

Experience Radar 2012

Consumer insights for the
US healthcare payer industry

*Locating the sources
of value behind truly
exceptional customer
experiences*

April 2012



volume 3

pwc

Experience matters.

Understanding that lets healthcare payers grow their share of profitable consumers—not just manage costs.

About Experience Radar

PwC's Experience Radar helps businesses search out and find the often hidden sources of value that drive truly exceptional, differentiating customer experiences.

By helping healthcare payers rank their consumer features by relative importance to the healthcare public and potential economic benefit to themselves, Experience Radar locates opportunities to create value—pointing the way toward both top-line growth and bottom-line results.

This year's study measures the experiences of about 6,000 US consumers across 11 industries.¹ 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 an advanced conjoint survey technique to reveal insights that can be honed to extreme precision. Other, more traditional customer experience studies typically do not tie to “hard economics” like value measures, price elasticity 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 study that is customized to your business.

1 Retail (apparel, footwear & consumer electronics), Retail Banking, Payments, Healthcare Provider, Health Payer, Airlines Leisure, Airlines Business, Hotels Leisure, Hotels Business, P&C Insurance, and Life Insurance

Yes, employers are still the primary purchasers of healthcare for working-age Americans. But more and more market power seems to be shifting to individual consumers.

For decades now, the largest employers have offered a choice of plans to their employees during annual enrolments. And that trend toward choice is only likely to continue, regardless on the Supreme Court's ruling on the constitutionality of the Patient Protection and Affordable Care Act (PPACA). Whether healthcare exchanges or other means of consumer choice, choice—and competition—in healthcare seems to be a theme that's here to stay.

In the case of healthcare payers, that competition will make it all the more important to turn good member experiences into loyal consumers—regardless of whether that consumer is an employer or the individual patient.

Winning with consumers means putting them first. That's why we've chosen to focus on real consumer in this year's Experience Radar report for US Healthcare Payers.

Specifically, we've honed our insights on one segment that's sure to have a growing influence in healthcare decision-making going forward: the young and the urban.

This year's Experience Radar report can help healthcare payers attract new profitable consumers among that critical segment, keep the ones they've got, and grow margins. After all, running a profitable company isn't just about keeping costs down. It's about winning—and serving—profitable consumers the best you know how.

Experience Radar helps you locate two elements critical to pleasing consumers and growing business: **experience segments** and **experience enhancers**.

- **Experience segments** are those natural groupings of healthcare purchasers that appear when respondents are categorized by the features they value, their demographics, and behavioral profiles. They're who payers can build a business around.
- **Experience enhancers** are those market insights that—when translated into practical actions—can create value for healthcare purchasers. They're what payers might do to grow their revenue.

Experience Radar points the way to value—and profits—by identifying ways to serve all healthcare consumers, but particularly those seeking an experience that's second to none.

Best,



Paul D'Alessandro

PwC US Customer Impact Leader



Michael Galper

PwC US Healthcare Payer Leader



Vaughn Kauffman

PwC US Healthcare Payer Advisory Leader

Questions the 2012 Experience Radar helps you answer

How can you attract the
right consumers when they
have real choice?

What do consumers expect
from multi-channel access?

How can brand
ambassadors help
drive growth?

How can you turn good
customer experiences into
loyal employer customers?

For which features are
your consumers most
willing to pay?

How can you incent consumers
to take actions that mitigate
rising medical costs?

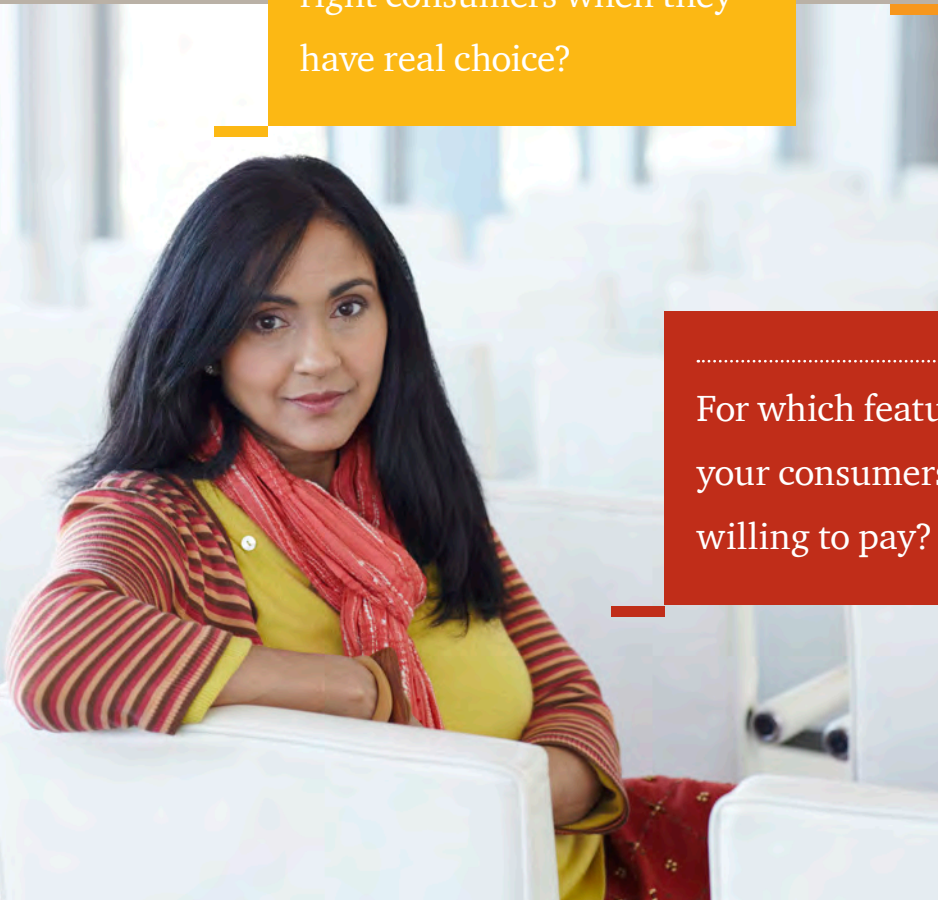


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Healthcare payer challenges and opportunities

Power is shifting to consumers in their choice of healthcare payers, making it important for healthcare payers to differentiate themselves and to work harder for market share and loyalty by better understanding what consumers value.

