

RESEARCH BRIEF

MATCHING THE MARKET:
USING GENERATIONAL
INSIGHTS TO ATTRACT
AND RETAIN CONSUMERS

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MATCHING THE MARKET: USING GENERATIONAL INSIGHTS TO ATTRACT AND RETAIN CONSUMERS

How do you market the same service to different target audiences? For example, how do you market joint replacement to a Boomer interested in quality of life versus a senior in chronic pain? Generational targeting provides another level of refinement and can lead to better customer relationship management. This can provide more cost savings, higher return on investment (ROI), and better campaign effectiveness—in other words, increased marketing program performance. Generational insights and findings complement an existing portfolio of marketing and service-line expertise, and provide vital support in achieving the Five Rights: the right customer, the right service, the right time, the right message, and the right medium.

The generational segments fall into four groups: The Greatest/Silent Generation, Boomers, Generation X, and Millennials. Consumer research from the Healthcare business of Thomson Reuters is further supplemented by customer segments including PULSE Healthcare Survey and HouseholdView™. For this research brief, we address significant findings about how the four adult generations use healthcare, and we highlight contrasting differences among the segments.

GREATEST/SILENT GENERATION (ADULTS BORN UP TO 1942): PHYSICIAN DIRECTS ME²

These older healthcare consumers characteristically rely on their personal doctors to provide medical care direction, and they are prepared to seek information from and defer to their physician. Patient visits, in addition to being more frequent, are also typically longer, due to both clinical acuity and patient preferences around medical care. This generation has rigid definitions of good service, and this definition of service—“the customer is always right”—is also applied to the nonphysician components of the delivery system. The Silent/Greatest Generation identifies only physicians and nurses as health professionals.

BABY BOOMERS (1943–1960): ENGAGE ME²

The largest population group, this generation values individual engagement in healthcare. When thinking about their health, Boomers tend to seek counsel from and bring information to the physician, and then research physician recommendations. Boomers identify only physicians and nurses as health professionals. This generation introduced the concept of “body age” versus real age, e.g., “I’m not winding down, I’m rewinding.” Another characteristic of this group is an interest in quality, as evidenced by their use of third-party comparisons or ratings as a means of self-directing to specialists and providers. Many Boomers are involved in decision-making for their aging parents, while simultaneously informing the health needs of their own children. This multiple-generation healthcare decision-making can cause communication challenges for physician and hospital staff as the patient may be expressing the values and concerns of a Silent/Greatest Generation or Millennial, while the primary healthcare decision maker is expressing Boomer values.

