

Connecting with consumers

Know more about their
pharma experience

*Experience Radar 2013:
Lessons learned from the
pharmaceutical industry*



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Introduction

Pharmaceutical companies are having to rethink the way they operate, thanks to a combination of tough challenges: expiring patents, cost pressures, stricter regulation, and stiff competition.

Their business model is shifting. In the past, companies recovered their investments in research and development by selling blockbuster drugs in huge volume. In the future, they will need to move away from volume and toward value.

That means focusing more on consumers, who want to take increasing control of their own treatment, to become co-pilots rather than passengers. Today, pharmaceutical companies rarely have direct relationships with these consumers, but that will soon change. One way to reach these consumers is by working in partnership with other parts of the healthcare system, including physicians, pharmacists, and insurers.

But pharma companies also need to develop a deeper understanding of their customers, and that means analyzing and segmenting them in more detail than the traditional breakdowns by condition and demographic. It means looking, above all, at what consumers want. That's a product of their attitudes, lifestyles, and behaviors. Of course, those things are influenced by demographics and medical conditions, but they don't depend on them.

We designed this research to share insights that could inform the way companies approach segmentation. We looked at a few aspects of consumers that aren't often researched: their social networks, lifestyles, self-reliance, sharing of healthcare experiences, trust in different sources of information, and willingness to pay for various services.

Four consumer segments emerged from the patterns of preferences in the responses. Some segments—like socially connected Generation-Xers who are proactive about their healthcare—were very willing to pay more for better health experiences, including time with medical experts and not having to wait when picking up medication.





Interpreting willingness to pay in this industry is a new frontier, because patients in the US rarely shoulder the full cost of their treatment. It's not always clear who would benefit from this willingness to pay, but there's certainly an opportunity for pharmaceutical companies, especially if they explore new ways of working, including partnerships.

While the pharmaceutical industry has tried other strategies in the past, the market has since changed, as has the consumer mindset. There's now a new opportunity for innovation.

In the new value-based health economy, pharmaceutical companies must understand the characteristics of next-generation consumers. So, throughout this report, we've recommended ways of reaching those consumers. At the end, we've rounded up these recommendations to give you some practical next steps for improving your consumers' experiences—and giving them a reason to choose your brand over others.

The business environment that pharma faces—with operating, competitive, and regulatory challenges—is not unique to their industry. In fact, business leaders across industries can follow how pharmaceutical companies evolve and prepare to face their own changing landscapes.

4 segments

Motivated Monica wants expert advice	Routine Ron wants no disruption	Invincible Izzie wants convenience	Basic Bob wants to save
			

Why do consumers want more control?

Consumers are taking a more active part in decisions about their healthcare treatment for several reasons, many of them linked.

As the population ages and lifestyles change, more people are living with chronic conditions, and for longer. People build up experience with the healthcare system and learn something about their own preferences in the trade-offs that have to be made.

Many of these trade-offs involve money, and people naturally want to be in control of their spending. At a time when many feel financially squeezed, they're spending more of their discretionary income on medication—partly because more of them have insurance plans with high deductibles.

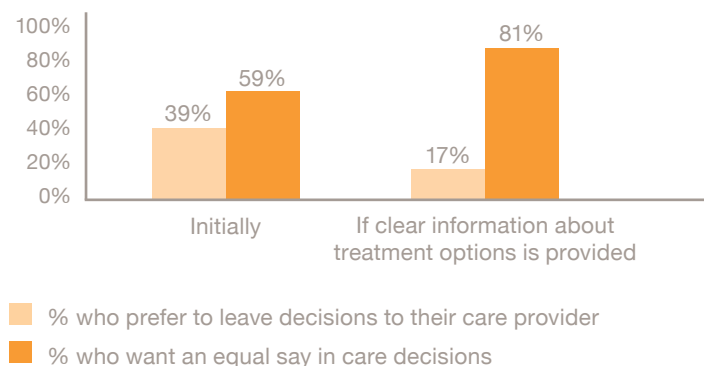
Yet our research shows that, despite the squeeze, people are prepared to pay extra for features they value—things that improve their experience, like being able to pick up medication without having to wait. For this, the sample as a whole would pay 19% extra, though some segments would pay more than that. For electronic prescriptions they would pay 18% more, and for reward programs 6% more.

These are choices that consumers aren't always given, and the results suggest that there's a latent demand for more control in healthcare. Another sign of that: When you give people clear information about their treatment, more of them want an equal say in decisions. And when their doctor writes a prescription, people now ask things like: "Is that the standard treatment? What side effects should I expect? And what about the other option I read about online?"

250%
the amount patients' out-of-pocket spending on prescriptions has increased in the last five years

"Declining medicine use and costs: for better or worse?," IMS Institute for Healthcare Dynamics, May 2013

Patients want an equal say when they're given clear information



Source: "Partnering with patients to drive shared decisions, better value, and care improvement," Institute of Medicine, 2013

Why is this a challenge for pharmaceutical companies?