The individual market for health insurance is expected to grow into a potential \$60 billion¹ market by 2014 with the advent of health insurance exchanges. At present there is a 40 percent² annual turnover rate in the individual health market and an estimated 30 percent annual turnover rate in employer-based plans. Turnover is costly to insurers and employers, making it difficult to recoup investments in prevention and wellness that could result in future savings on treatment.

Healthcare payers who want to capture and retain a share of both the individual and employer-based market need to better understand consumer segments, behavior and attitudes so that they can better develop products and services that matter, target education and marketing campaigns accordingly, build in innovative means of prioritizing member/groups within their underwriting process.

Consumer experience is a primary driver of choice and loyalty, but not all consumers are alike. Consumer experience and perceptions of value vary by demographics and health status, with one of the most significant variables being generational differences between Baby Boomers³ and Gen Y³. Health plans will need to understand these differences and adapt strategies appropriately, particularly for younger, more mobile and healthy consumers who are expected to comprise a large segment of the individual market.

¹ PwC, *Change the Channel*, 2011

² "Fact Sheet: Keeping the Health Plan You Have: The Affordable Care Act and "Grandfathered" Health Plans." 4 Jan. 2012. Web.

³ Gen Y = Ages 18–34 and Baby Boomers = Ages 50+

How the Experience Radar can help

Consumer experience is quickly becoming a differentiator when measuring the value healthcare payers provide, whether to employers or individual patients.



For *insurers*, Experience Radar can help you:

- better develop products and services that matter to consumers
- target different consumer segments of the market for education and sales
- set yourself apart in a heightened competitive environment
- shift the perception of your role from that of a “gatekeeper” to that of a health-care “consumer advocate”
- connect the dots between consumer experience, consumer value, and sustainable financial performance

For *employers*, Experience Radar can help you:

- develop more relevant and effective programs for your employees
- improve the perceived value and level of engagement with wellness and disease management programs offered
- adapt and potentially personalize employee support to be more responsive to the characteristics of the population segments being served

2012 experience segments

Experience Radar's healthcare payer segmentation

How's it different?

Unlike traditional market segmentation which is usually based purely on demographics, Experience Segments—the market segment groups identified by Experience Radar—are defined by the types of experiences they value.

How's it done?

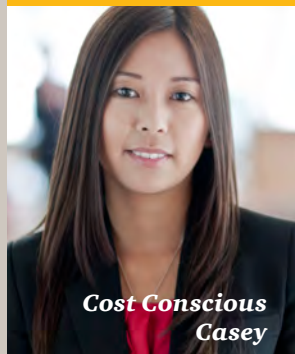
Respondents are pooled and divided into segments based upon the healthcare payer features they value, behavioral dimensions (like usage rate and loyalty, etc.) and some demographic data.

How can I use it?

The Experience Segments identified in this report help you target your experience-based offerings toward those who will value them most.

