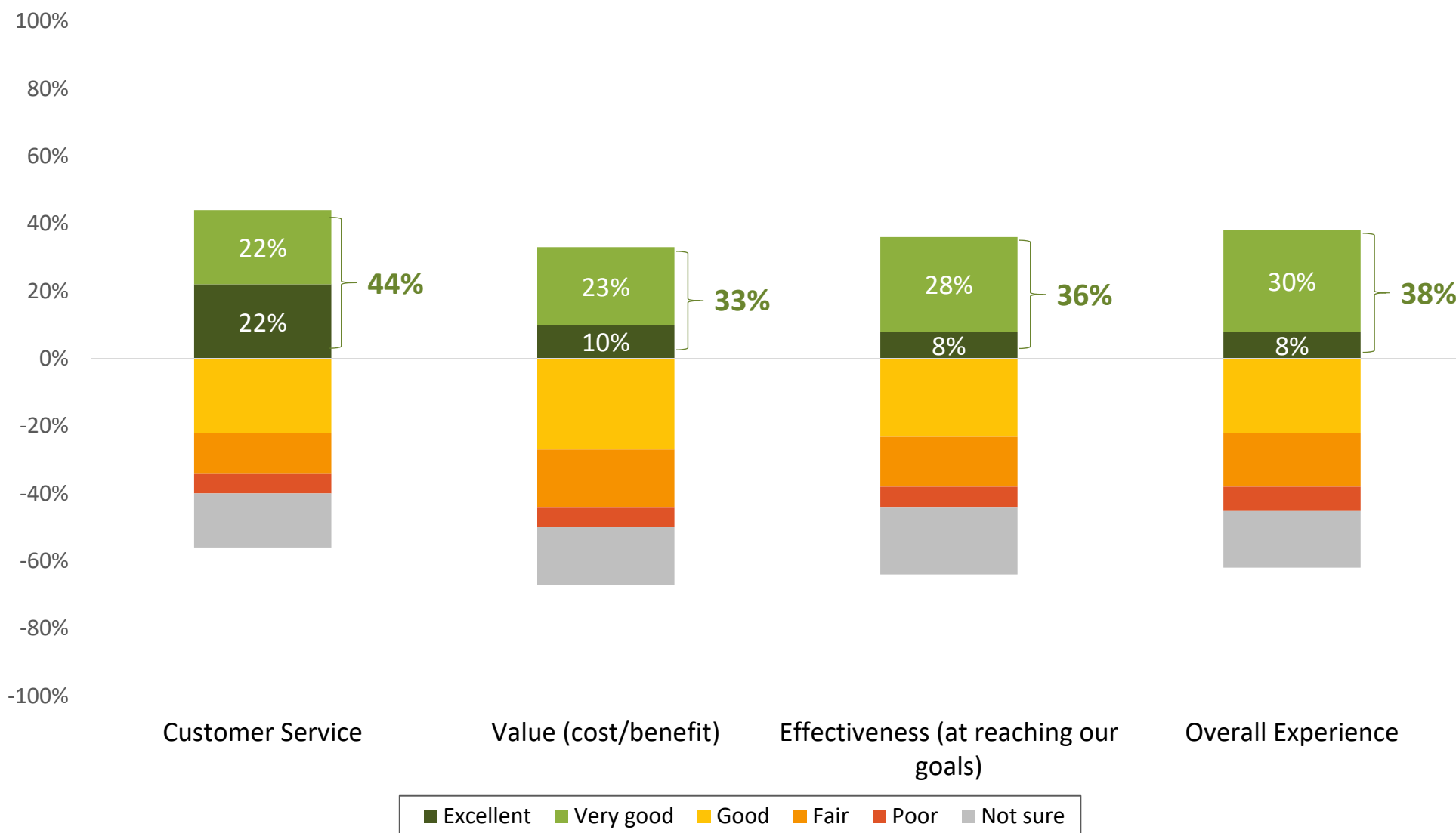
Organization's Level of CRM Deployment



Note: New question in 2017 wave.

CRM Experience – Good Service, Not So Effective

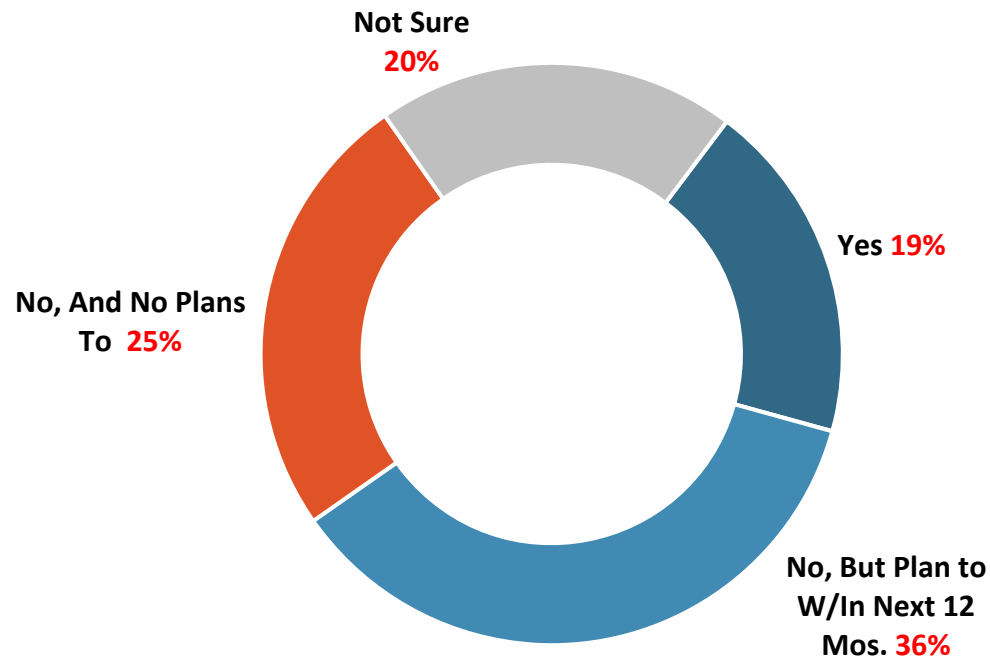
Healthcare Marketers' Experiences with CRM



Note: New question in 2017 wave.

How Healthcare Is Integrating CRM

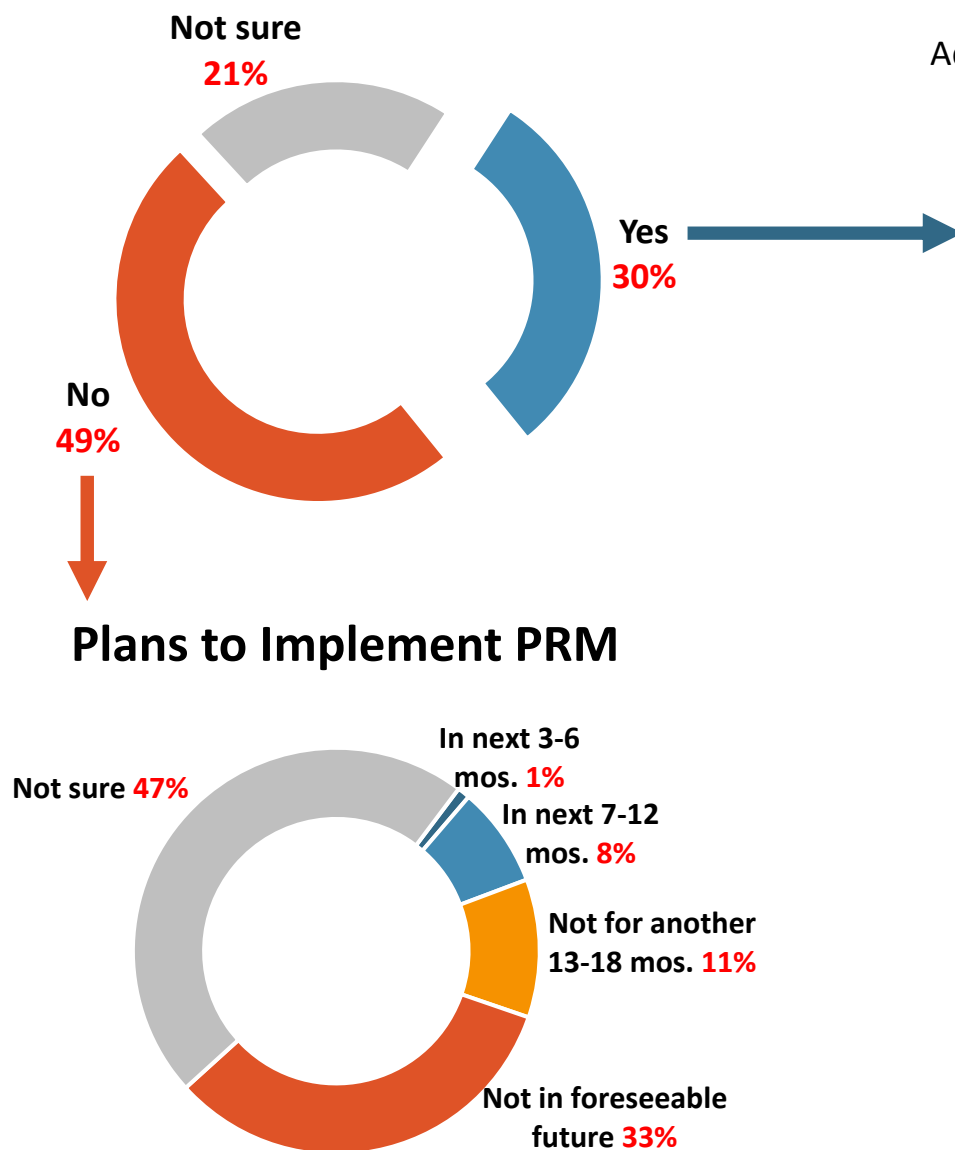
Use CRM to Support Population Health Initiatives



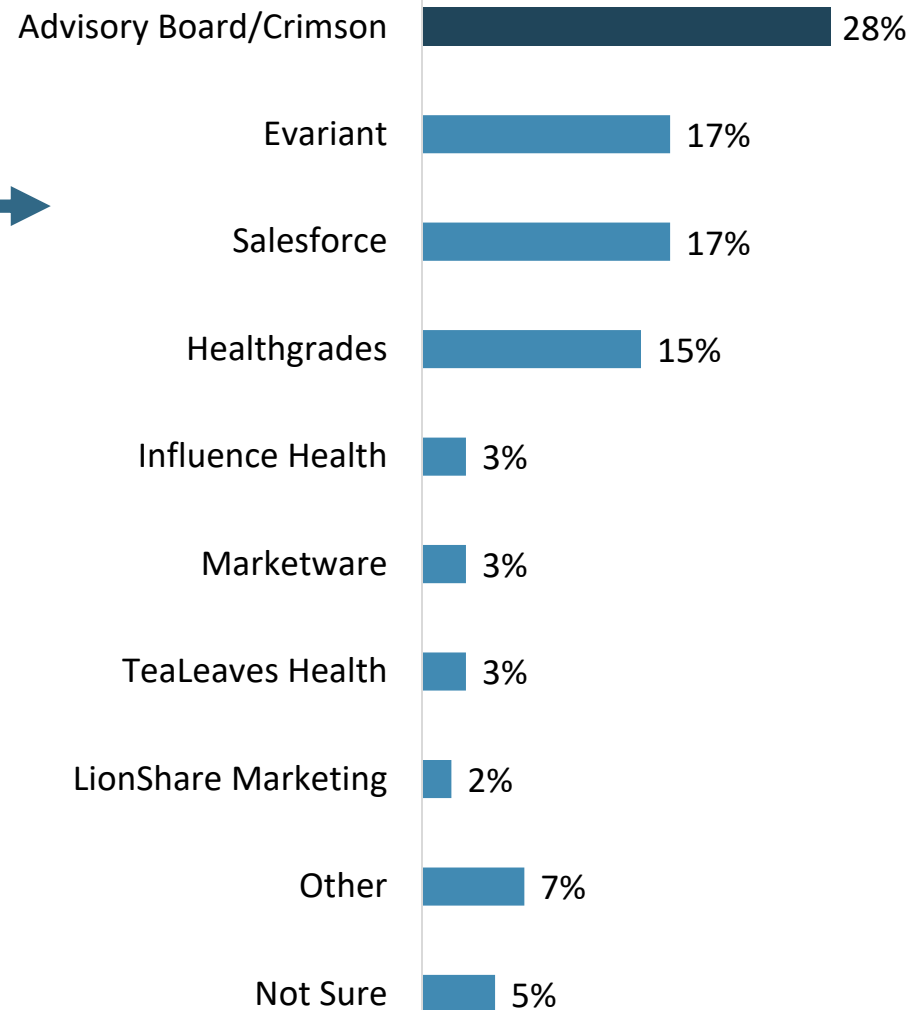
Only 29%
of CMS and CRM
systems are integrated

Note: New question in the 2017 wave.