Without a direct relationship to your consumer, like other industries have, it's often a physician who orders the medication and an insurer who foots the bill, or a large part of it.

In fact, despite the money the industry spends on reaching them, our research shows that pharmaceutical companies have little direct influence over consumers' decisions about medication.

But they could. To emerge as a winner in this changing industry, you need to be able to connect with consumers. Get to know them now.

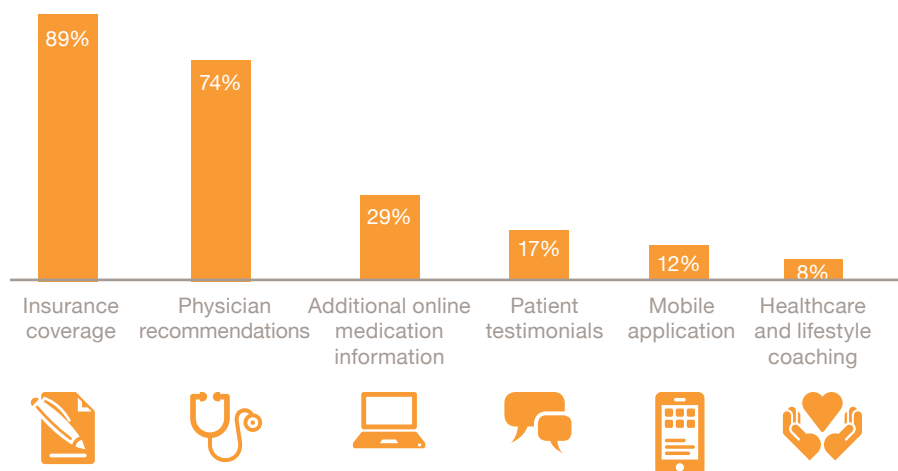
\$27B

the amount pharmaceutical companies spent on consumer promotions and patient studies in 2012

"2012 US Pharmaceutical Promotional Spending," Cegedim Strategic Data, 2013

What affects consumers' buying decisions?

Here's what customers told us matters the most when choosing where to spend their money on healthcare.

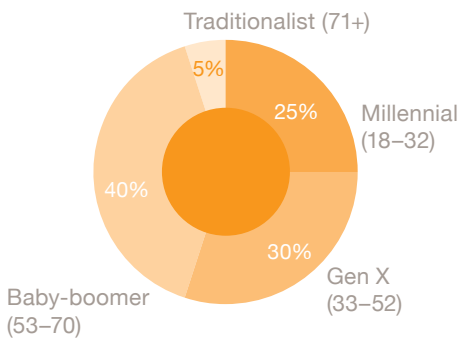


Our research

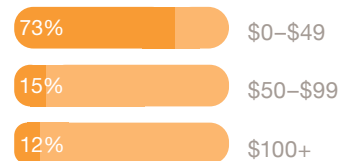
These insights are based on an online survey of more than 700 people—a representative sample of adults with health insurance who had bought medication in the last year, either prescription or over the counter. They varied in the state of their health, the amount they spent on medication, and the type of insurance they had.

From these 700 people, four consumer segments emerged. They are at the heart of our results.

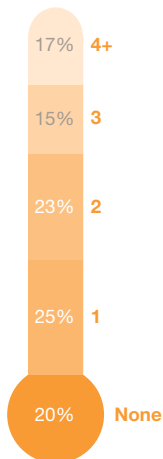
Age



Monthly Rx & OTC spend



Number of chronic conditions



More about our approach and methodology

PwC's Experience Radar helps businesses find the often hidden sources of value that drive exceptional, differentiated customer experience.

By helping companies rank their product and service features, our Experience Radar points the way to value—and profits—by identifying ways to serve all your customers, but particularly those seeking an experience that's second to none.

In this report, we help you locate two elements critical to pleasing your customers and growing your business: experience segments and experience enhancers.

- **Experience segments** are who you can build a business around—those natural groupings of customers that appear once survey respondents are categorized by the features they value, their sociodemographics, and behavior profiles.
- **Experience enhancers** are what you might do to grow your revenue—those market insights that, when translated into actions, can create value for your customers.

The Experience Radar assigns value to a broad set of customer experience attributes broken down into industry-specific elements and then ranked by what target segments value most.

Our methodology employs a conjoint survey technique to reveal insights that can be honed to improve precision. Other, more traditional customer experience studies typically do not tie to “hard economics” like value measures, price elasticity² and churn metrics. Experience Radar does.

While the results outlined in this report are at the industry level, PwC can use this same methodology to develop an Experience Radar that is customized to your business.

Elasticity measures converted into willingness to pay percents based on a market simulation of the conjoint survey data. Willingness to pay calculates the additional percent consumer will pay for an upgrade of the feature in discussion.

Your customers' experience

The four segments

Our four segments are groups of people who tended to answer questions in the same way. We've named each segment to make it easier to picture them as being represented by a single individual.

There's **Motivated Monica**—well-off but dealing with several chronic conditions. She puts a lot of time and effort into managing her health. And while she likes convenience, she values face-to-face advice from experts even more. That's why she always picks up her medication from the pharmacist in person, so she can talk about it.