The **5** experience
segments for
healthcare payers

EXPERIENCE SEGMENT **1**



Cost Conscious
Casey

EXPERIENCE SEGMENT **2**



Digital
Dani

EXPERIENCE SEGMENT **3**



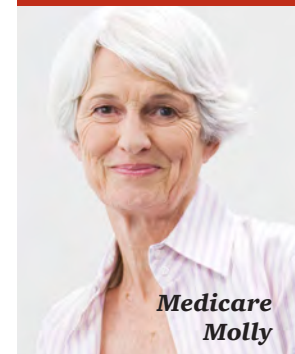
Superior Service
Sam

EXPERIENCE SEGMENT **4**



Brand Aware
Brenda

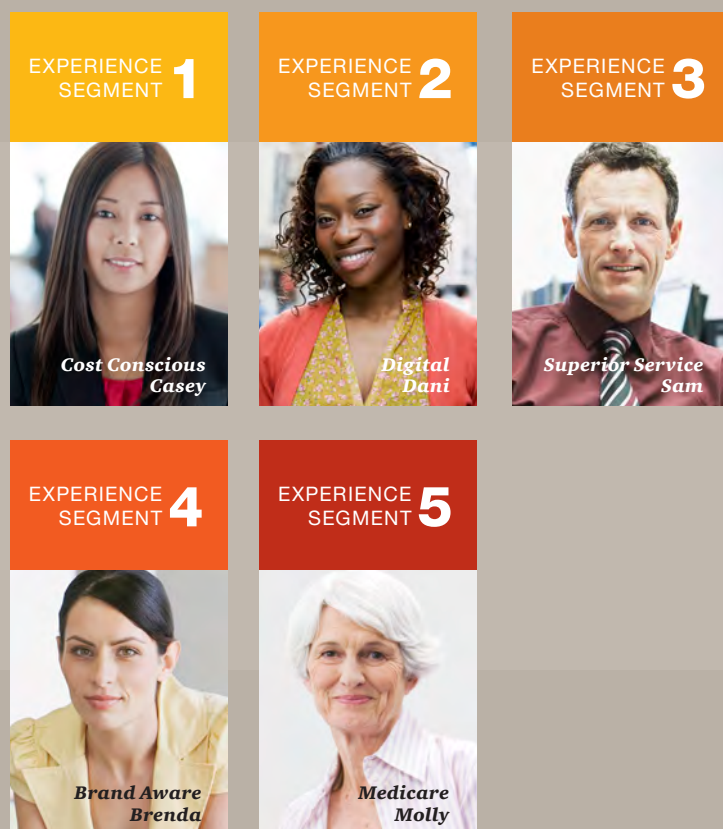
EXPERIENCE SEGMENT **5**



Medicare
Molly

Comparing the experience segments

Details on healthcare payer segments



	EXPERIENCE SEGMENT 1	EXPERIENCE SEGMENT 2	EXPERIENCE SEGMENT 3	EXPERIENCE SEGMENT 4	EXPERIENCE SEGMENT 5
	Cost Conscious Casey (N=121, 21%)	Digital Dani (N=55, 10%)	Superior Service Sam (N=105, 19%)	Brand Aware Brenda (N=172, 30%)	Medicare Molly (N=110, 20%)
Age	Gen X & Y (18–49)	Gen Y (18–32)	Boomer (> 50)	Gen X (33–49)	Boomer (> 50)
Income	\$50–74K	< \$25K	• \$50–74K • \$100–149K	> \$100K	\$25–74K
Gender	Male skewed	Equal	Female skewed	Female skewed	Male skewed
Ethnicity	• Hispanic • Asian	African American	White	White	White
Urbanicity	Major city/Suburb	Major city/Medium suburb	Medium suburb	Major suburb	Town
Top Providers	• Aetna • Wellpoint	• Aetna • United Health Group	• BCBS • Humana	• BCBS • United Health Group	• Aetna • Humana • Other
Top Attributes	• Quality • Accessibility	• Support • Accessibility	• Quality • Accessibility	• Quality • Accessibility	• Quality • Accessibility
Top Features	• Accurate billing • Extensive provider network	• Issue resolution • Website content	• Accurate billing	• Extensive provider network • Accurate billing	• Accurate billing • Extensive provider network
Additional	• Most price sensitive segment	• Most likely to adopt digital channels • Most likely to use social media to share good experiences	• Most likely to share good experiences in person or via phone • Least price sensitive	• Most likely to switch healthcare payers for experience	• Most likely to not share good experiences


Experience Radar measures the core attributes of customer experience

The **5** core attributes
of healthcare payer
consumer experience


ACCESSIBILITY **1**

Ease of accessing
and using an
offering 


SUPPORT **2**

Ease with which a
consumer can obtain
product or service
help pre and
post purchase 


QUALITY **3**

Accuracy, speed,
breadth and
value of an
offering 

PRESENTATION **4**

Aesthetics,
arrangement and
description of
the offering 

PERSONALIZED CARE **5**

Personalization of
consumer relationships
via staff and partners 

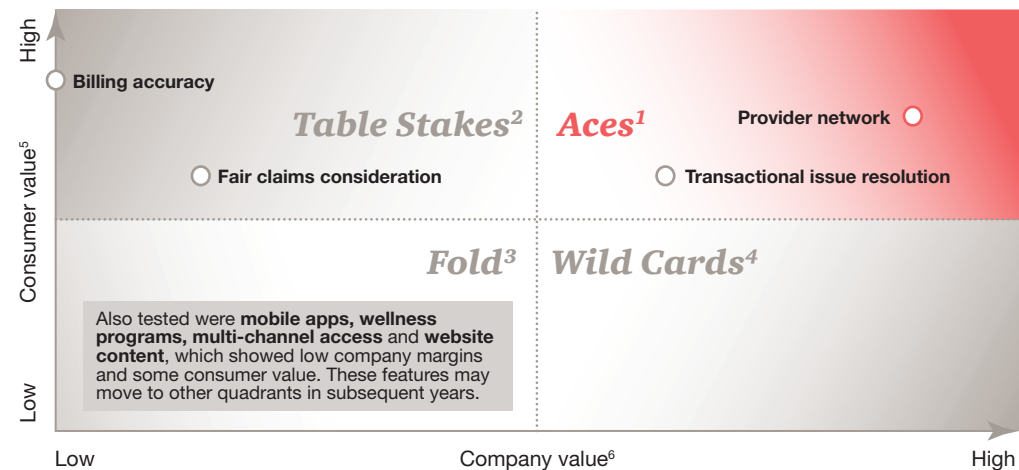
Experience Radar uncovers the impact of experiences

Healthcare payer

Experience Radar ranks healthcare payer features by relative importance to consumers as well as potential economic impact on payers. The chart on the right maps each of the features measured by their value to both groups. The features fall into four categories that—in the world of customer experience—we call *Aces*, *Wild Cards*, *Table Stakes*, and *Fold*. Ace features can help you hit your margin targets, while other features can drive emotional goodwill and generate ancillary benefits across the organization.