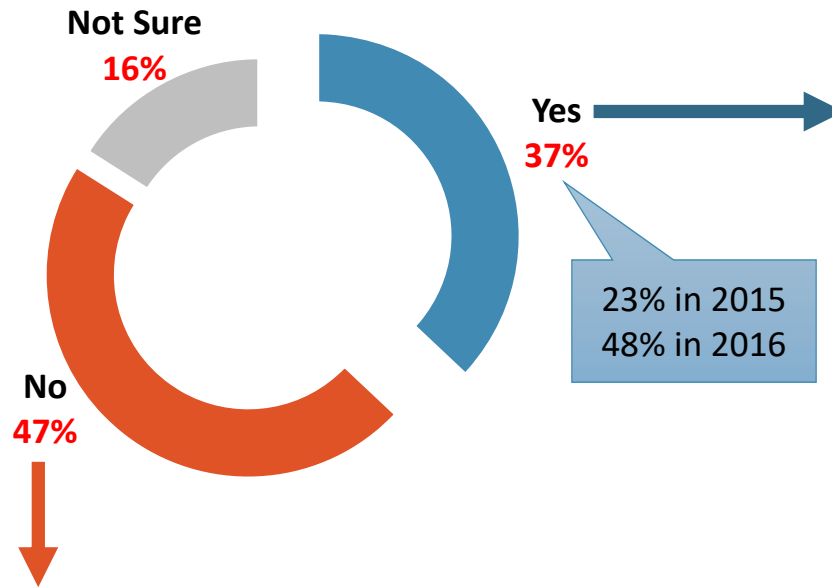
Use of a Physician Relationship Management (PRM) System



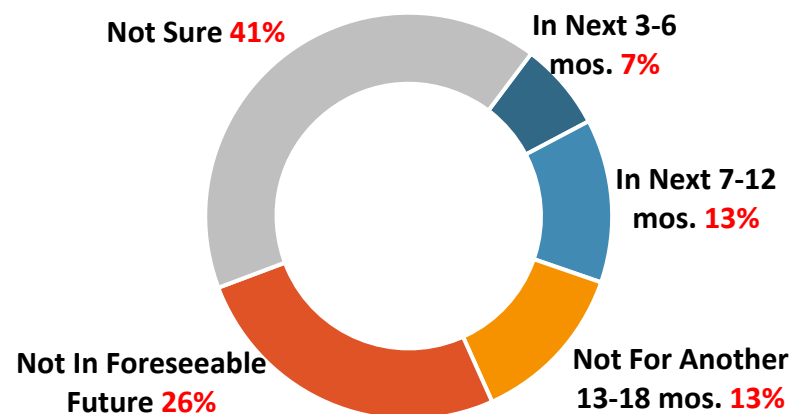
PRM Vendor



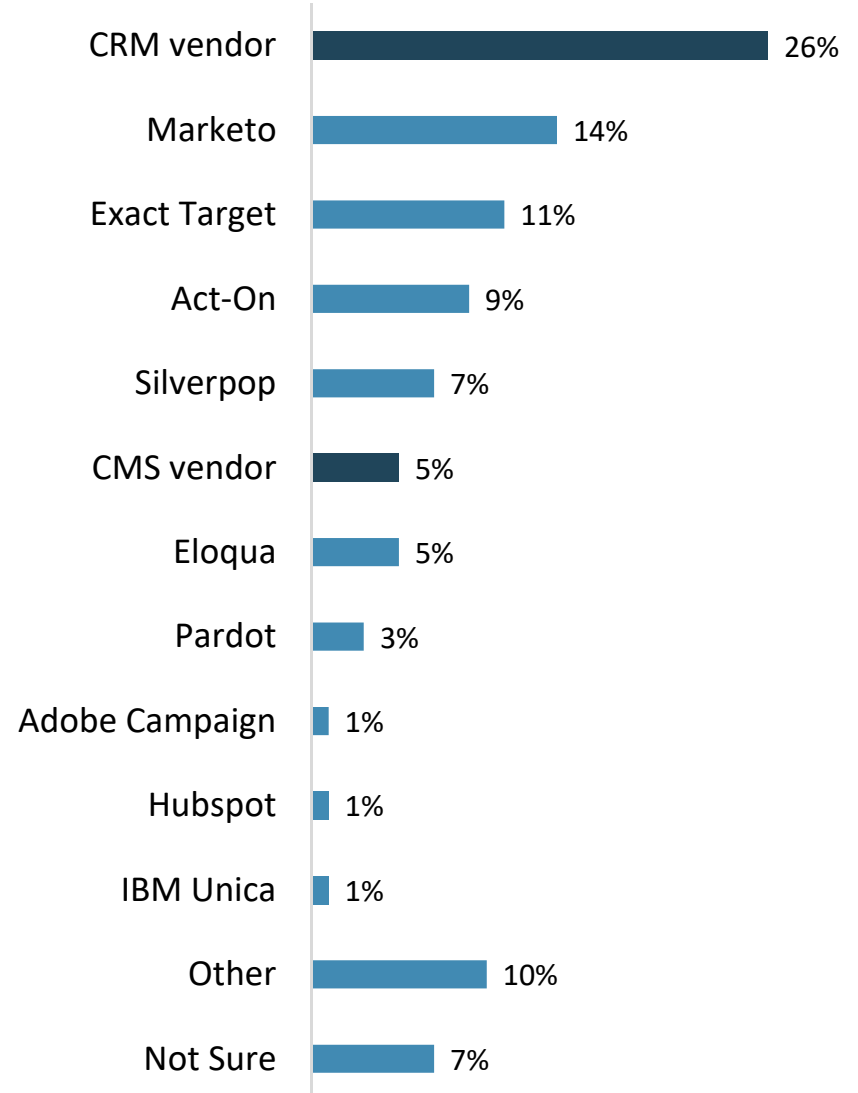
Use of a Marketing Automation Tool



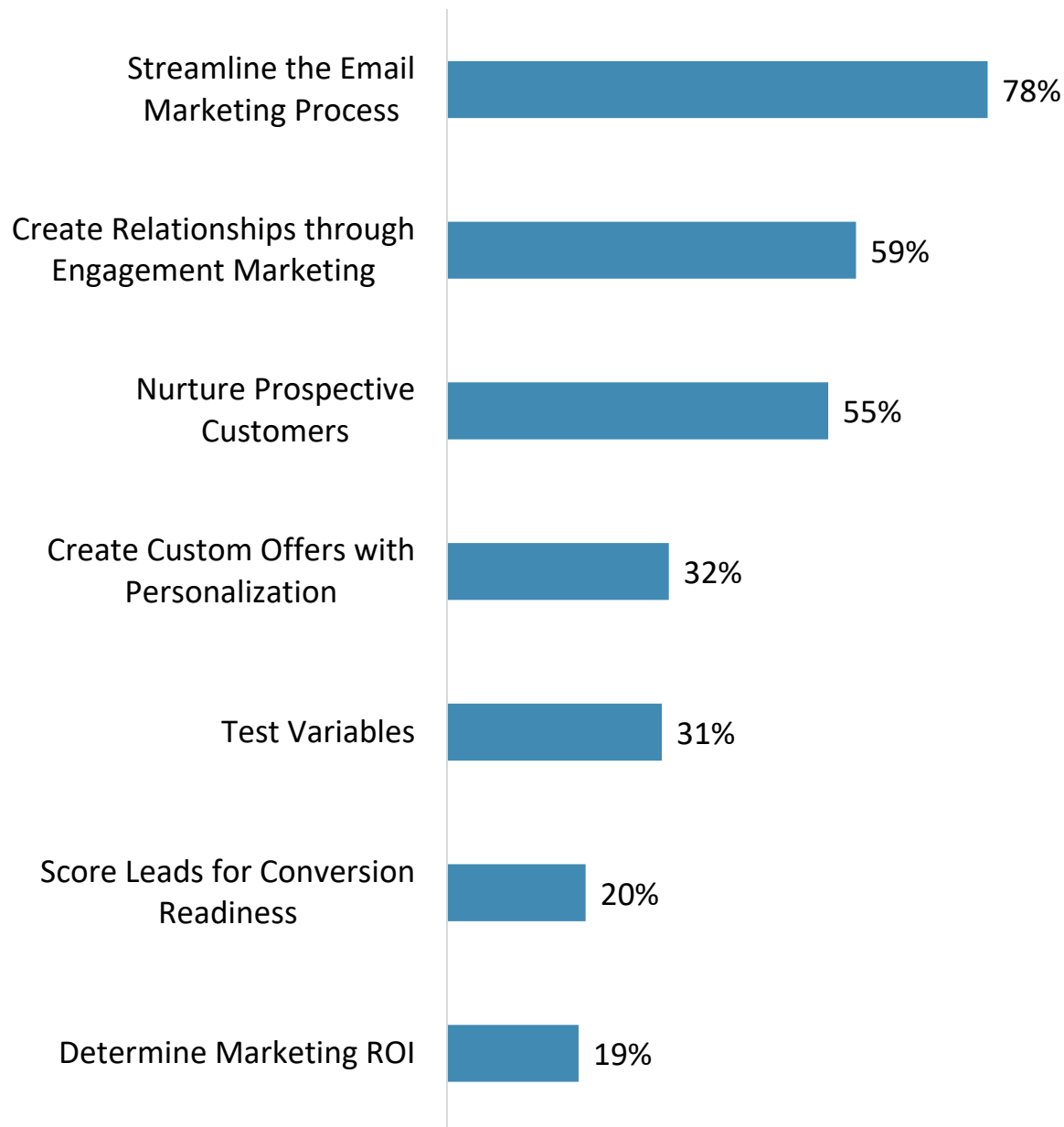
Plans to Implement Marketing Automation Tool