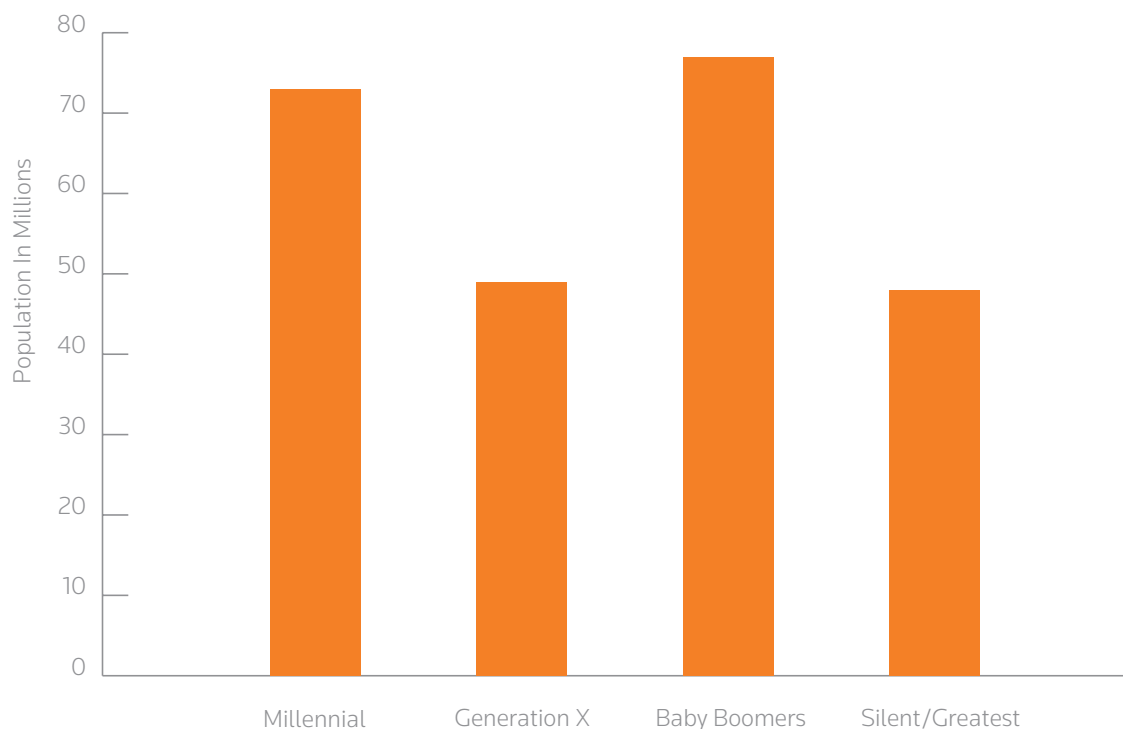
GENERATION X (1961–1981): EDUCATE ME²

An interest in being engaged and educated characterizes Generation X. Relatively healthy as compared to older generations, they are notably curious and actively seek information. They assume physicians and staff are knowledgeable and have a strong interest in amenities. Consumers in this generation are more likely to switch physicians and hospitals based on their most recent experience, rather than their overall past experience. This group has more in common with the Millennial adults than with the Boomers. When Generation X thinks about medical professionals, their definition is broad and includes nurse practitioners, physician assistants, insurance companies, and pharmacies.

MILLENNIALS (ADULTS BORN SINCE 1982): CONNECT WITH ME²

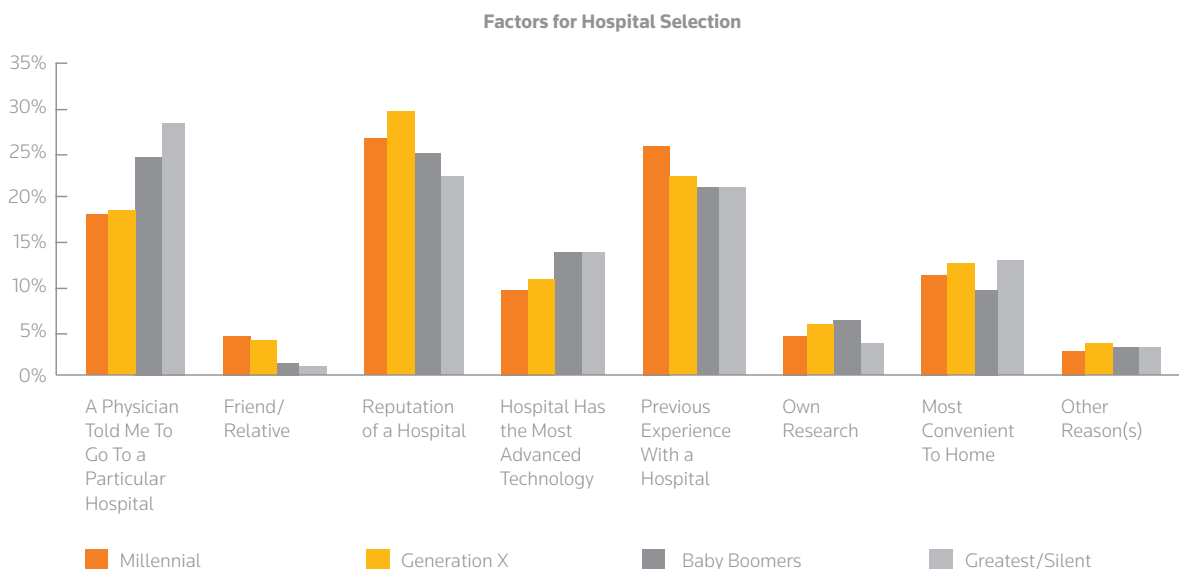
Millennials access the healthcare system through primary care providers (PCP), urgent care centers, and Ob/Gyns with a higher likelihood to use Ob/Gyns as PCPs. This reflects the relatively low utilization of inpatient and outpatient services, but when they do use inpatient services they tend to come through the maternity or emergency departments. This generation uses and appreciates technology and a positive, personal relationship with their physician. Health information is valued, and they seek information from multiple sources. This generation is more likely to switch physicians or hospitals if they lose confidence in the care provided based on their most recent experience.