Hit your margin directly with Aces,
but don't ignore the impact of the rest

Healthcare payer: Consumer vs. company value⁷



1 Nice to have features with moderate to high economic returns

2 Must have features with low incremental economic returns

3 Feature may drive emotional goodwill & long-term gains

4 Feature generates benefits for other parts of the organization

5 Based on relative feature importance that does not consider willingness to pay measures

6 Based on willingness to pay measures that are combined with an estimated incremental feature margin contribution (High = 8-5%, Medium = 3-4% and Low = 0-2%)

7 Policy Comparison, Claims Processing, and Historical EOBs not displayed due to insignificant consumer and company value

2012 experience enhancers

Building (and growing) your business by designing and delivering exceptional customer experiences

EXPERIENCE ENHANCER 1

Power is shifting to consumers—***make them*** brand advocates

EXPERIENCE ENHANCER 2

Empower the healthy to stay healthy

EXPERIENCE ENHANCER 3

Deliver anytime, anywhere access

EXPERIENCE ENHANCER 4

Don't make consumers the middlemen

EXPERIENCE ENHANCER 5

Show consumers that their concerns are your concerns



Power is shifting to consumers—make them brand advocates

Healthcare exchanges will bring about new consumers and competition. Encourage consumers to own the brand with you. Identify, incentivize and promote your brand advocates.



78% Consumers **willing to recommend** a healthcare payer after a good experience

EXPERIENCE
ENHANCER **1**

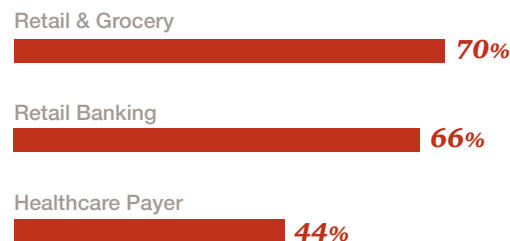
Changing market dynamics are expanding the individual marketplace.

To win in this new environment, appeal to the consumer and use consumers as your best marketers.

Payers will be competing for a piece of the **\$60B health insurance exchange pie** in 2014.¹ As consumers comparison shop, amplifying good experiences to generate brand buzz will be critical.

Within other industries, consumers eagerly share their good experiences, but not as often in healthcare payer.

Percent of consumers sharing experiences



This low rate produces a **34% gap** between those willing to promote an insure brand but not doing so.

Create brand advocates, like other consumer driven industries. Allow consumers to own the brand with you. Surpass competition by helping consumers **advocate your brand** to others.

Consumers rank insurer brand as a top purchase driver nearly

5x more
often than convenience

¹ Source: PwC Health Research Institute, 2011

Power is shifting to consumers—make them brand advocates

Healthcare exchanges will bring about new consumers and competition. Encourage consumers to own the brand with you. Identify, incentivize and promote your brand advocates.

3x
Gen Y more likely

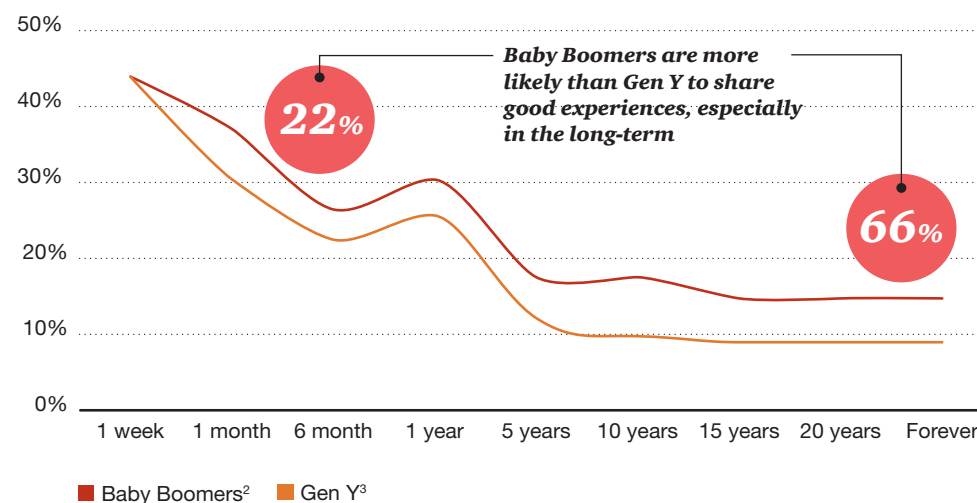
than Baby Boomers to share via social media

EXPERIENCE
ENHANCER **1**

Young consumers—about **6.9 million**¹ shopping via exchanges in 2014—will be your best **brand advocates**. They're already sharing with their personal networks.

But they're not talking about you—**Gen Y shares fewer** good experiences about insurers than older generations.

Life span of good experiences by generation



Help your consumers connect with each other. Incent young generations to create buzz within personal networks.

Enable older segments to connect via **video and message boards**.

¹ Estimated. 12M Americans shopping via exchanges in 2014* x 97% of them uninsured *x 59% of uninsured under 35**
* PwC, Change the Channel. 2011. **Pfizer Foundation, "A Profile of Uninsured Persons in the United States, 2008.

² Gen Y = Ages 18–34 and change from "2" to "3"

³ Baby Boomers = Ages 50+

Empower the healthy to stay healthy

Manage the health of consumers who want it most. Apply game-mechanics to engage Young & Urban consumers in wellness programs and preventive care.