Marketing Automation Tool Used

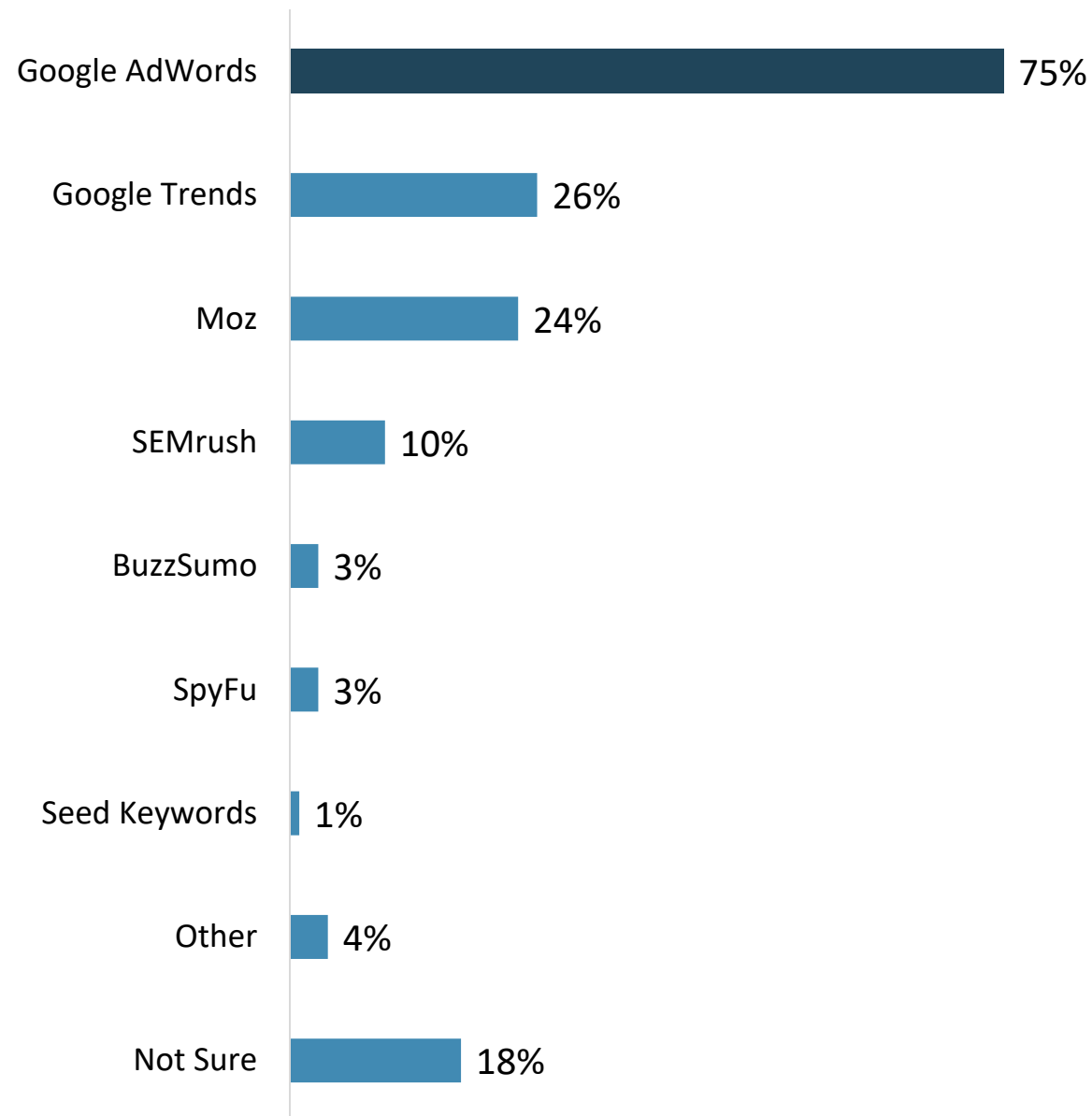


Marketing Automation Activities – 2017

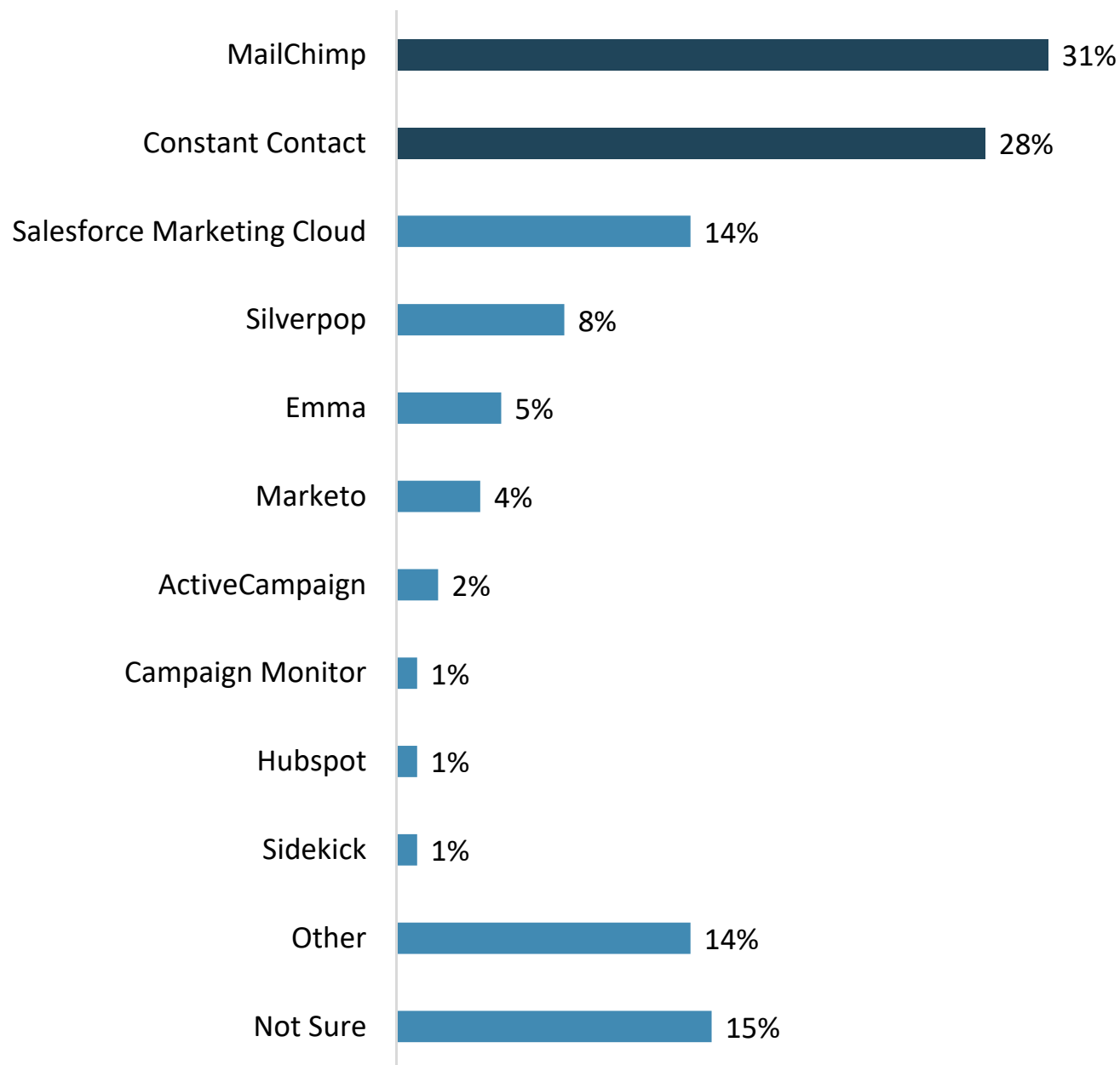


Note: New question in 2017 wave

SEO Tools Currently Used – 2017

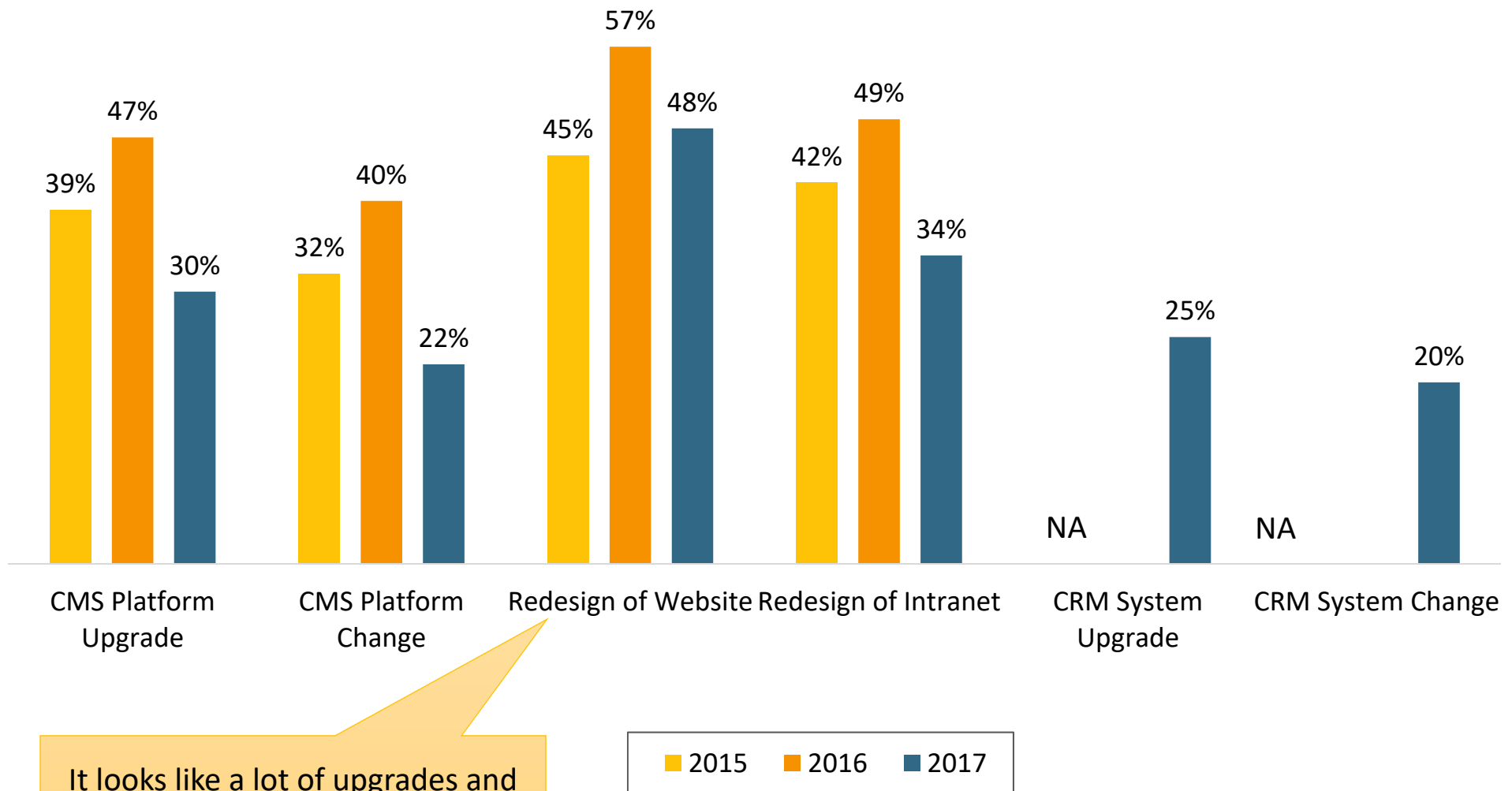


Email Marketing Service Currently Used – 2017



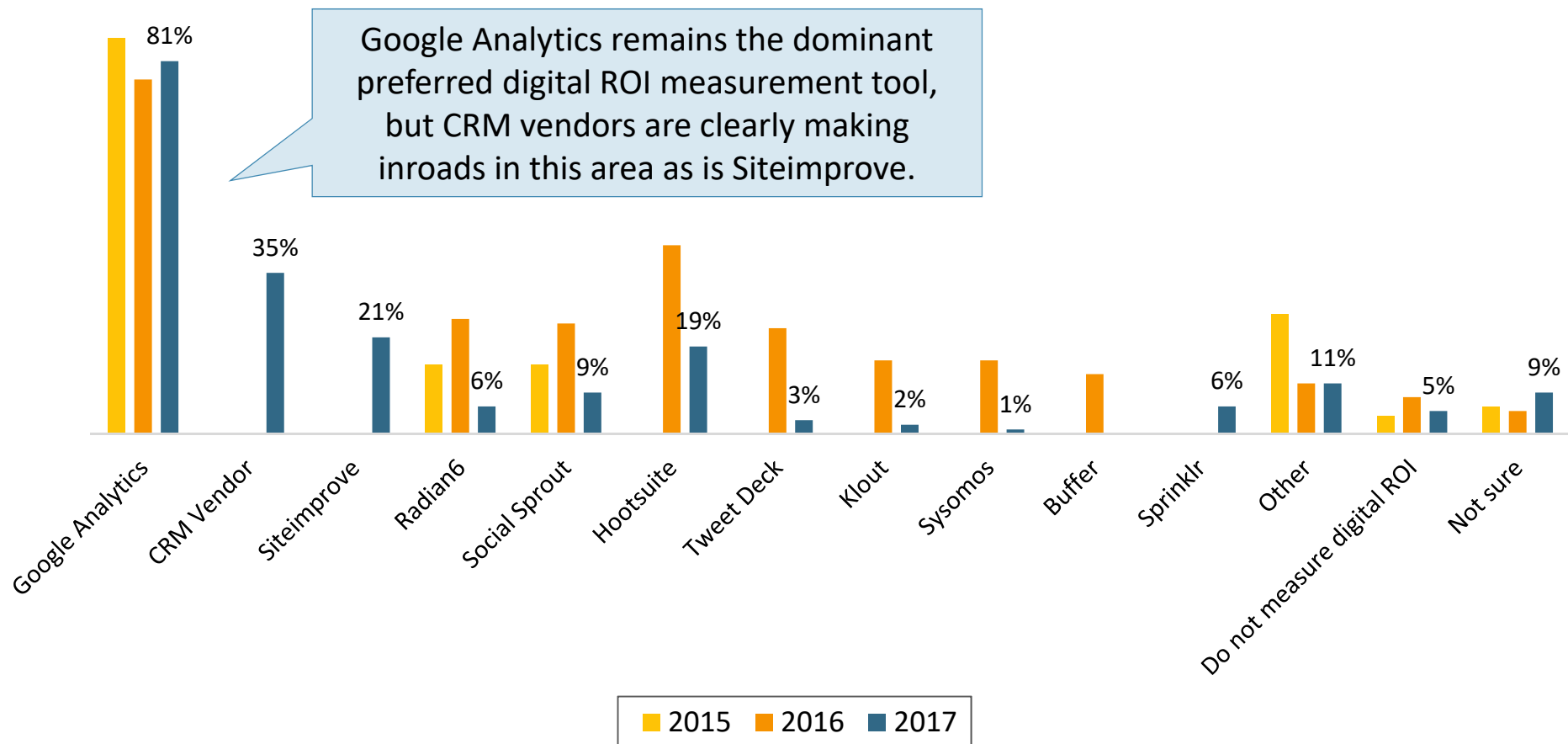
ROI and KPIs

Planning Platform and Design Changes in the Coming Year?

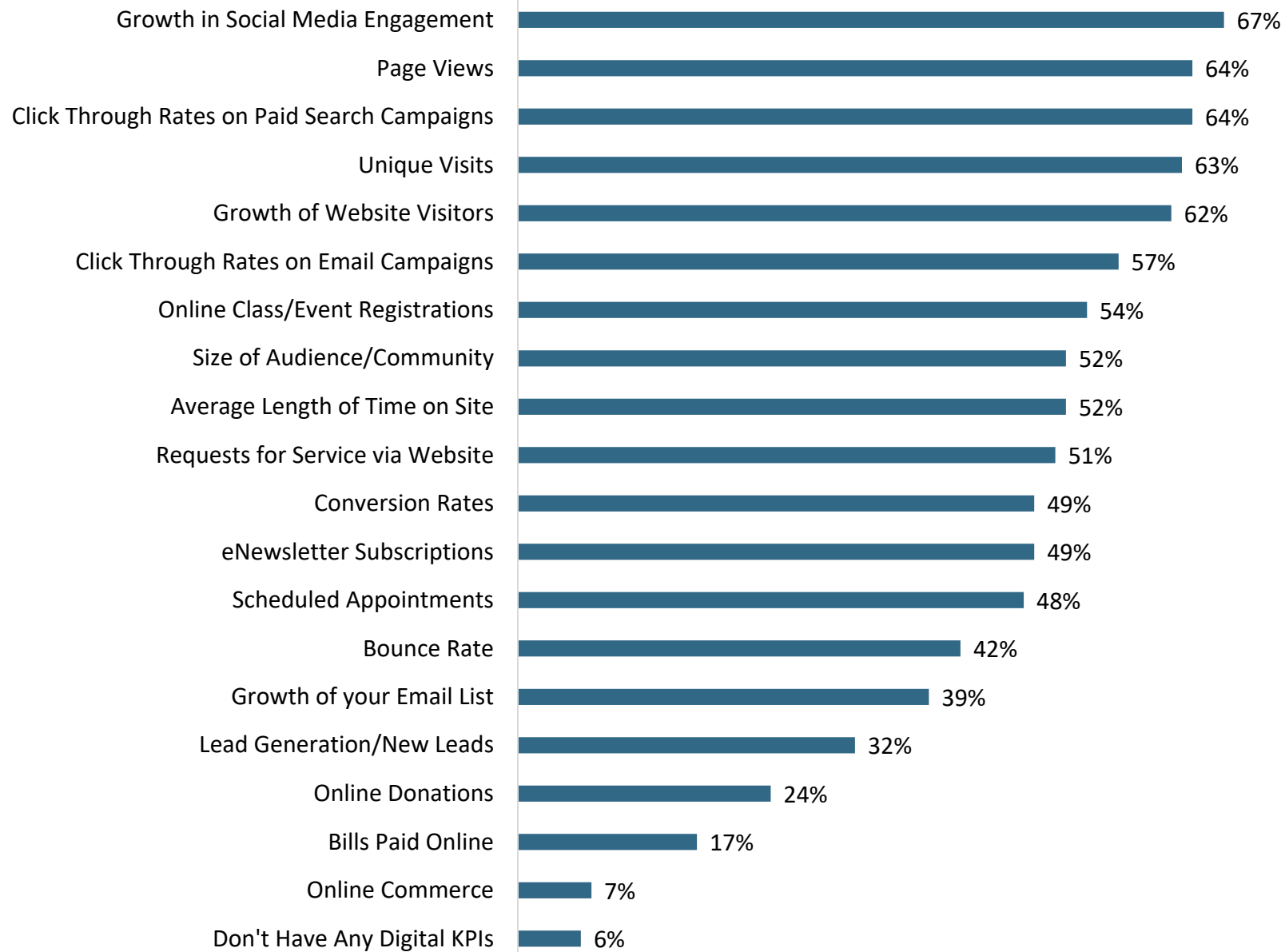


Tools Used to Measure Digital Return on Investment (ROI)