Routine Ron is a little older, also suffering from several health problems, but has been treated for them so frequently that he just wants convenient ways of managing them himself. Like Monica, Ron relies on others for help and support—but he prefers friends and family to experts.

Invincible Izzie is much younger and rarely ill, despite her unhealthy lifestyle. But when she does have a condition, she prefers to research it online and manage her own treatment. She finds this most quick and convenient—two qualities she particularly values.

Basic Bob is self-reliant and rarely ill, though he is older. When he gets sick, he doesn't want high-tech gadgets or advanced treatment. He just wants affordable options with no extras to take care of his symptoms and get him back on track.

These four segments vary a great deal in the services they're willing to pay for—and that gives us useful insights that aren't obvious from the overall survey results. It also has implications for the lifetime value of each segment for pharmaceutical companies, with Motivated Monica being high, Invincible Izzie next, and Routine Ron and Basic Bob bringing up the rear.

We'll look at each of them in more detail, noting the similarities and differences among them as we go.

The size of each segment

Invincible Izzie 23% **Motivated Monica** 27%



Basic Bob 32% **Routine Ron** 18%

How much extra are people willing to pay for...

	Everyone	Motivated Monica	Invincible Izzie	Routine Ron	Basic Bob
No waiting when picking up medication	19%	52%	29%	—	16%
E-prescriptions sent to pharmacy	18%	27%	19%	14%	11%
A medication savings program	6%	6%	7%	7%	4%
Drive-through and walk-in options when picking up medication	1%	4%	2%	2%	—

Motivated Monica

Wants expert advice

Meet Motivated Monica

Monica is on the borderline between Baby-boomer and Generation X. She's well-off, with plenty of friends and connections. She relies on them—and the healthcare experts she knows—for support in fighting her chronic health conditions: diabetes, asthma, and hypertension.

Monica's determined not to be defeated by her health problems. She gets as much information as possible to help her manage them. And she mostly sticks to a healthy diet, exercise, and sleep routine—as well as taking several sets of pills every day. She always keeps an eye out for new treatments that could help her. In fact, she's willing to put everything into her struggle for health, and will always pay for the best experience when it comes to treatment—including any optional extras.

Motivated Monica with the doctor

Monica visits her doctor when she has important questions about her conditions or her treatment, and often asks about new treatments she's heard or read about. She wants him to explain the options, and would far rather make a trip to talk to her doctor than try to find the answers to her questions online.

Monica sees doctors—along with their staff—as having the most influence on her care and being responsible for creating memorable treatment experiences. Interestingly, though, most people trust pharmacists more than doctors.¹

Motivated Monica goes to her doctor for advice

20%

more often than other segments



Motivated Monica prefers in-person learning events

50%

more than other segments



Motivated Monica at a glance

Proportion of the sample	27%
Age	Baby-boomer / Generation X
Gender	Female
Annual household income	\$100K +
Health conditions	Several, chronic
Average monthly Rx spending	\$100+
Lifestyle	<ul style="list-style-type: none">• Healthy eating and exercise• Takes pills every day
Preferences	<ul style="list-style-type: none">• Dealing with experts• Easy-to-understand medication information

These details are for typical respondents in this segment.

¹"2012 Honesty and Ethics Survey," Gallup.

Motivated Monica with the pharmacist

Monica would rather get her medication by picking it up from the pharmacy in person, even if it means waiting. In fact, she'll pay extra to pick up her medication herself, and more to avoid waiting. She likes to ask the pharmacist for advice on her medications, and—like Routine Ron—she's always interested to hear how they've performed in clinical trials. In fact, the pharmacist is the medical expert Monica sees most often—even more frequently than most people do.

One reason Monica relies on her pharmacist's advice is that she finds the printed information that comes with medication too difficult to understand. She really values it when companies provide the information in a way that's easy to read.

Motivated Monica would pay more for in-store pickup than home delivery...

45% *more with a wait*
52% *more with no wait*

Almost a third of Motivated Monicas value easy-to-read "patient package inserts"—a simple format showing basic medical information, instructions for use, and possible side effects—that's

60%
more than other segments

Most people visit their pharmacist 5x more often than their doctor

"2012 Honesty and Ethics Survey," Gallup

Health information is usually written at a 10th grade reading level, but the average American only has 5th grade comprehension.

This means

90M
adults don't properly understand medication information.

"The facts about health literacy," MedCityNews

"Following directions on prescription drug labels," AARP Bulletin, January 20, 2012

1 in 3
Motivated Monicas want extra information on clinical trials, which is 50% more than other segments

Motivated Monica with her friends

Monica has a wide social circle, and she often talks to friends and family about health. That includes diet and exercise as well as her experiences with doctors, nurses, hospitals, pharmacists, and her insurer.