“If they had a free nutrition program...I would definitely use it”

EXPERIENCE
ENHANCER **2**

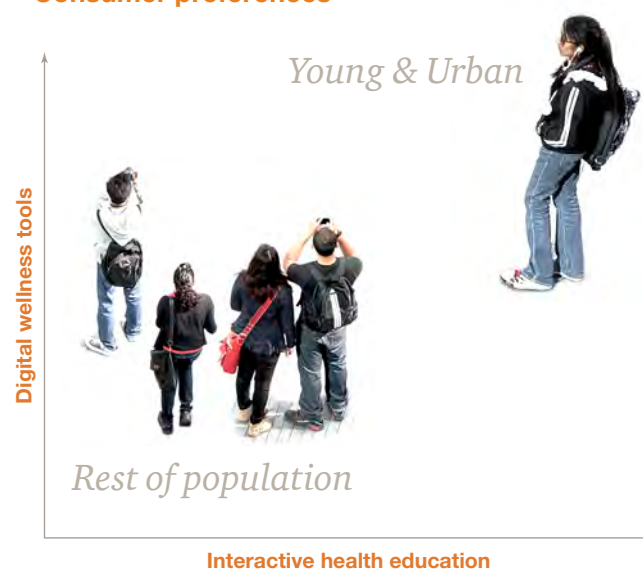
The Young & Urban¹ are a healthy segment and will make up a valuable share of the exchange population. Keep them on track with digital wellness and preventive care tools that make healthy behaviors entertaining.

Young & Urban consumers, comprising roughly 17M² members, value digital health tools.

Turn **wellness into a game**. Increase engagement via gaming mechanics such as consumer check-ins and tracking. Take advantage of this data to better manage services and capacity.

Integrate virtual and physical worlds by linking online support groups with in-person events—build a community that connects across channels to drive loyalty.

Consumer preferences



2.5x

Young & Urban more likely to value health topic information

1.4x

Young & Urban more likely to value digital wellness tools

¹ 18–34 years old, living in large or midsize city; sample size $n = 65$ and rest of population size $n = 498$

^{*}Statistics cited from 2012 Statistical Abstract, <http://www.census.gov/compendia/statab/2012/tables/12s0007.pdf>;

^{**}Statistics cited from Google on 01/04/2012

² “Estimate—63M” population between ages of 20–34 / 307** total US population x 84M* living in incorporated places with a population > 175,000

Some hidden truths surfaced in this year's Experience Radar

The *big* question:
What might this mean
for the future of your
business?

35% More Young & Urban¹ consumers value wellness program relative to population

...and every \$1 spent on a corporate wellness program generates \$3.27 in cost savings²

3x Value of improved claims accuracy over speed for a typical consumer

...yet only 1 in 7 leading insurers improved YOY accuracy in 2011—20% error rate can cost an estimated—\$17b annual loss³

2 in 5

Consumers willing to promote healthcare payer, but not doing so⁴

...and word of mouth has traditionally ranked as one of the top 3 sources of marketing success⁵

¹ 18–34 years old, living in large or midsize city; sample size n = 65 and rest of population size n = 498

² Harvard University Wellness Programs Meta Study, in *Health Affairs journal*, 2010

³ American Medical Association National Health Insurer's Report Card 2011

⁴ Timeframe of promotion within a month

⁵ K Group, Inc. http://www.kgroup.us/revenue_word.html

Deliver anytime, anywhere access

Consumers are on the go, especially the Young & Urban. Give them the convenience they seek through innovative expansion of provider networks and enhanced self-serve tools.

Consumers want convenience, but convenience has multiple dimensions. Customize touch-points by consumer segment to generate premium opportunities.

The Young & Urban want on-the-go care. They rank convenience over insurer reputation more than other segments and value access to expanded provider networks.

Give the Young & Urban what they want quickly and cost effectively. Rather than a single provider network, provide a tailored offering that provides prompt, non-specialty care through **partnerships with alternative care facilities**.

EXPERIENCE
ENHANCER **3**

Insurer reputation vs. convenience



Young & Urban

value convenience as #1
purchase driver 3x than rest

Rest of population

values reputation as #1
purchase driver 1.2x than Young & Urban

¹ 18–34 years old, living in large or midsize city; sample size $n = 65$ and rest of population size $n = 498$

3x Young & Urban¹ consumers
value convenience as **#1**
purchase driver, compared
to all other consumers

Deliver anytime, anywhere access

Consumers are on the go, especially the Young & Urban. Give them the convenience they seek through innovative expansion of provider networks and enhanced self-serve tools.



EXPERIENCE ENHANCER 3

The **Young & Urban** also see convenience as **anytime access to information**. Service this segment through digital channels, giving them what they want while reducing servicing costs.

Pilot **differentiated digital features**, such as **remote monitoring, tele-health and mobile health records**, with the Young & Urban. Drive anywhere-anytime value and heighten adoption with this consumer group before expanding to others.

Pre-Care

- Quote generator
- Temporary insurance app
- Insurance education
- Basic care information

57%

Value consumer and competitor reviews

Health & Wellness

- Rx reminder
- Appointment reminder
- Diet management
- Wellness tips

60%

Value mobile wellness tips¹

Point of Care

- Virtual ID card
- Coverage management
- Click-to-fax ID card
- Treatment cost advisor

65%

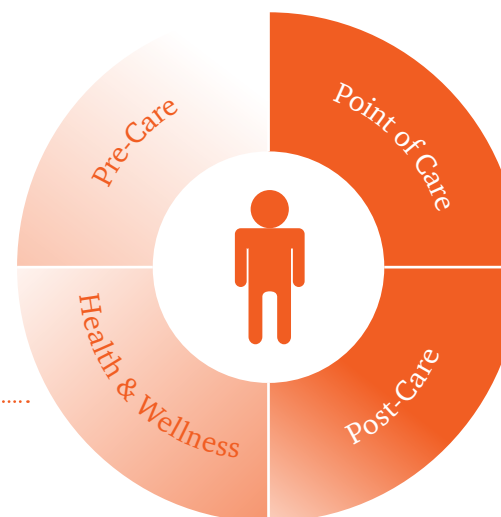
Value online and mobile information exchange