Trended Data



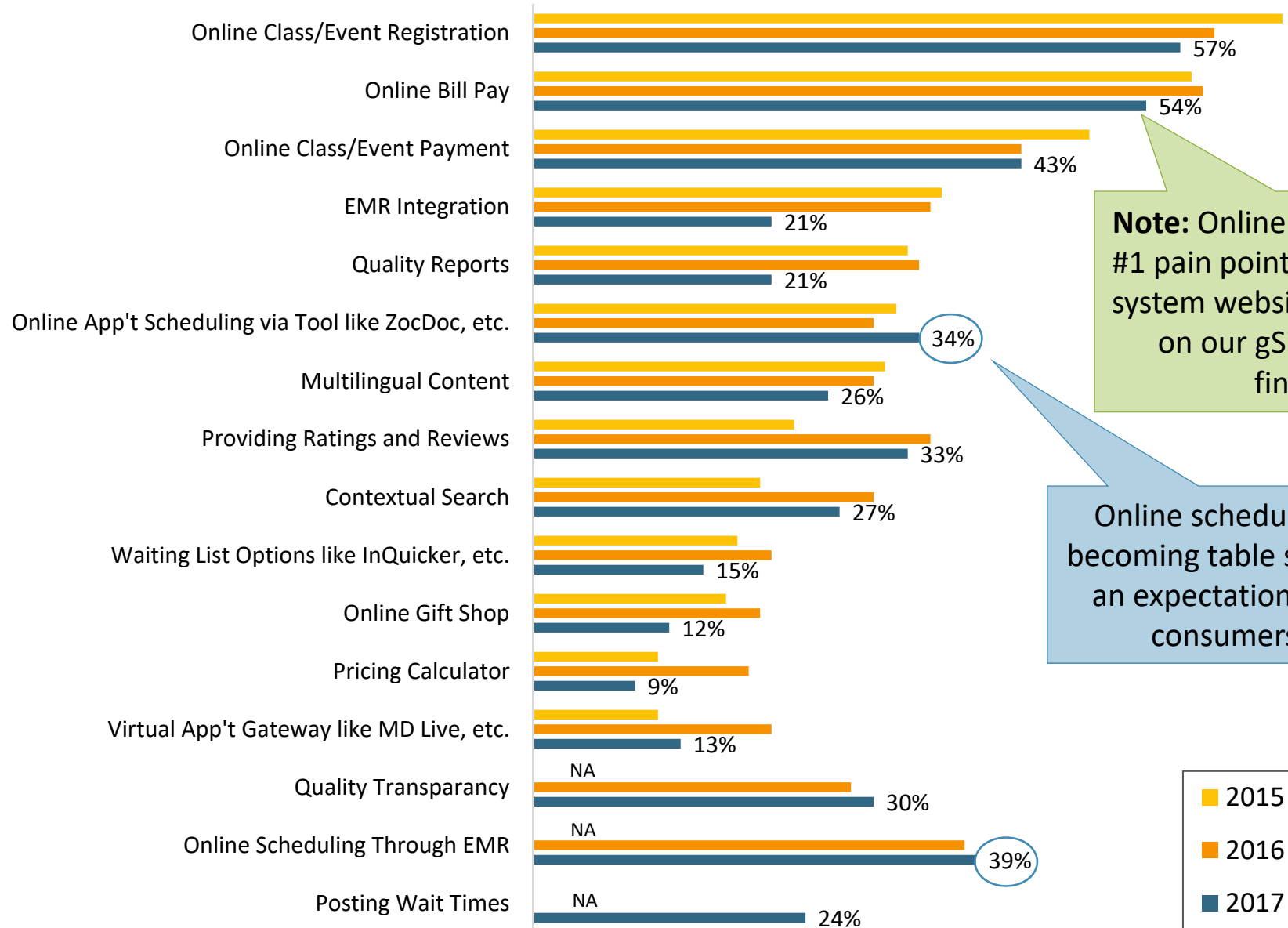
Digital Key Performance Indicators (KPIs)



Note: New response codes for 2017

Web Innovations

New or Emerging Functionality Available on Website

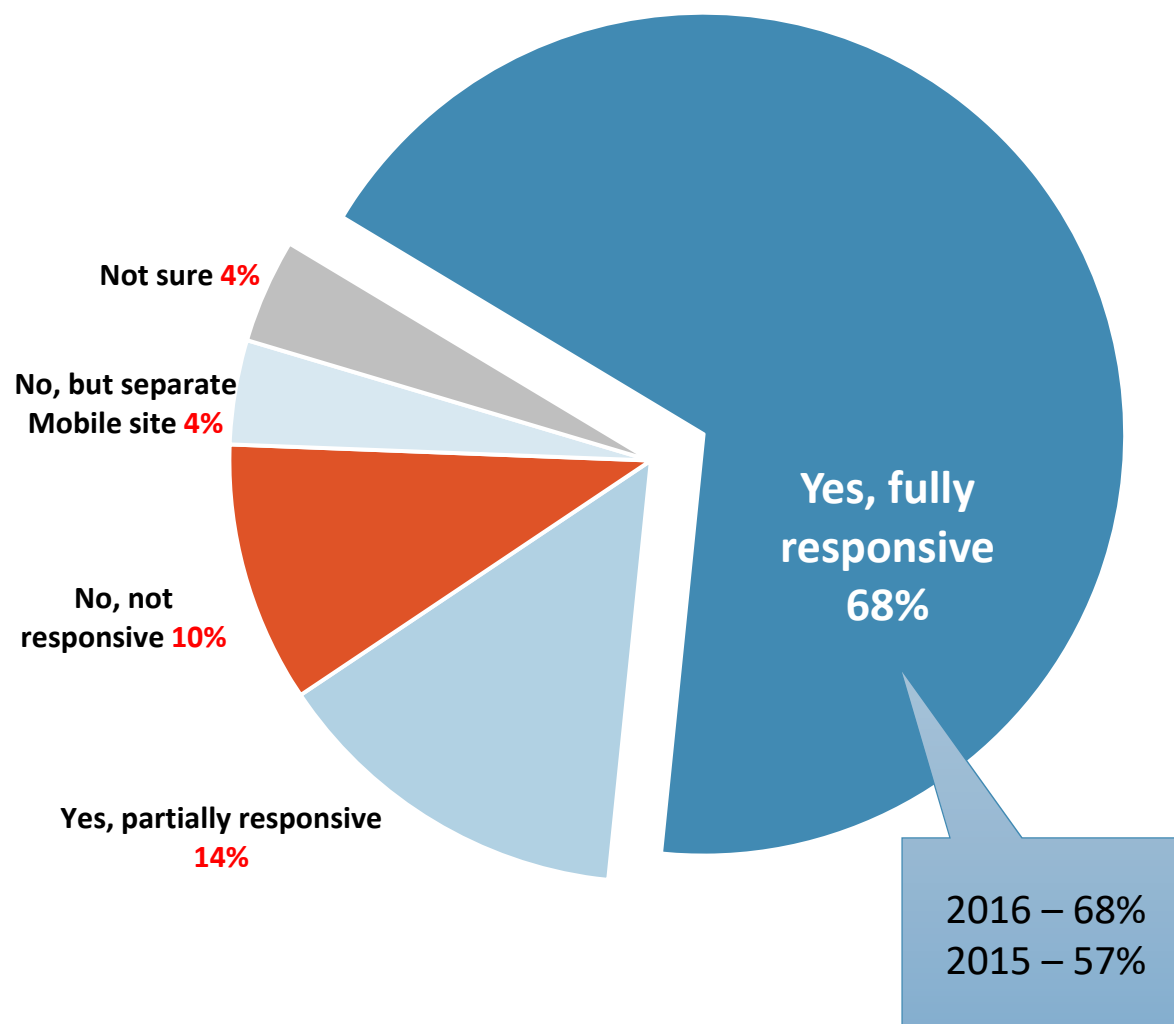


Note: Online bill paying is the #1 pain point for hospital and system website visitors based on our gSightSM survey findings.

Online scheduling is becoming table stakes – an expectation from consumers.

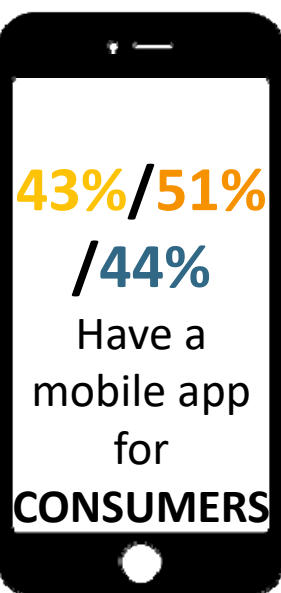
■ 2015
■ 2016
■ 2017

Website Responsively Designed

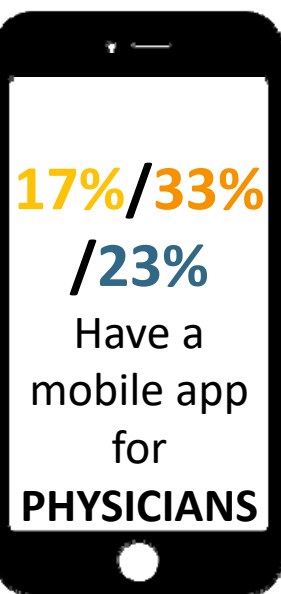
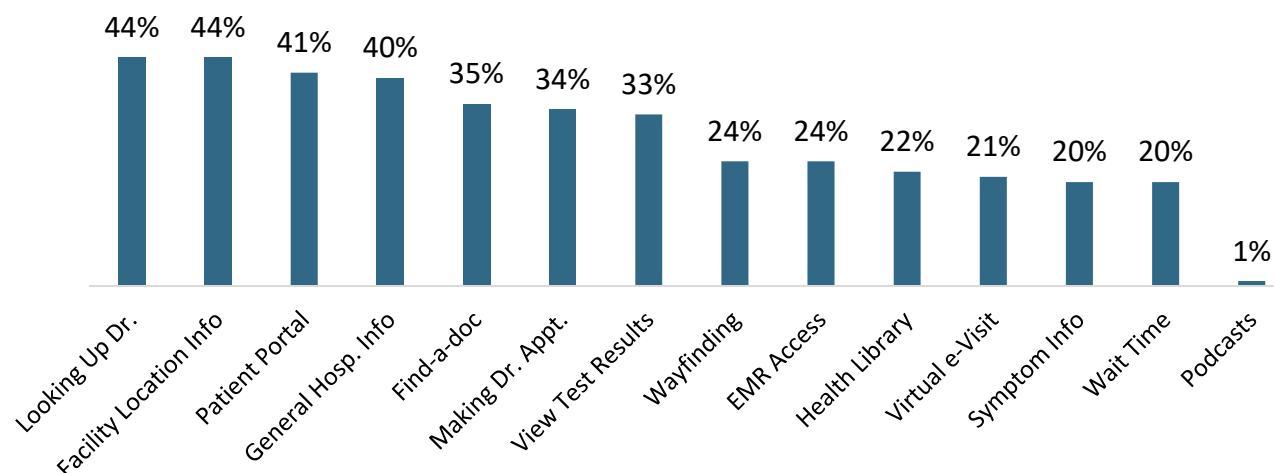


On average,
39%/41%/47%
of website
visitors use
mobile to
access their
site.