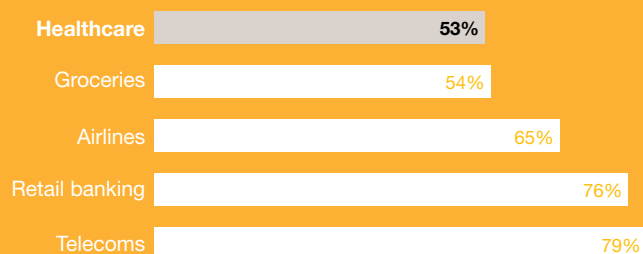
If she has complaints, Monica doesn't always tell the professionals about the problem. Instead she spreads the word among the people she knows. And because health is so important to her, she'll carry on talking about bad experiences for years—much longer than she talks about problems she's had with other industries.

Motivated Monica is

30%
more likely than other segments
to still be talking about a bad
experience after two years.

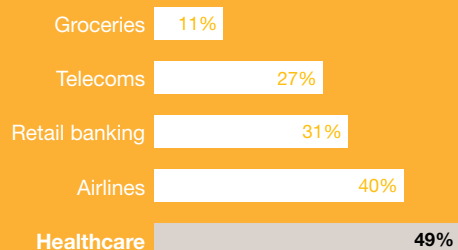
People don't always tell healthcare providers about bad experiences

Proportion of people who would tell companies in different industries about a problem they experienced



Motivated Monica talks to friends about healthcare problems for years

Proportion of Monicas who would still be talking about problems after two years, for different industries



Note: Healthcare includes provider, payer, and pharma industries

How to reach Motivated Monica

- Tell her about alternative options—she’s prepared to pay for them.
- Talk to her about clinical trials and other ways of treating and managing her conditions.
- Make it easy for her to talk to experts face to face.
- Give her information that’s easy to understand—such as an easy-to-read summary on the patient information that’s provided with medication.
- Ask her to tell you about bad experiences—otherwise Monica will be talking to her friends about them for years, without telling you.

Routine Ron

Wants no disruption

Meet Routine Ron

Ron's a little older than Monica—on the borderline between Baby-boomer (those born 1943–1960), and Traditionalist (those born before 1943). He's retired, living comfortably on his investments. Ron's been dealing with chronic hypertension, diabetes, and arthritis for more than a decade, with support from family and friends in the community. His health problems have meant spending a lot of time with doctors and other medical professionals, and Ron now feels he's a healthcare veteran. He'd far rather be at home than in a pharmacy or waiting room, so he's willing to pay to avoid unnecessary interactions with professionals.



21%

How much extra Routine Ron will pay for home delivery (compared with a written prescription and picking up from a pharmacy)

Routine Ron values home delivery almost

3x

as much as the other segments



41%

of Routine Rons want do-it-yourself health screening stations, which allow self-screening of blood pressure, vision, etc.

37%

of Routine Rons want a mobile app to monitor vital signs

Routine Ron at a glance

Proportion of the sample	18%
Age	Traditionalist/ Baby-boomer
Gender	Male
Annual household income	\$100K+
Health conditions	Multiple chronic conditions— more than Motivated Monica
Average monthly Rx spending	\$50–\$100
Lifestyle	<ul style="list-style-type: none"> • No exercise, mostly healthy diet • Takes pills every day • Unlikely to take all his medication as directed
Preferences	<ul style="list-style-type: none"> • Being treated politely and with empathy • Electronic prescriptions • Home delivery of medication

These details are for typical respondents in this segment.

Routine Ron at home

Ron has seen enough doctors to last him a lifetime, and would rather manage his conditions himself, at home. In common with the other segments, he likes e-prescriptions because they save him a trip to the doctor's office. But he's unique in preferring to combine e-prescriptions with home delivery—and being willing to pay extra for that. He's been taking medication a long time, and he knows he won't run out, so he doesn't mind waiting for it to be delivered. In this respect, Ron is different from other segments. While everyone wants to abandon the traditional model of taking a written prescription to the pharmacy, most prefer the combination of e-prescriptions and pharmacy pick-up. Only Ron wants to avoid both the doctor and the pharmacy.

Ron likes anything that keeps him away from doctors. He'd like DIY health-screening stations in his pharmacy, which allow self-screening of things like blood pressure and vision (though he doesn't want to pay for them). And he'd like a mobile app to help him monitor information related to his condition, like heart-rate and blood-sugar levels. He thinks that would help him use his time with doctors and pharmacists more efficiently.