Post-Care

- Digital PHR
- Claims status management
- Bill notification/payment confirmation

60%

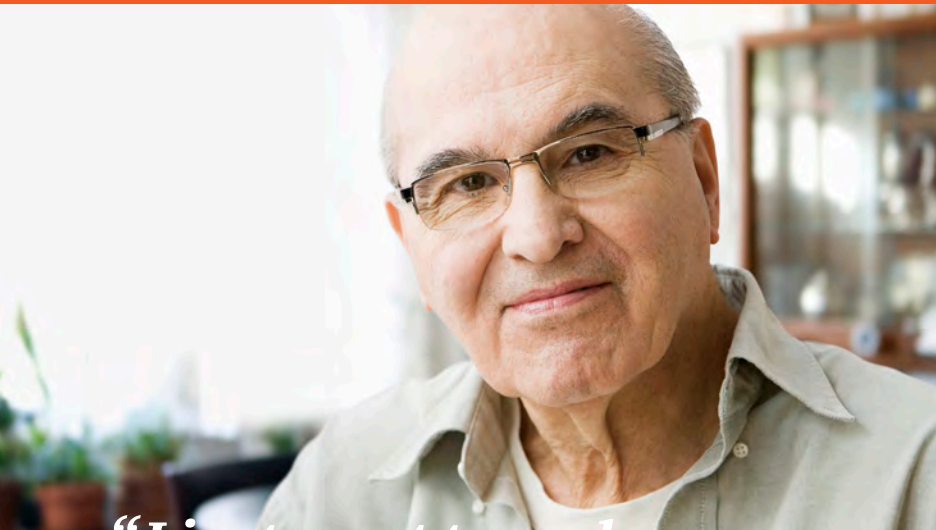
Value electronic EOBs



¹ PwC, Customer Mobile Market Research, Feb 2011

Deliver anytime, anywhere access

Consumers are on the go, especially the Young & Urban. Give them the convenience they seek through innovative expansion of provider networks and enhanced self-serve tools.



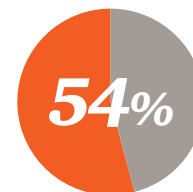
“I just want to make sure all of my information is safe... I have a lot of health records”

With the advent of social networking in the digital age, younger generations are more willing to forgo **privacy** for convenience.

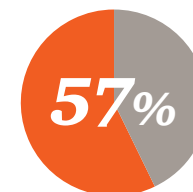
The privacy-convenience curve



Educate older generations about **digital privacy and security measures that safeguard** information to incent them to move from physical to digital storage.



Baby Boomers (50+) who **prefer Paper EOBs** to any combination of digital channels



Baby Boomers (50+) who **interact with their insurers** less than once a year via the internet

Don't make consumers the middlemen

Consumers are often roped into issues between insurers and providers. Focus efforts on reducing errors and cut consumers out of the picture.

Consumers don't want to be caught in between insurers and providers.

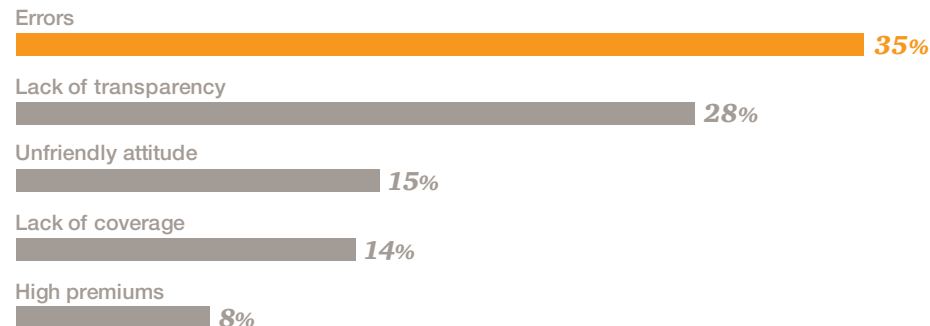
When issues arise, consumers are often the first line of defense. Reduce their frustration and don't drag them in—accuracy is more important than speed.

Most negative experience are caused by **processing errors**¹ beyond the consumer's control.

Invest in **processes and technology that minimize system related errors and strengthen provider line of communication**, reducing the need for consumer involvement.

“My doctor sent the wrong bill to the insurer...and **they didn't want to work with the doctor** to correct the problem”

Major drivers of negative experiences²



¹ Errors comprise of doctor billing, claims and provider coding errors

² Sample size N=563

Don't make consumers the middlemen

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3 in 5

Are willing to wait up to 2 weeks for claims fulfillment

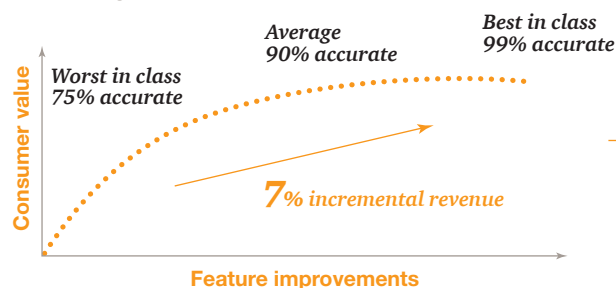
EXPERIENCE
ENHANCER 4

Billing and claims inaccuracies pull-in consumers unnecessarily. Don't make your consumers the middlemen—they're willing to pay a **7% incremental premium** to ensure accurate billing, even at the cost of a slower billing cycle.