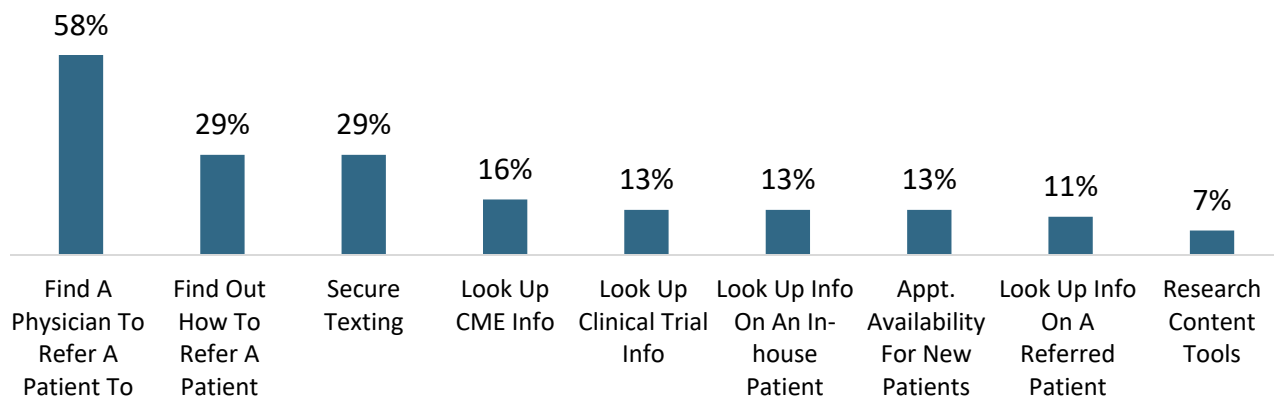
Note: **2015/2016/2017**



Main Purpose of Consumer Mobile App



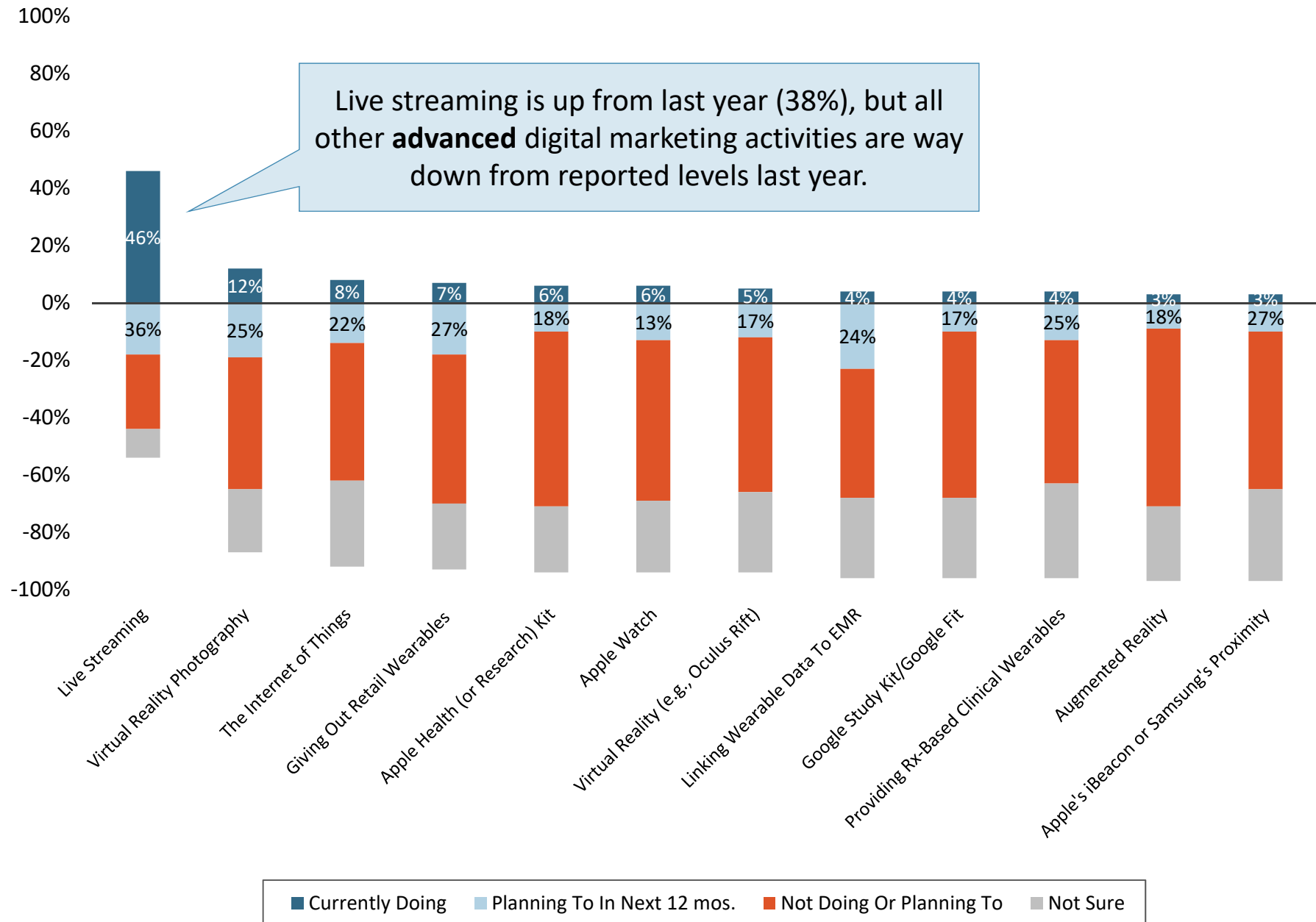
Main Purpose of Physician Mobile App



Note: **2015/2016/2017**

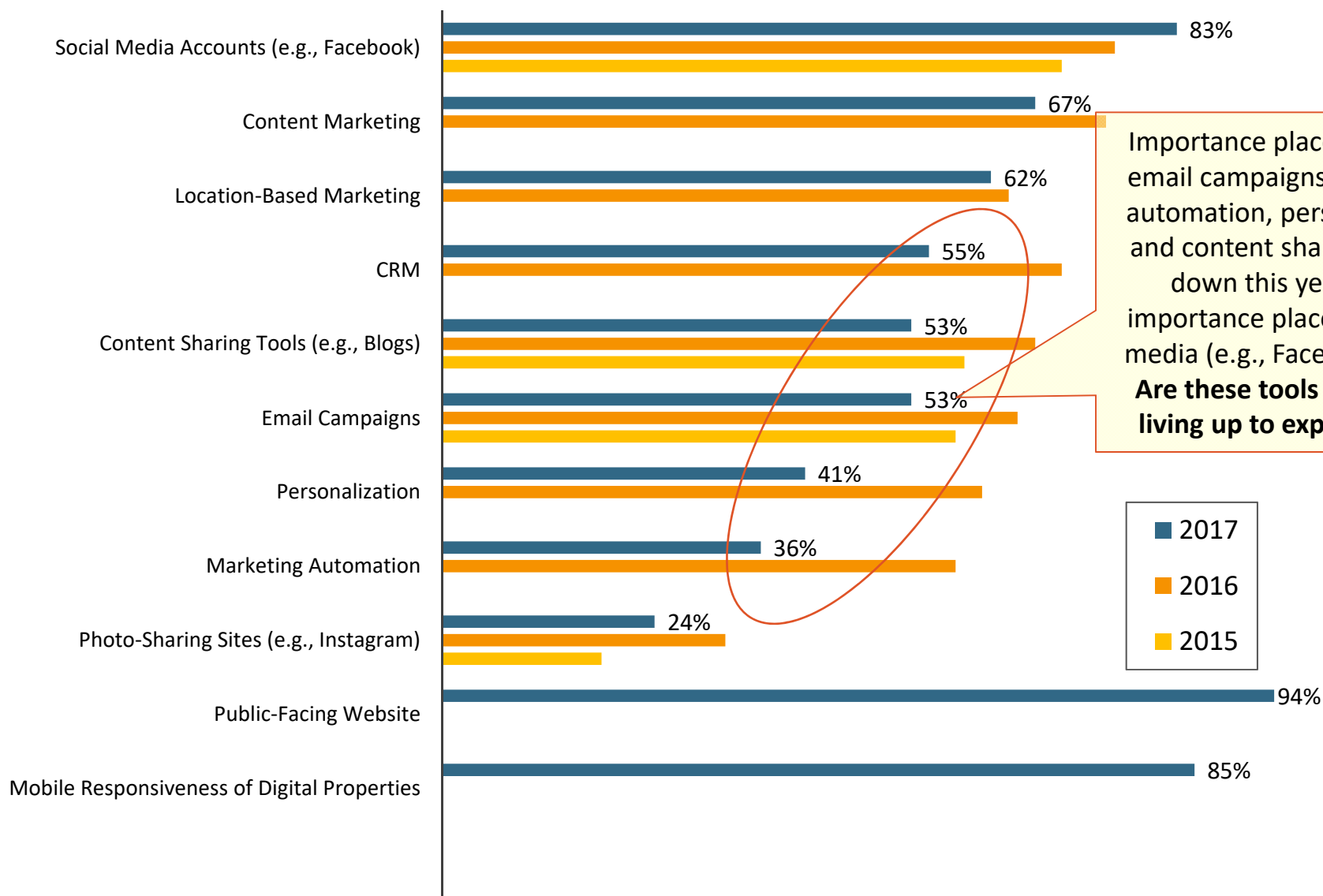
Importance/Effectiveness of Digital Marketing Efforts

Advanced Digital Marketing Activities



Essential/Very Important to the Organization

Trended Data

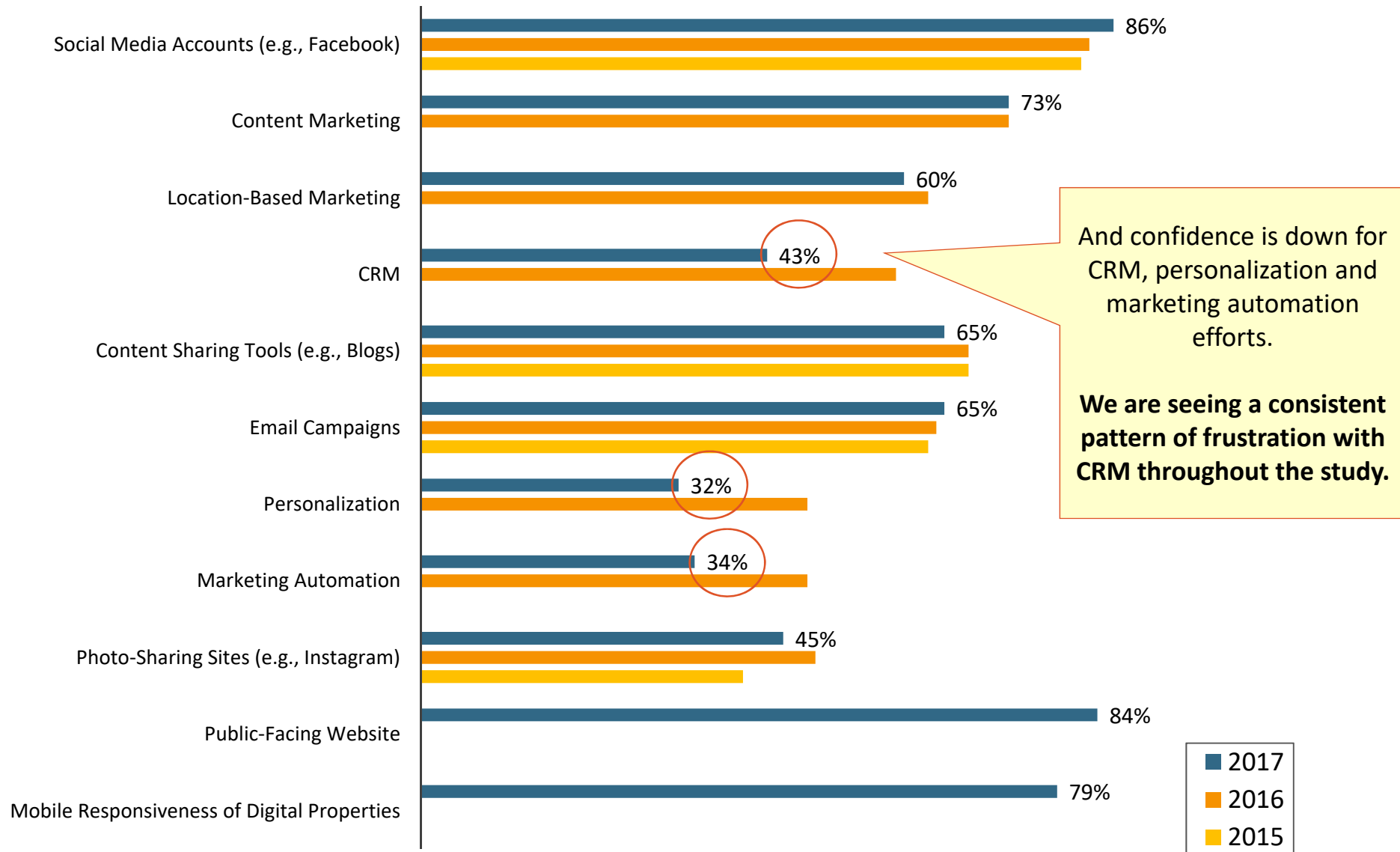


Importance placed on CRM, email campaigns, marketing automation, personalization and content sharing tools is down this year while importance placed on social media (e.g., Facebook) is up. **Are these tools simply not living up to expectations?**

■ 2017
■ 2016
■ 2015

Note: Marketing efforts included in the survey changed over the waves so complete trending is not possible.

Very/Somewhat Effective at Meeting Goals



Note: Marketing efforts included in the survey changed over the waves so complete trending is not possible.

Organization Has Been Very Effective At ...

Trended Data



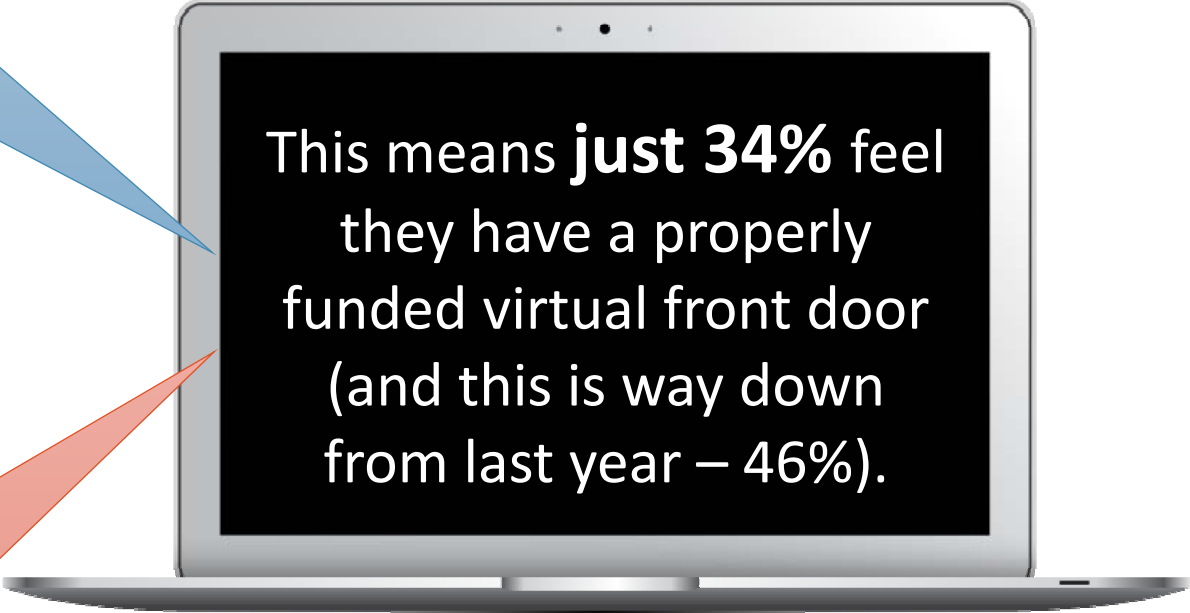
Healthcare marketers continue to be less and less confident in managing a crisis. And that probably goes hand-in-hand with less confidence in improving community relations.

■ 2017
■ 2016
■ 2015

Is Website – as the Organization's Virtual Front Door – Well Funded?

73% (75% in 2016) of these healthcare marketers view **their website** as its **new virtual front door**.

But only **46%** (61% in 2016) of these healthcare marketers feel **their website** is **funded appropriately** as the virtual front door.



This means **just 34%** feel they have a properly funded virtual front door (and this is way down from last year – 46%).

Is Mobile – as the Organization's **Newest** Virtual Front Door – Well Funded?

61% of these healthcare marketers view their **mobile presence** as its **newest virtual front door**.

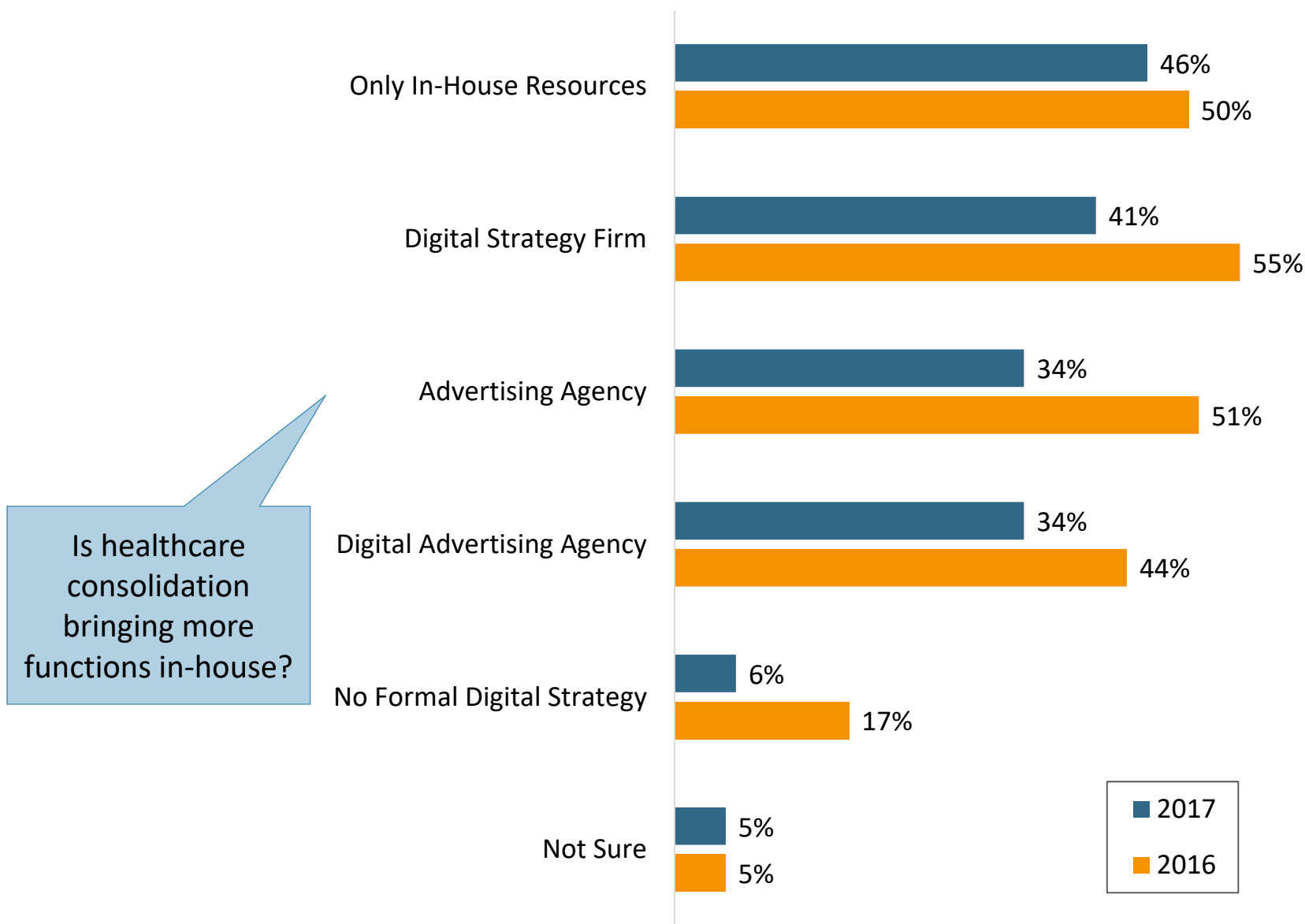
But only **43%** of these healthcare marketers feel their **mobile strategy** efforts are **funded appropriately** as the virtual front door.