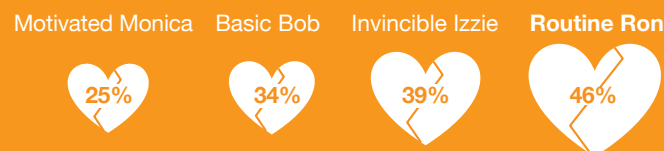
Two-thirds

of Routine Ron's good healthcare experiences relate to the person taking care of him

Good experiences are nearly

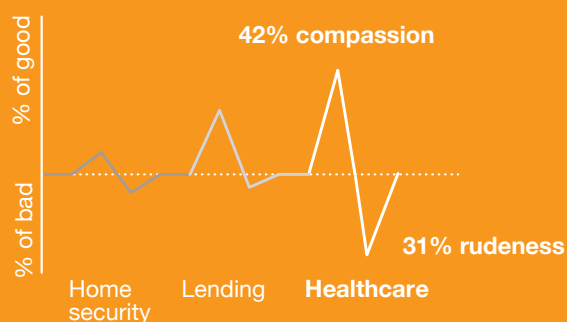
3x *more likely to be related to the healthcare staff's empathy than their knowledge*

Proportion of bad experiences caused by rudeness



Compassion and rudeness make a bigger impact in healthcare

Emotionally charged interactions are amplified in healthcare, compared to other high-stakes industries



Routine Ron with the doctor

When he goes for check-ups or needs treatment away from home, what really makes the difference for Ron is the way he's dealt with: For him, good experiences are about the person who's treating him, and he values their empathy more than their knowledge. In fact, for Ron, empathy outweighs technical skills and the quality and speed of the outcome, by almost 3 times as much. Conversely, his bad experiences are very likely to be caused by medical staff being rude to him. Rudeness bothers him more than it bothers any of the other segments.

But Ron isn't so unusual. In healthcare, good experiences are much more likely to be related to compassion than in other industries. And bad experiences are much more likely to be related to rudeness. What's more, customers who are shown empathy are 24% less likely to discourage others, 62% more likely to remain a customer, and 110% more likely to be satisfied even after a bad experience.

Routine Ron and his medication

Because of his age and the fact that he takes so many different medications, Ron sometimes has trouble remembering how and when he should take his medication. And sometimes he just gets tired of taking so many pills. In fact, Ron is the least likely of all the segments to finish his course of medication and take it as directed.

Not sticking to the proper course of medication is very common. In the US each year it causes 125,000 deaths and costs \$200 billion in extra healthcare costs¹. But people with healthier lifestyles stick to their medication better. Ron would appreciate help with both, so he's attracted to well-being rewards programs, which encourage participants to follow healthy behaviors in exchange for financial incentives. He's even willing to pay for this extra incentive for adherence.

How to reach Routine Ron

- Give him easy home delivery options
- Focus on bedside manner
- Help him to have a healthier lifestyle
- Find new ways to motivate him to keep up with his medication

Helping adherence: What makes people take their medication properly?

There's a 70%

improvement in adherence through healthy eating, versus those who never eat healthfully

40%

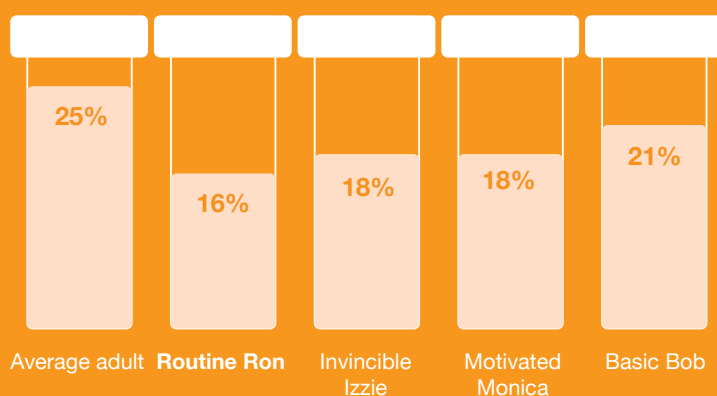
improvement in adherence through regular exercise, versus not exercising

and a

20%

improvement in adherence when handling stress well, versus those who are stressed

How many finish their medication as directed?



Routine Ron and well-being rewards:

38%

want them

He'd pay

7%

more for them

¹ "Blueprint for an Effective Cross-Cultural Medication Adherence Program." Global Advertising Strategies, February 2012, and "Avoidable Costs in US Healthcare: The \$200 Billion Opportunity from Using Medicines More Responsibly." IMS Institute for Healthcare Informatics, June 2013

Invincible Izzie

Wants convenience

Meet Invincible Izzie

Izzie is a busy city-dweller in her mid-twenties. Although she's rarely ill, Izzie's lifestyle is fast-paced and stressful, which can make it difficult to eat well and exercise enough. She hates to waste time on dealing with her health. Born into a digital world, she's comfortable with technology—and she uses the internet and online communities to make healthcare decisions. She tends not to trust the professionals, and if she has a bad experience with one—whether a doctor, pharmacist, or insurer—she'll tell her friends and switch to someone new.



Invincible Izzie with the doctor

With most Millennials unsure of how to determine if a doctor meets their needs, Izzie does her own initial research. That could be a cause or a symptom of her disregard for doctors' (and other health professionals') advice. And she'd rather research her health problems online and make her own diagnoses. In this way, she's typical of her generation—Millennials are the most likely to learn without help from healthcare professionals.

Unsurprisingly, Izzie doesn't feel much loyalty to doctors, pharmacists, insurers, or anyone else involved in her healthcare, and she'll have no qualms about leaving them if someone else offers a better experience. And for her, a better experience often means one that involves less waiting.