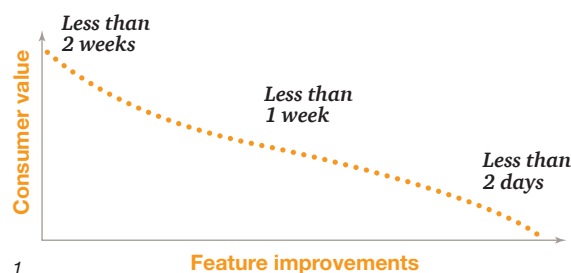
Focus investment on claims management capabilities that improve productivity and eliminate errors to address consumer concerns, but be mindful of payment impact to providers.

Claims processing: Speed vs. accuracy

Accuracy



Speed



3x

value of improved accuracy over speed for a typical consumer

Powerful events in the
lives of consumers that
often define their opinion
of a healthcare insurer

A positive *moment of truth* (MOT) can create a loyal consumer

39%
attribute good experiences

to provider coverage

On the flip side, create a **negative moment of truth** and you have a brand detractor.

oment
tor.

42%
attribute bad experiences
to claim errors

The words used most often by those describing a positive moment of truth



The words used most often by those describing a negative moment of truth



Show consumers that their concerns are your concerns

Consumers want to feel that their insurer is working with them, not against them. Show them the empathy they need and turn a disgruntled consumer into a happy one.



76% Consumers whose good experiences influence them to stay with their insurer

EXPERIENCE
ENHANCER **5**

Consumers question whether insurers have their best interests in mind.

They're often left frustrated and fending for themselves. Supportive staff can ease anxiety and boost consumer confidence.

Unfriendly attitudes drive many negative consumer experiences.

“Rude customer service... didn't explain things”



“Referred to me by a number.”

“Unwilling to listen, unwilling to explain.”



With **more than 40% annual churn¹** in the individual market, keeping consumers happy makes business sense. A sympathetic **acknowledgement**, when issues arise, can go a long way. But **nearly half** of disgruntled consumers don't receive an apology for their frustration.

When given acknowledgement, dissatisfied consumers...

66%
turn satisfied

34%
remain dissatisfied

Train staff to be empathetic and acknowledge frustrating situations to turn upset consumers into happy ones.

“Don't care about people, just money.”

¹ “Fact Sheet: Keeping the Health Plan You Have: The Affordable Care Act and “Grandfathered” Health Plans.” 4 Jan. 2012. Web.

Show consumers that their concerns are your concerns

Consumers want to feel that their insurer is working with them, not against them. Show them the empathy they need and turn a disgruntled consumer into a happy one.

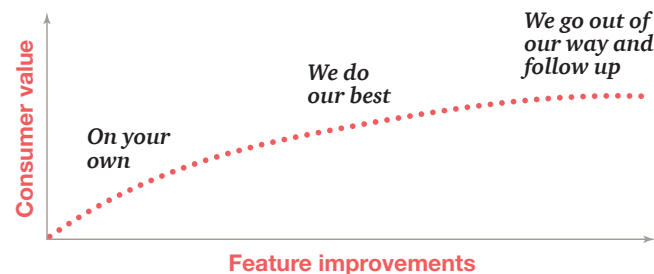
Customer service representatives that listen to consumers with claims issues and follow up create a positive consumer experience.

Consumers also want insurers to hold their hand through rough times—**66% of consumers prefer that their insurer go above and beyond.**

When issues arise, make sure consumers know you're working with their interests in mind—create a **proactive outreach** process via **consumer advocate specialists** to show you care.

3 in 4 want to feel that their claim was fairly considered, with a typical consumer willing to pay an additional **12%**

Issue resolution



2/3 prefer that their insurer go above and beyond to follow up

12% Additional **premium opportunity** from fair consideration of claims

The big picture—

Growing the bottom line
by keeping insurees happy

*So, just how might all of
this fit together?* Here's one
attempt at a game plan that
pulls it all together.

How to address your challenges



Issues

- 1
 - Low consumer retention
 - Optimize emerging channels
 - Manage increasing medical costs
- 2
 - Ineffective consumer targeting
 - Low consumer engagement
 - High product mix complexity
- 3
 - Inability to customize experiences
 - Lack of sales force effectiveness
 - Increasing servicing costs
- 4
 - Inability to uncover consumer issues
 - Multiple and disparate views of the consumer
- 5
 - Disjoint consumer experience
 - Misaligned staff behavior with experience goals
 - Ineffective post sales support

Recommendations

- Revise go-to-market strategy
 - Simulate consumer response to changes prior to investment
 - Develop channel strategy
-
- Create needs based segmentation
 - Develop consumer engagement strategy
 - Simplify product mix
-
- Deploy personalization capabilities
 - Create digital tools to track consumer behavior
 - Develop digital sales force strategy and servicing strategy
-
- Develop Voice of the Customer program to uncover product, customer servicing and marketing insights
 - Centralize customer information into single view
-
- Redesign organization to support experience goals
 - Develop metrics and incentives structure aligned with experience goals
 - Ensure goals accountability

PwC's commitment to the healthcare payer industry

Understanding the wants and needs of healthcare purchasers points the way toward competitive advantage.

PwC is a leading global provider of professional services to top-tier healthcare payers. We bring to our clients an in-depth understanding of today's industry issues, as well as specialized resources and international leading practices that help address the business challenges facing today's payers.

Understanding the wants and needs of healthcare consumers points the way toward competitive advantage. PwC's values-base approach to getting inside the minds of the insured—coupled with a quantitative DNA that lets us examine experiences with an economic filter—can be the difference between simply listening to consumers and truly getting to know them. Let us collaborate with you to design and deliver differentiating customer experiences that put healthcare consumers at the very center of your organization.