This means just 26% feel they have a properly funded mobile strategy.

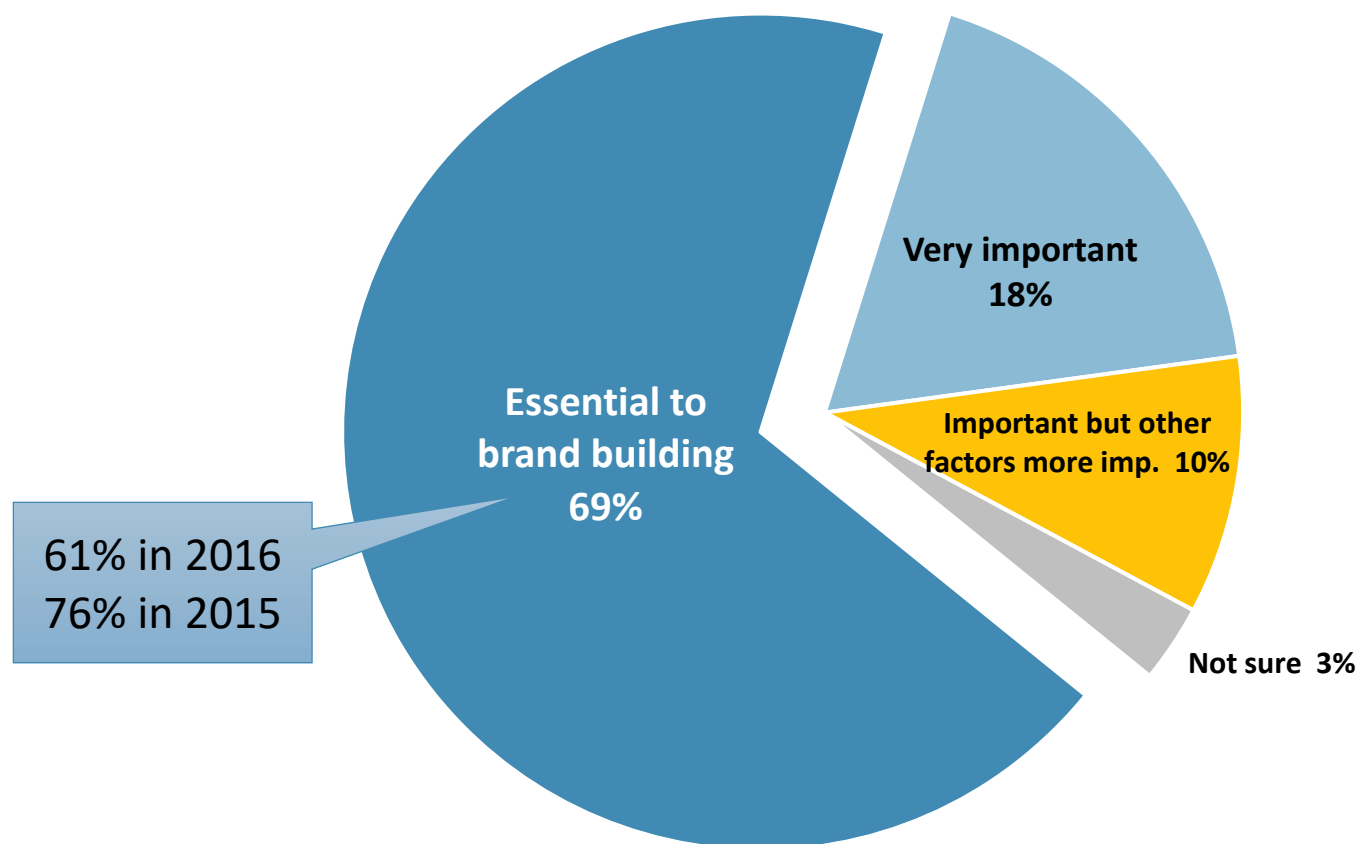
Note: New question in 2017 wave

Who Helps Organization with Digital and Web Strategies?

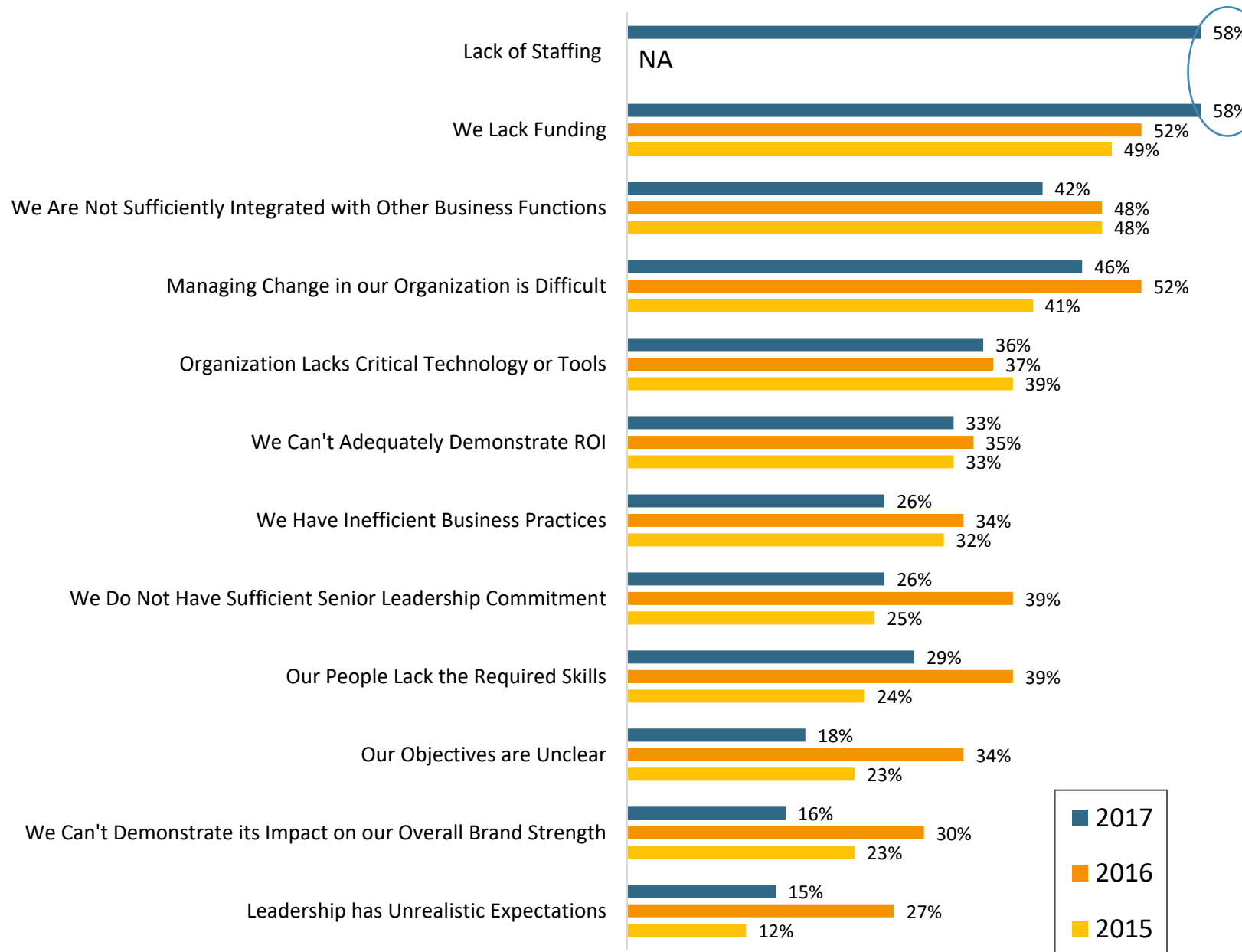


Driving Digital Transformation of the Healthcare Brand

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





Challenges/Barriers Affecting Digital Marketing Efforts



Consistently hearing from clients and colleagues that getting FTEs and funding is a challenge



Number of Stars Healthcare Marketers Think Their Website Visitors Would Award Their Website

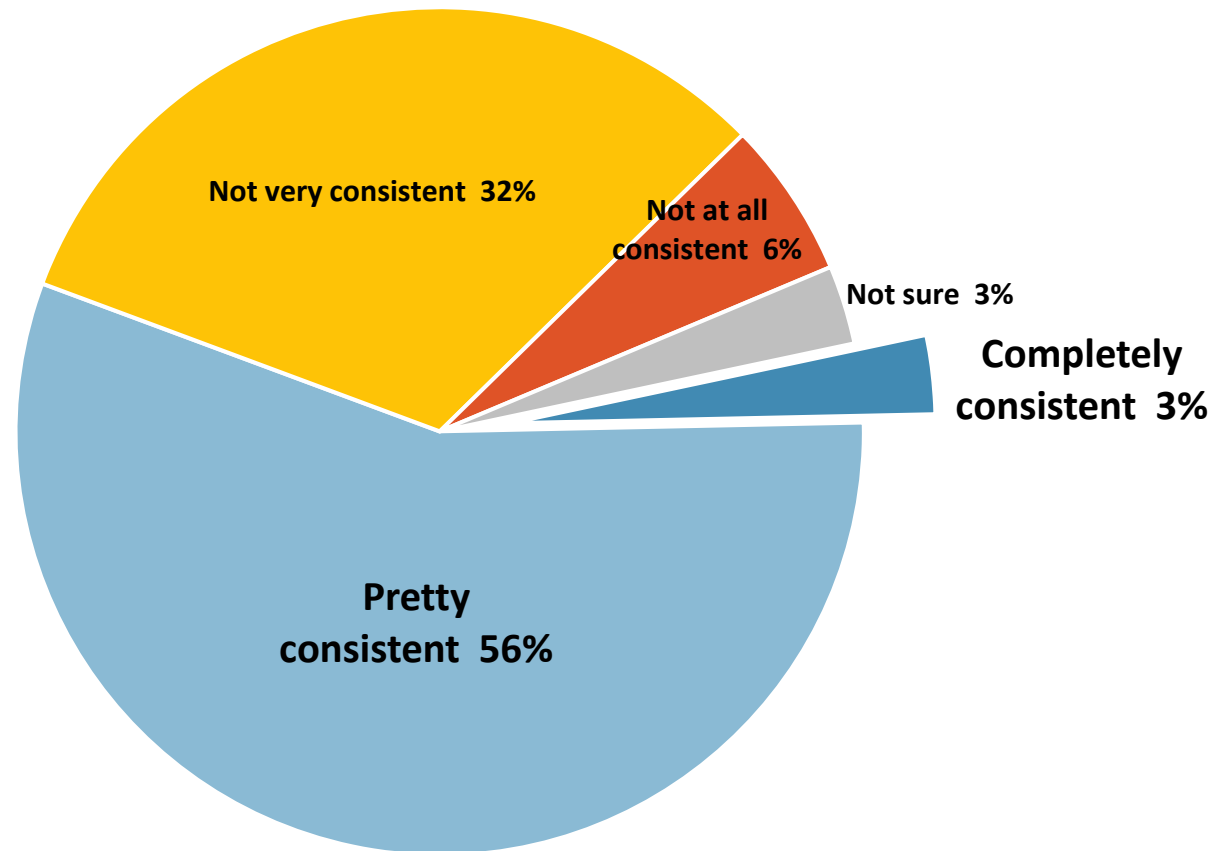
| | Overall Number of Stars Awarded to Website | Mean Score |
|------------------|--|------------|
| 2017 perceptions |  | 3.25 |
| 2016 perceptions |  | 3.39 |
| 2015 perceptions |  | 3.27 |
| *Benchmark |  | 3.77 |
| **Leaderboard |  | 4.38+ |

Scores based on gSightSM, an online website experience survey

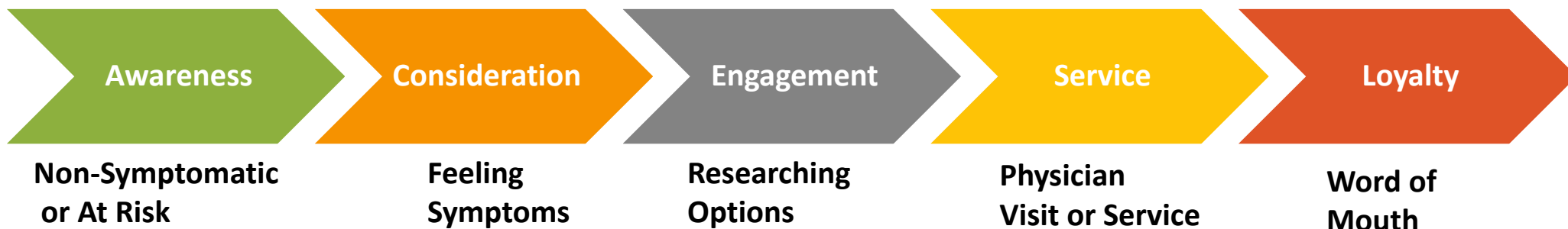
***Benchmark:** These are 'average' scores across all gSight studies combined.