64%
of Millennials don't know
how to choose a doctor

"Digitally Connected Generation Y Feels Disconnected from Healthcare, Survey Finds", Harris Interactive for ZocDoc

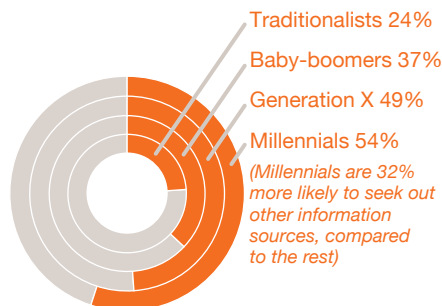
85%
of Invincible Izzies prefer online
communities to face-to-face
meetings—a third more than
other segments

47%
of Invincible Izzies self-diagnosed
online, with over half not seeing a
doctor afterward

"Health Online 2013", Pew Internet

3/4 of Invincible Izzies will
leave their doctors and other
healthcare parties for a better
experience elsewhere

Invincible Izzie and her Millennial
peers are most likely to self educate



Percent of overall consumers who say they learn without help from healthcare professionals

Invincible Izzie at a glance

Proportion of the sample	23%
Age	Millennial
Gender	Female
Annual household income	\$25K–50K
Health conditions	No chronic conditions
Average monthly Rx spending	Less than \$50
Lifestyle	<ul style="list-style-type: none"> • Her exercise and health habits are very variable • Unlikely to take all her medication as directed
Preferences	<ul style="list-style-type: none"> • No waiting • Doing everything herself, including researching symptoms and treatment

These details are for typical respondents in this segment.

Izzie with the pharmacist

When Izzie falls ill, she's not interested in waiting for a home delivery; she wants to go straight to the pharmacist to get the medication she needs. She also dislikes waiting inside the store, and will pay to avoid it.

She doesn't want a personal relationship with the pharmacist, but rather wants to grab her medication and get on with the business of recuperating. In fact, she'd be perfectly happy not to deal with a real person at all, and would consider paying more if there were automated kiosks that dispensed medication.

When she starts to feel better or gets fed up with the expense or side effects, Izzie decides to stop taking her medication. Side effects are such a common reason for Izzie to give up on medication that it would be worth pharmaceutical companies putting more effort into making sure she's prepared for them. Help improve Izzie's adherence through more education and communication around what she can expect.

82%

of Invincible Izzies stop their medication early. Why?

55%

say because of the side effects

28%

say it's the high costs

17%

say they're feeling better

90%

of Invincible Izzies want immediate access to medication from a pharmacist

Invincible Izzie is

2x's

as interested in self-dispensing kiosks as other segments and would pay 1% more

75%

of Invincible Izzies want to avoid waiting and would pay

29%

more for it

Invincible Izzie values physicians' advice

37%

less than other segments, and relies on past experience

40%

of the time when making choices about her treatment

Invincible Izzie with her friends

Izzie has a long memory for unpleasant healthcare experiences, and she'll tell her friends all about them. However, she's more shy about saying she's unhappy with her experience in healthcare—whether from the people who treat her, her insurer, or the company that makes her medication—and she prefers just to switch to someone else. She's far, far more likely to tell companies in other industries about any problems she has with their services, and much more likely to stick with them as a result.

How to reach Invincible Izzie

- Don't make her wait or ask her to fill out lots of paperwork
- Give her clear information online and in apps
- Make her experience as pleasant and convenient as possible to keep her loyal
- Educate her about side effects, so they won't make her give up on her medication
- Make it very easy for her to tell you about her bad experiences

***Invincible Izzie
after a bad
healthcare
experience...***

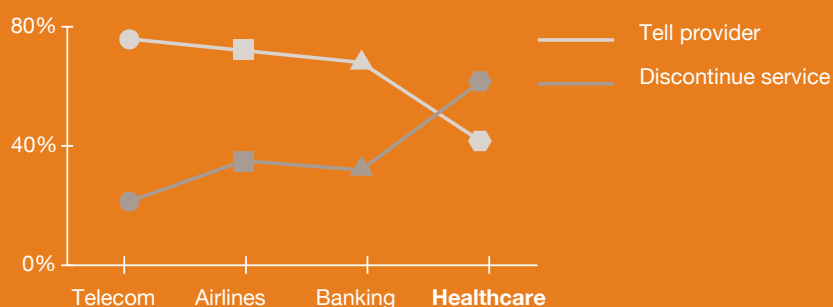
60%
don't tell the provider

60%
stop using that provider

59%
tell others not to use the provider

40%
***remember it for more than
two years***

Invincible Izzie after a bad experience with other industries



Basic Bob

Wants to save

Meet Basic Bob

Bob's a Boomer, divorced, with grown-up kids and now living alone. He's approaching retirement age and hoping he'll be able to afford it. Living on a modest income, the cost of healthcare worries him a lot, so he tends to opt for the most basic healthcare. Fortunately he only has to manage his high cholesterol, but he has little interest in exercise and his diet isn't always great, which puts him at some risk.