From strategy through execution, PwC's Advisory services help clients build their next competitive advantage. We combine

the breadth of knowledge of over 33,000 global professionals with deep industry knowledge to deliver custom solutions for our clients. A long history of auditing many of the world's largest and most complex companies means we really understand the unique business challenges our clients face better than most consultancies.

PwC's Customer Impact professionals work with companies across a range of industries to help them understand how customer wants and needs point the way toward competitive advantage.

PwC's Health Industries Group (www.pwc.com/us/healthindustries) is a leading advisor to public and private organizations across the health industries, including healthcare providers, pharmaceuticals, health and life sciences, payers, employers, academic institutions and non-health organizations with significant presence in the health market. Follow PwC Health Industries at <http://twitter.com/PwCHealth>.

More about our methodology



This year's Experience Radar study measures the experiences of about 6,000 US consumers across 11 industries.¹ PwC conducted on-line field work from May through July 2011. The study was designed to uncover experience “recipes”, pricing options and linkages to consumer loyalty.

The Healthcare Payer industry survey was specific to US healthcare consumers.

We probe into the consumer responses through the lens of “experience attributes”. These attributes include the:

- ease of accessing and using an offering
- the ease of obtaining service support before and after purchase
- the offerings quality and aesthetics, and
- the degree to which an offering enhances a consumer's personal brand or his or her connection with others.

By using Adaptive Based Conjoint analysis, Experience Radar reveals consumer trade-offs between different sets of experiential features and the value and willingness to pay consumers

place on each feature. It also probes into other areas like purchase behavior, moments of truth (MOT), and word-of-mouth marketing within each industry. The study combines and assesses these data elements to create a set of experience-based insights and a segmentation schema for each industry.

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

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

¹ Retail (apparel, footwear & consumer electronics), Retail Banking, Payments, Healthcare Provider, Health Insurance, Airlines Leisure, Airlines Business, Hotels Leisure, Hotels Business, P&C Insurance, and Life Insurance.

Meet “Cost Conscious Casey”

EXPERIENCE
SEGMENT **1**



Cost Conscious Casey, the youngest segment on average, is highly price sensitive and most likely to switch payers based on cost. She values convenience above brand reputation, unlike the other segments.

AGE

Gen X & Y (18–49)

TOP PROVIDERS

- Aetna
- Wellpoint

TOP FEATURES

- Accurate billing
- Extensive provider network

INCOME

\$50–74K

TOP ATTRIBUTES

- Quality
- Accessibility

ADDITIONAL

- Most price sensitive segment

GENDER

Male skewed

ETHNICITY

- Hispanic
- Asian

URBANITY

Major city/Suburb

Meet “Digital Dani”

EXPERIENCE
SEGMENT **2**

Digital Dani, young, multiethnic, and urban, values digital access to plan information and is most likely to shop for policies online. She also values wellness programs about any other segment.

AGE

Gen Y (18–32)

TOP PROVIDERS

- Aetna
- United Health Group

TOP FEATURES

- Issue resolution
- Website content

INCOME

< \$25K

TOP ATTRIBUTES

- Support
- Accessibility

ADDITIONAL

- Most likely to adopt digital channels
- Most likely to use social media to share good experiences

GENDER

Equal

ETHNICITY

African American

URBANITY

Major city/Medium suburb

Meet “Superior Service Sam”

EXPERIENCE
SEGMENT **3**



Superior Service Sam, older and the least price sensitive, values payer reputation more than any other segment. He is more likely to repurchase based on a personal good or bad experiences.

AGE

Boomer (> 50)

TOP PROVIDERS

- BCBS
- Humana

TOP FEATURES

- Accurate billing and fulfillment

INCOME

- \$50–74K
- \$100–149K

TOP ATTRIBUTES

- Quality
- Accessibility

ADDITIONAL

- Most likely to share good experiences in person or via phone
- Least price sensitive

GENDER

Female skewed

ETHNICITY

White

URBANICITY

Medium suburb

Meet “Brand Aware Brenda”

EXPERIENCE
SEGMENT **4**

Brand Aware Brenda, affluent and suburban, values extended provider network, and is most likely to switch providers for heightened consumer experience.

AGE

Gen X (33–49)

TOP PROVIDERS

- BCBS
- United

TOP FEATURES

- Extensive provider network
- Accurate billing

INCOME

> \$100K

TOP ATTRIBUTES

- Quality
- Accessibility

ADDITIONAL

- Most likely to switch healthcare payers for experience

GENDER

Female skewed

ETHNICITY

White

URBANICITY

Major suburb

Meet “Medicare Molly”

EXPERIENCE
SEGMENT **5**

Medicare Molly, the oldest on average, is extremely price sensitive and cares the least about other people’s recommendations. She is the least likely to access payer information via digital channels.

AGE

Boomer (> 50)

TOP PROVIDERS

- Aetna
- Humana
- Other

TOP FEATURES

- Accurate billing
- Extensive provider network

INCOME

\$25–74K

TOP ATTRIBUTES

- Quality
- Accessibility

ADDITIONAL

- Most likely to not share good experiences

GENDER

Male skewed

ETHNICITY

White

URBANICITY

Town

*We hope these insights
prove useful to your
business*

While the results outlined in this report are at the industry level, PwC can use the same methodology we've used here to develop a customized Experience Radar study and uncover opportunities to accelerate your business.

If you'd like to discuss these findings or how PwC can help you apply them to your business, contact:

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