****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



37%

have mapped the **mobile** customer journey



48%

have mapped the **digital** customer journey

16%/16%/19%

block ALL staff from going on social media sites

45%/45%/39%

block SOME staff
but not all from
these sites



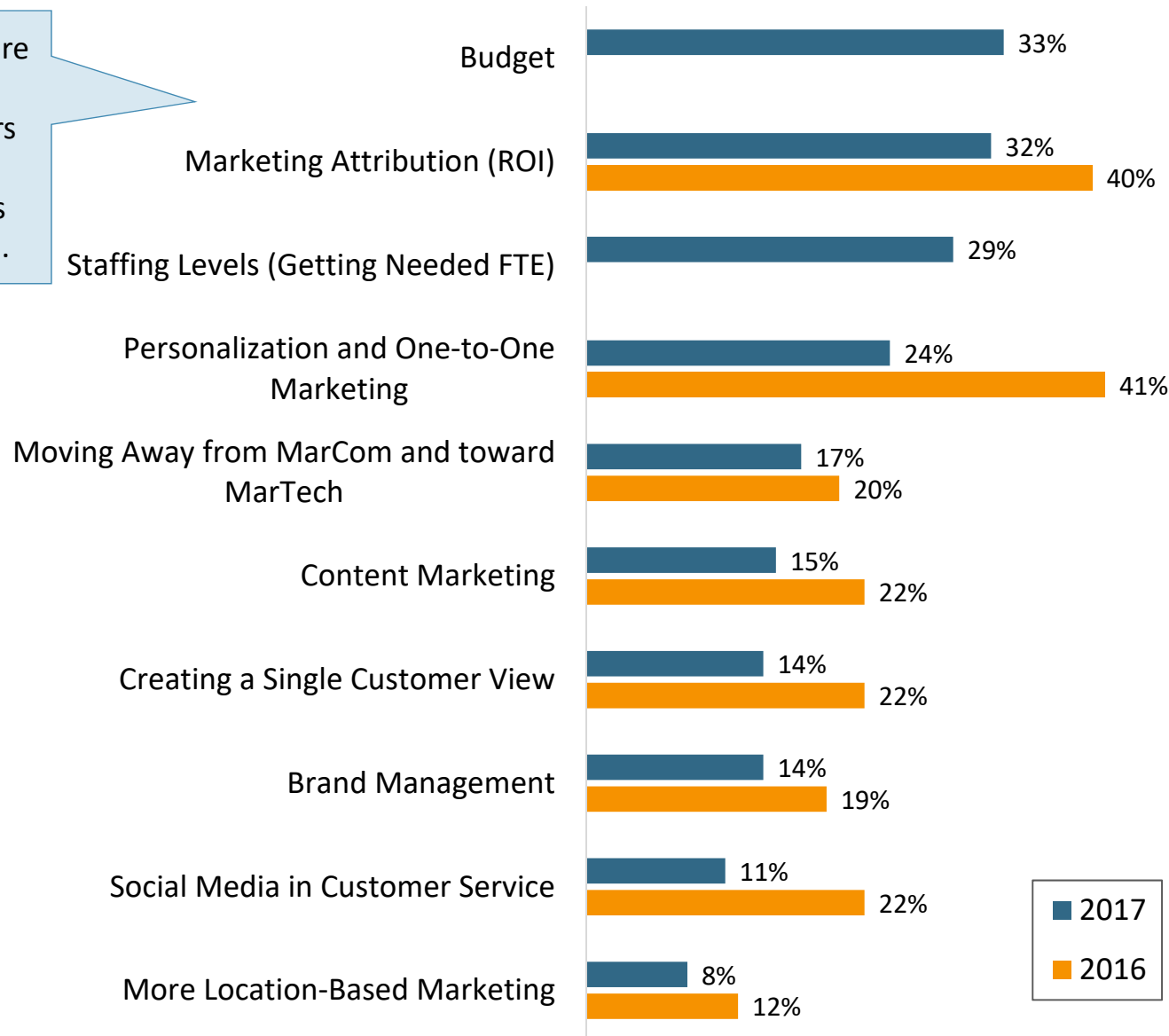
35%/39%/39%

do NOT block any
staff from going
on these sites

Note: 2015/2016/2017

Top Two Pressing Issues in Healthcare Marketing

Budget and staffing are key challenges for healthcare marketers today, along with proving marketing's value-add (i.e., ROI).



Note: We added two new codes this wave based on feedback and that can impact respondents' responses

Healthcare Marketing Resources and Investment

Budgets, Staffing, Roles, Partners

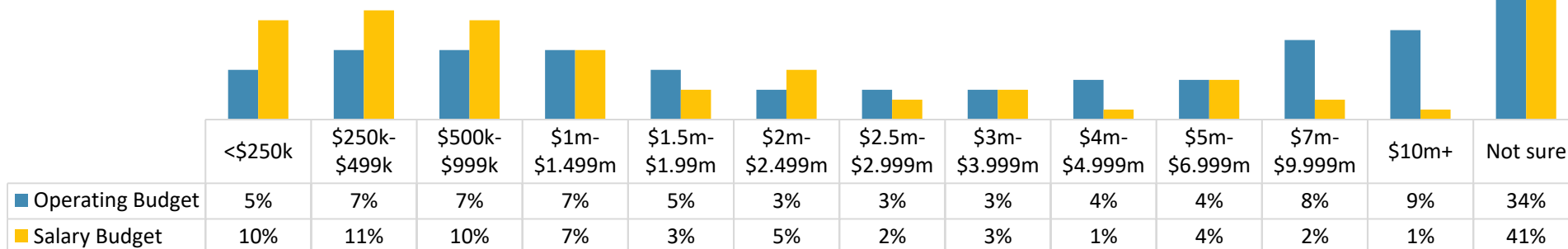
Total [Operating & Salary] Marketing Budgets



**Expect budget to be lower
next year – 13% (11% - 2016)**

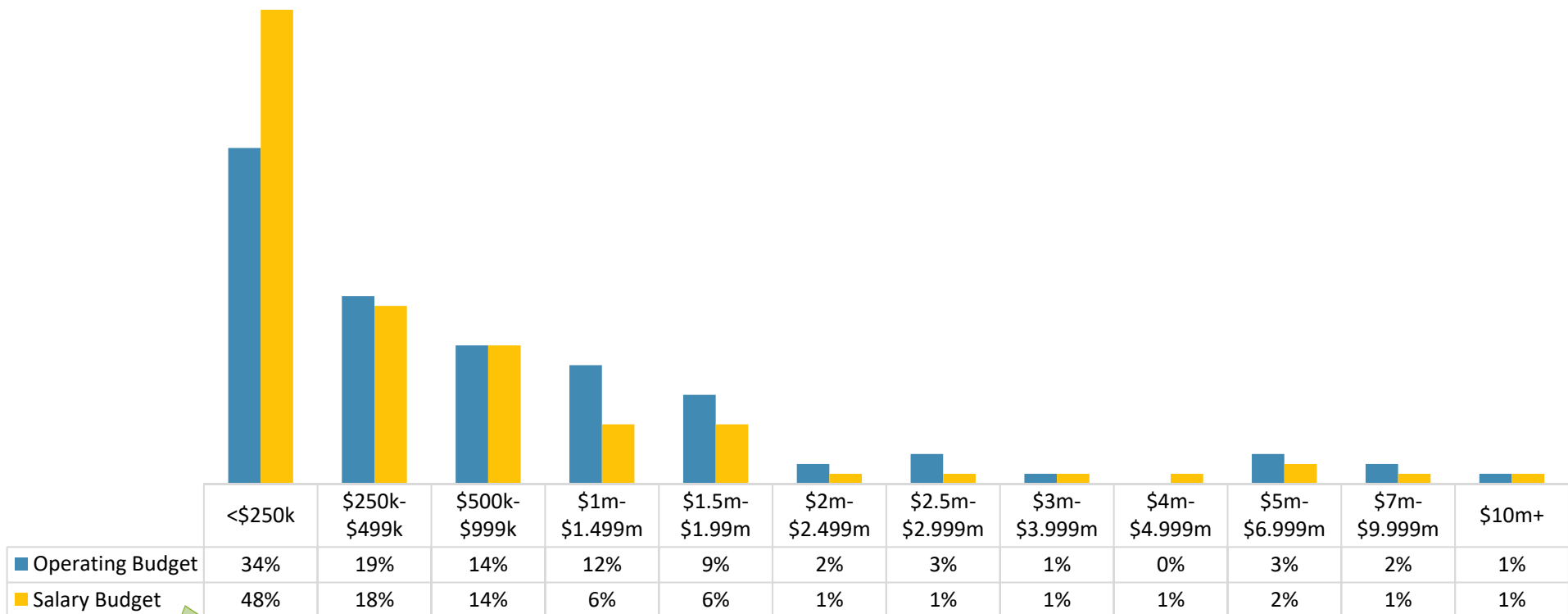
**Expect budget to be unchanged
next year – 53% (52% - 2016)**

**Expect budget to be higher
next year – 23% (29% - 2016)**



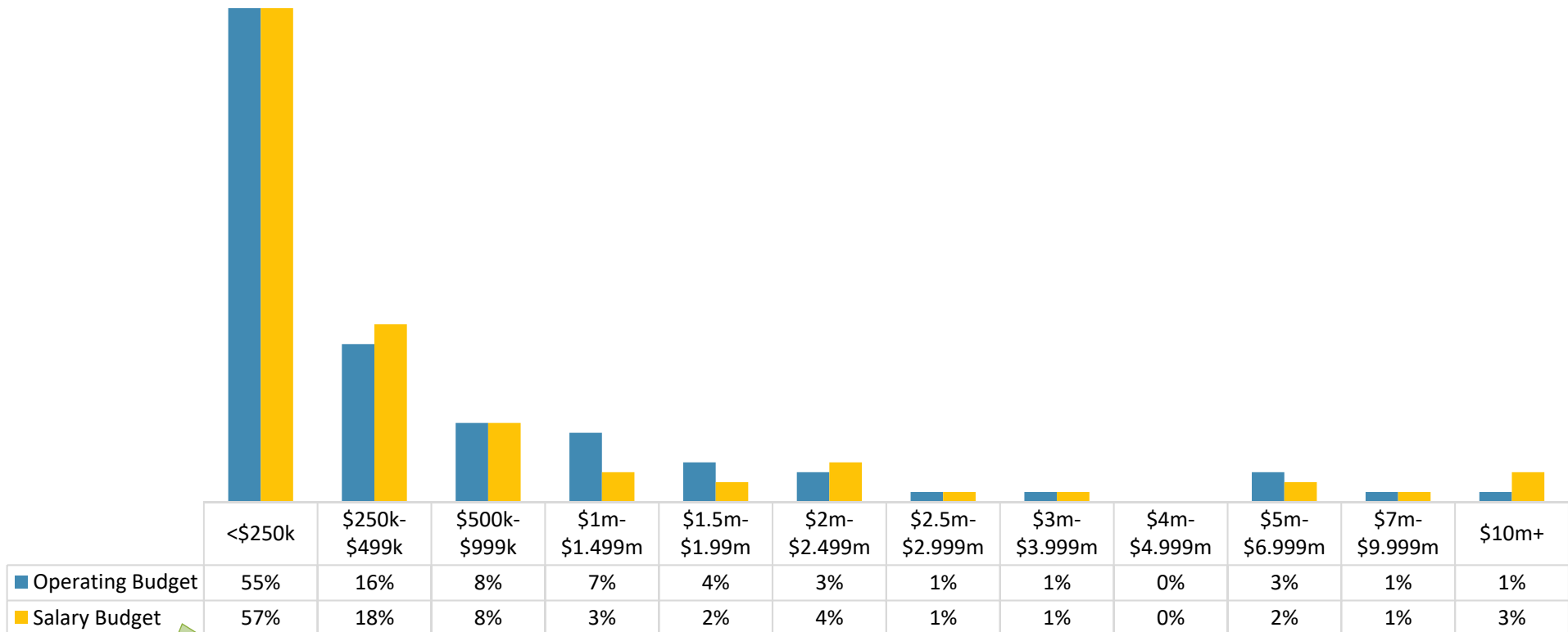
Median Operating Budget: \$2.0m (\$3.1m – 2016)
Median Salary Budget: \$500k (\$2.1m – 2016)

Total [Operating & Salary] Digital and Interactive Marketing Budgets



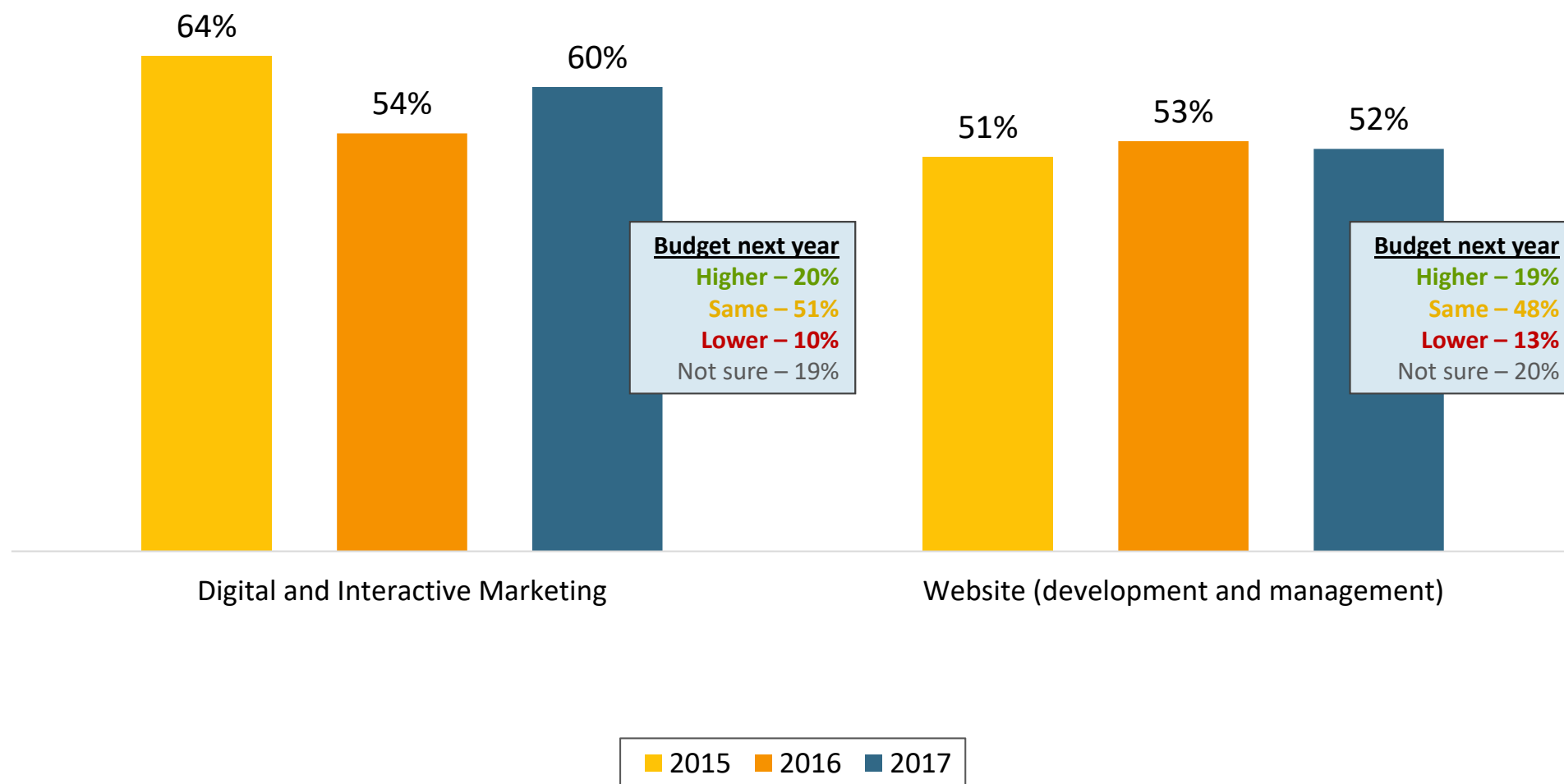
Median Operating Budget: \$250k (\$950k – 2016)
Median Salary Budget: \$250k (\$700k – 2016)