Bob grew up being self-reliant and doesn't always reach out to his small group of friends for help or information. And his laidback attitude means he often waits until the last minute to take care of his health concerns—and he might even give up medication early.

Basic Bob with the doctor

More than anything else, Bob worries about cost when he visits the doctor. He doesn't understand why costs are so high, and nothing irritates him more than discovering how expensive his treatment is after it has begun.

Bob's frustrations—with cost, side effects, long waits, and unfriendly staff—all contribute to a more serious issue for him: He doesn't complete his recommended treatment. And despite his obsession with cost, Bob's biggest obstacle to following his treatment is the side effects—both those he feels himself and those he hears others have experienced.

What's bugging Basic Bob?

35%
think cost is the top frustration

20%
say side effects are most frustrating

12%
are most irked by a long wait

9%
are most frustrated with an unfriendly staff

80%
of Basic Bobs abandon their treatment

Why Basic Bob gives up on treatment:

61%
lose adherence after feeling side effects

21%
stop because of high costs

19%
give up because of side effects

Cost is **50%** more important to Basic Bob than to other segments



Basic Bob at a glance

Proportion of the sample	32%
Age	Baby-boomer
Gender	Male
Annual household income	\$25K–50K
Health conditions	Few chronic conditions
Average monthly Rx spending	Less than \$50
Lifestyle	<ul style="list-style-type: none">• No exercise, somewhat healthy diet• Waits until the last minute to take action on his health problems
Preferences	<ul style="list-style-type: none">• Basic, affordable treatment• No unexpected costs• Simple technology

These details are for typical respondents in this segment.

Basic Bob and technology

Bob likes things to be simple, and that includes technology. When it comes to reminders about refills and dosages, he'd far rather get a text than have to use a smartphone app.

In fact, Bob is the least enthusiastic segment when it comes to healthcare apps—despite the rapid growth in their number and profitability. Each of the other segments see some benefit in them, but for Bob they just get in the way.

Basic Bob with his friends

Bob doesn't have a large group of friends. While experience has taught him that he's usually his own best counsel, he is not averse to seeking out people he trusts.

He almost always shares the good experiences he has, but he's also quite vocal about his bad experiences. And when he feels he wasn't treated well, or didn't get the results he expected, he's more likely than most to go somewhere else the next time.

How to reach Basic Bob

- Provide options that do the essentials and don't have hidden add-ons
- Tell him up-front about the overall cost of treatment
- Send him reminders by text to help encourage adherence

85%

of Basic Bobs prefer to get refill and dosage reminders by text

15%

of Basic Bobs prefer apps



Sharing behaviors of Basic Bob:

85%

Recommend after a good experience

37%

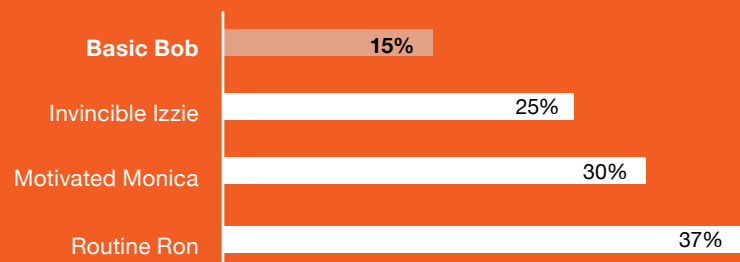
Repurchase after a bad experience

61%

Discourage after a bad experience

Preference for mobile apps

Percentage of segments that prefer mobile apps for healthcare—Bob is only half as interested as other segments.



There are

97,000

healthcare apps, with revenues growing at 25% per year

"The proliferation of mobile devices and apps for healthcare: Promises and risks," Bloomberg Law, 2013

"Mobile Medical App Market Expected To Grow by 25% Annually," iHealthBeat, June 13, 2012

Our recommendations

Understand and motivate your consumers

Motivate people to change their lifestyles

Offer consumers “well-being rewards”—financial incentives for healthy behavior. Healthier lifestyles improve people’s energy, mood, and motivation. That can help them stick to their medication schedule. Because the benefits of a healthier lifestyle are long-term rather than immediate, consumers need tangible rewards.

Find out about the person behind the condition

Traditional segmentation looks only at health conditions and demographics. This misses out on what matters most: lifestyle, attitudes, and behavior. Collect information about those things by working with hospitals, pharmacies, and others. That will help you to connect with your consumers, educate them, and evaluate new products.

Improve empathy where it’s needed most

We’re vulnerable when we’re ill, so the way we’re treated matters a lot to us. We’re far more likely to stick with our medication when it’s given to us in a caring, personal way. Use surveys to find out where consumers are least satisfied—whether with your call center or their doctor. Then set up programs to train your staff and partners to empathize better. Because of the way the industry’s changing, it will become easier for those other than doctors and their support staff to give consumers memorable healthcare experiences.