The impact of these groups, in sheer size is noted below from the U.S. Census 2005.



Motivation for hospital selection differs by generation.

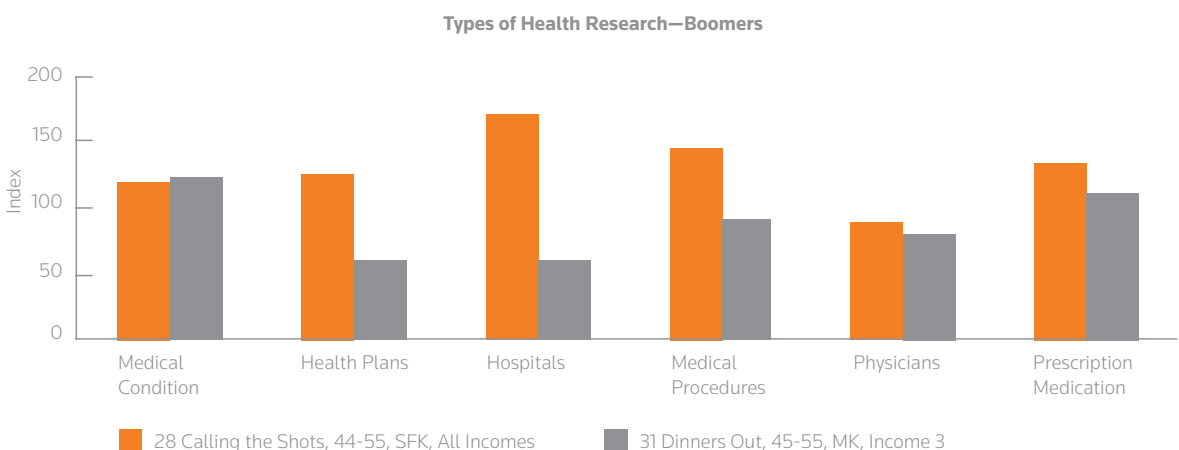
The Greatest/Silent and Boomer generations select hospitals first by physician direction, then by prior experience, reputation, and proximity to home. The Gen X and Millennial generations select hospitals first by reputation, then prior experience, physician direction, and proximity to the home.



Marketing strategies to and with physicians, supplemented with reputation claims and a positive experience, can engage the Greatest/Silent Generation. In contrast, the Millennials will be better engaged by messages about reputation and prior experience. Since all groups value prior experience, providing a positive experience at each visit should not be undervalued.