Total [Operating & Salary] Website Development Budgets

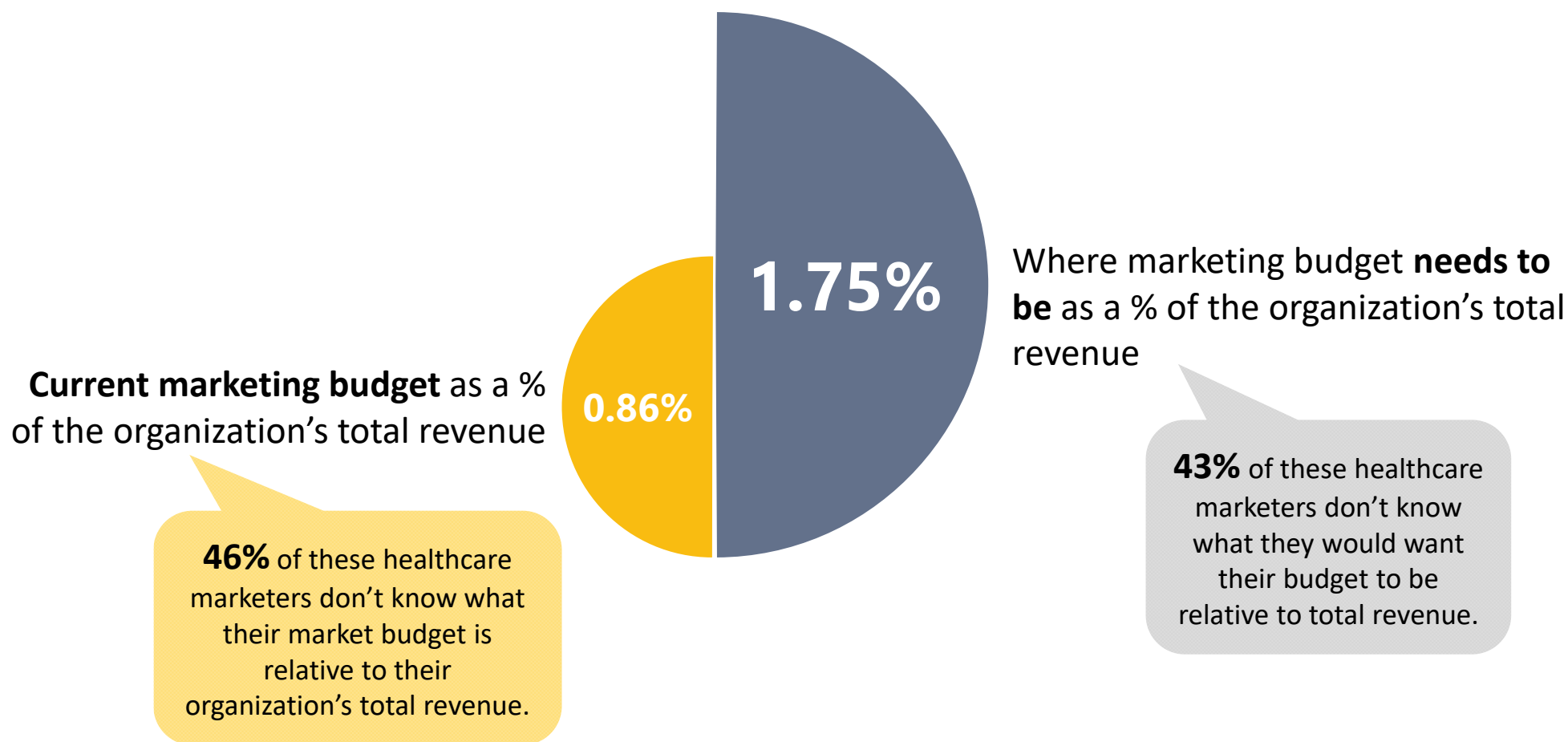


Median Operating Budget: <\$250k (\$640k – 2016)
 Median Salary Budget: <\$250k (\$468k – 2016)

Budgets as Part of the Overall Marketing Budget



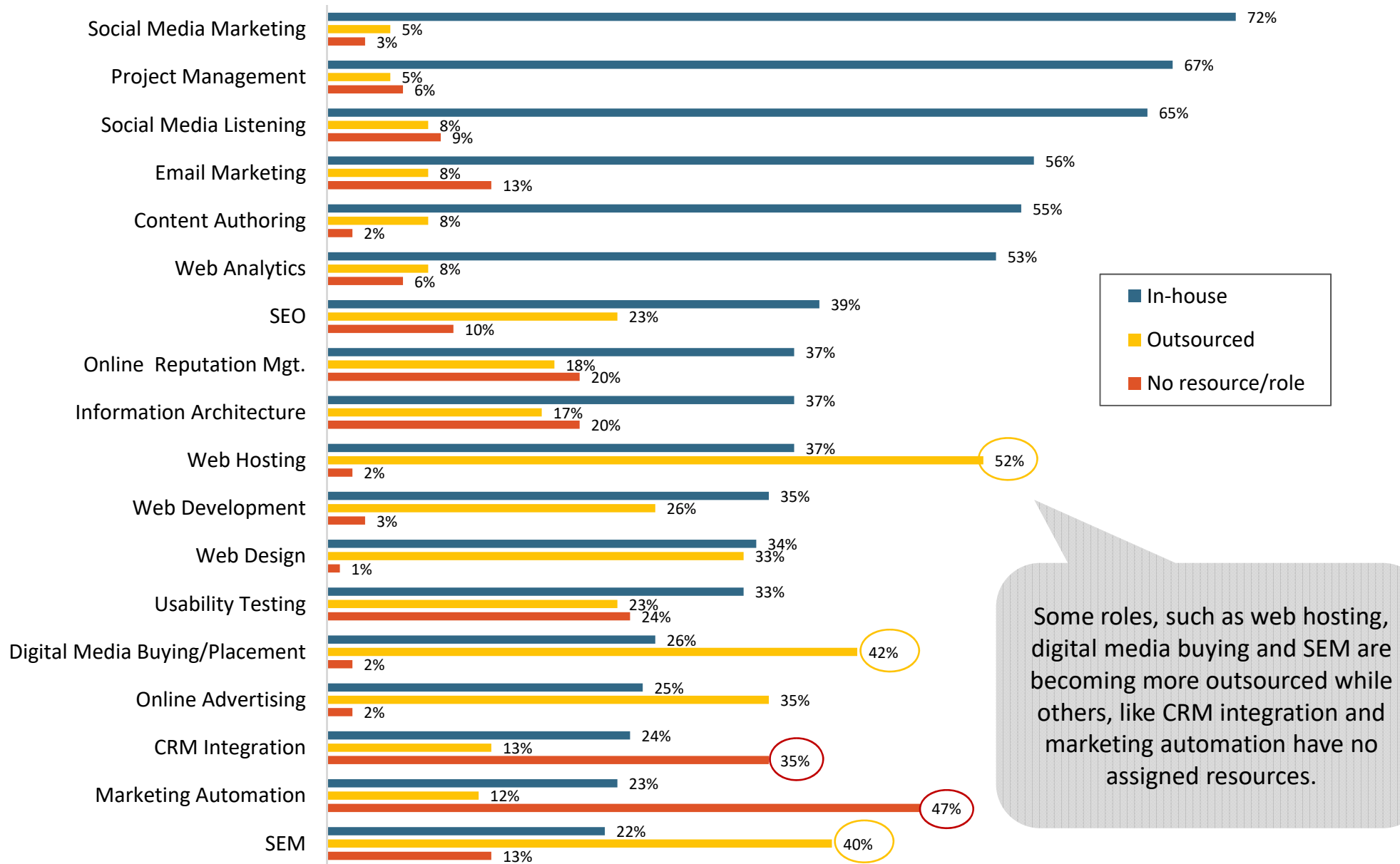
Marketing Budget as a Percentage of Organization's Total Revenue



Note: New question in 2017 wave

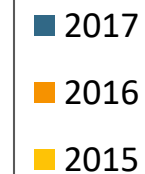
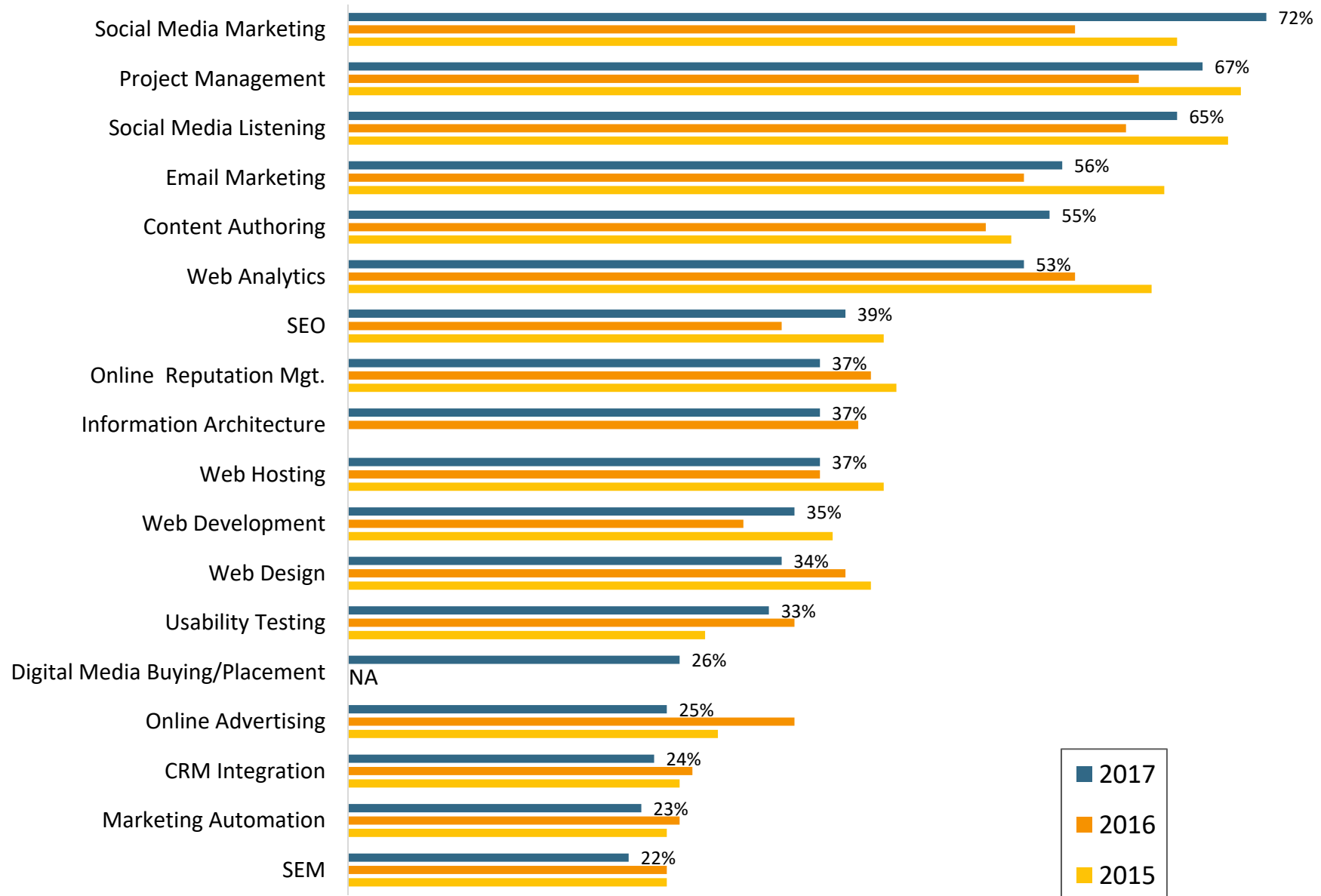


Web and Interactive Marketing Roles Performed ...



Web and Interactive Marketing Roles Performed In-house

Trended Data



Report Summary

Conclusion and Wrap-Up

Report Summary

The 3rd Annual Healthcare Digital Marketing Survey shows that while healthcare marketers have made great strides in many areas of their digital efforts, there is still much to be done and challenges that have not yet been conquered.

In particular, there is still significant work to be done in building healthcare's understanding of and effective use of CRM strategies and tactics. And, there is also work yet to be completed in building executive understanding of the digital transition and securing the needed resources to be successful long-term.

For a full review of the key findings, see the Executive Summary that begins on page 3.

The data in this survey will be updated in 2018 to continue to assess the progress of healthcare marketers in this rapidly-changing industry.

Survey Sponsors

About Greystone.Net

Now in its 21st year, Greystone.Net provides a variety of professional services including web/digital strategy consulting and more, professional development options including the well-known and highly-regarded annual Healthcare Internet Conference (HCIC) and several solutions and products, all designed to help our clients benefit from the rapidly-evolving trends and technologies in the healthcare MarTech space.

Greystone has worked with hundreds of hospitals and health systems as they strive to develop, implement and integrate interactive marketing strategies. We add valued strategic thinking to digital healthcare. And, we continue to develop new strategies and products to enable healthcare organizations to establish and grow their brand in an environment where consumers expect 24/7 access, information and service.

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.

Klein & Partners → Research for your brand’s health