Help people tell you what they think

People have strong opinions about their medical treatment, but don’t always tell the companies who provide it—in fact, three in five don’t, which is twice the rate in other industries. Make it easy for them to do that by setting up a variety of ways for your customers to give feedback—online, by phone, and in person. Also, listen to what they say in online forums and give them answers wherever possible, as well as solve any problems that come up. If you give customers a safe place to share their experiences and concerns with you—anononymously, if they prefer—then they’re less likely to resort to public forums. And you should make it clear that sharing their opinions won’t have any bad consequences for their treatment. This can help resolve issues and strengthen your brand.

Give your consumers choices and convenience

Let people choose how they pick up medication

Some people—like Invincible Izzie—just want to grab their medication and go. Others are more like Motivated Monica and want to chat with an expert when they pick it up, to make sure they know exactly how to take it. You need to satisfy both groups by letting the Monicas book time with pharmacists and the Izzies avoid waiting by, for example, going to medication kiosks.

Give support the way people want it

Engage customers by helping them to stick to their medication schedules, but do it in ways that fit their preferences. People like Routine Ron like apps to help monitor chronic conditions—things like wearable sensors that record their heart rate or devices that fit on top of an inhaler and record how often it's used. Basic Bob, who falls ill less often, might appreciate reminders sent by text message. And Motivated Monica prefers personal support, by phone or face to face.

Get close to your fellow health professionals

Ally with pharmacists—people see them most

Look for ways to form partnerships with pharmacists—the medical professionals customers see most often. That can help you find out more about your customers and engage them, as well as help the customer—especially those with weaker support networks like Basic Bob—stick to their treatment program.

Partner with clinicians to help people make decisions

There's a large amount of information available for consumers about their condition, and an increasing number of decisions for them to make. People like nurses and pharmacists can help them navigate that information and make the best decisions. Forming partnerships with them can help consumers stick to their treatment and get the best results from it. You can help consumers connect to these professionals—online for tech-savvy consumers like Invincible Izzie, or with appointments or events for people like Motivated Monica.

Make partnerships to improve digital tools

Make partnerships with other parts of the healthcare system to get more consumers using online resources. Younger people, like Invincible Izzie, want anonymous access to information using their smartphones, while older people like Routine Ron want monitoring apps to help them manage several conditions without seeing a doctor. You can help tailor these tools, make them more effective and, above all, tell people about them. That will help people find the treatments that are best for them and stick to their full course of medication.

Make everything clear for your consumers

Make medication information easy to read

Few consumers can understand the traditional way of presenting the standard information that comes with their medication. Do more than the regulations say you should by making this information easy to read. Make sure the information that's most important to consumers—like side effects and warnings—jumps out. It will help consumers trust you and make them more likely to take their medication properly.

Give more information on treatment options

You can make it easier for people to discuss their full treatment options by providing easy-to-understand explanations of clinical trials. You can make these available for consumers, physicians, and pharmacists online.

Be up-front about costs and side effects

Unexpected costs and side effects make people anxious, creating a risk that they'll stop taking their medication. Help consumers prepare for unforeseen expenses and demonstrate the long-term savings they'll have by sticking with their treatment. Consumers like Routine Ron who have high medical costs will appreciate this, as will those like Basic Bob who like to save money. Tell people what side effects they should expect and how to manage the most common of them.

Making a significant change

What we're talking about is a major shift for pharmaceutical companies.

In the past, the business model focused on treating conditions. Medication generally aimed to relieve the symptoms or attack the causes of a particular disease—and to work for pretty much all the patients who suffered from it. Because of the changes outlined in this report—financial, social and demographic changes, but above all changes in attitude and behavior—pharmaceutical companies need to think not about patients, but about people.

Medication is now part of people's lifestyles. For the same condition, different people will want to make different trade-offs, depending on their priorities. Some, for example, will always choose to minimize pain, even if that means being a little fuzzy around the edges. Others would rather tolerate more pain if it means they can keep a clear head. In the future, medication will increasingly be designed to appeal to a particular segment's preferences, rather than everyone's symptoms.

The focus on customers' experiences will inevitably mean more collaboration. At the moment, drug-makers, healthcare providers, pharmacists, and insurers are all very separate. With more collaboration, they could give their customers better experiences. Those who do so will achieve a competitive advantage.

With patients wanting—and taking—more control, you need to ask how you can convince them not just to pick your medication this time, but your brand every time. How can you encourage people to have as great an affinity for their favorite brand of medication as they do for their favorite brand of car? What can you do—beyond the pill itself—to encourage people to pick your brand?

The future of your business lies in your answers to those questions.

Contacts

While the results outlined in this report are at the industry level, PwC can use the same methodology to develop a customized Experience Radar study and pinpoint ways to accelerate your business.

To learn more about our detailed analysis of pharmaceutical customer segments and how PwC can apply this knowledge and methodology to your business, contact:

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For more information on the Experience Radar and survey methodology, visit: pwc.com/us/en/advisory/customer-impact/pwc-experience-radar.jhtml

For more information on PwC's Health Research Institute (HRI) and the customer experience in the pharmaceuticals sector, visit: www.pwc.com/us/pharmacustomer

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