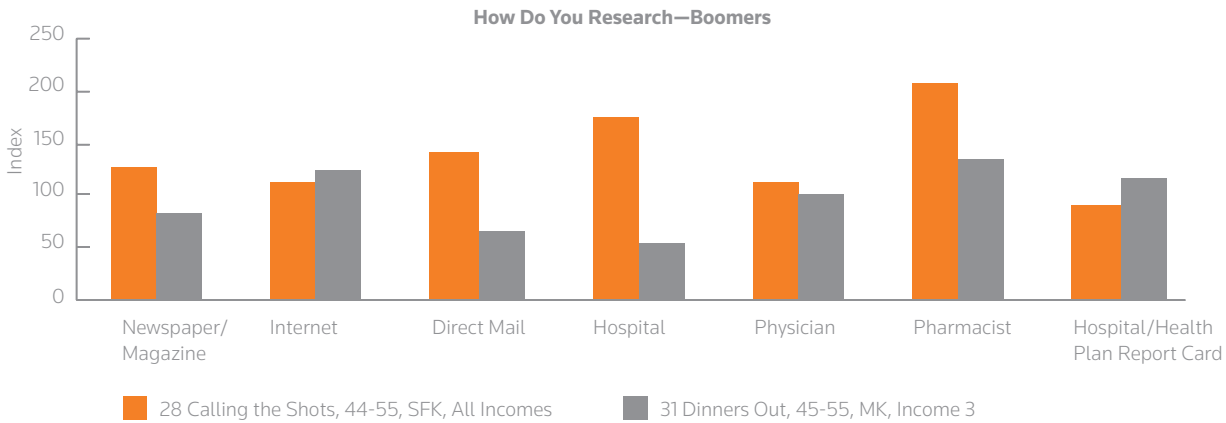
Single Boomers with children are more likely to research hospitals, procedures, and health plans.

Within the Boomer population group, differences exist between types of healthcare research and the methods used to gather healthcare information. Single females with children across all income levels are more selective about choosing hospitals, procedures, and health plans than are higher income married adults with children. They are likely making careful decisions about resources and utilization so messaging around value can be effective.



The sources of this research by Boomers vary dramatically by segment.

Single females with children across all income levels will first source information from the pharmacist, then the hospital; then direct mail, newspaper/magazine, or the Internet; and finally the doctor. The married adults with children turn to the pharmacist, Internet, and hospital/health plan report card before seeking information from the doctor or the hospital.



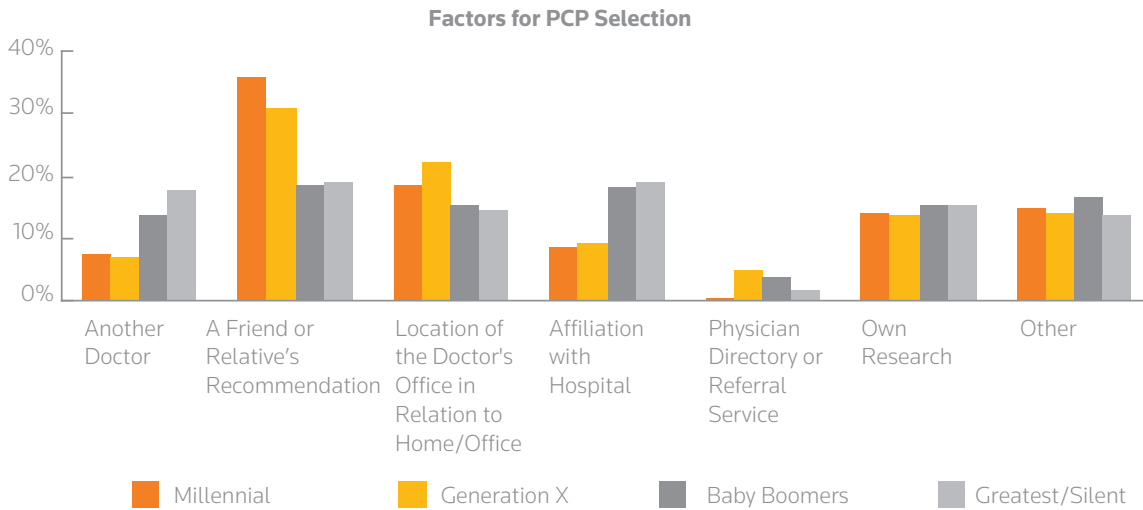
Messaging about advanced technology and compassionate care resonates with all population segments.

The Greatest/Silent Generation and Boomers value the academic medical center, however, this is less important to the Gen X and Millennial generations who value appearance and information provided on the Internet. Messaging then depends on the target audience for the hospital service.

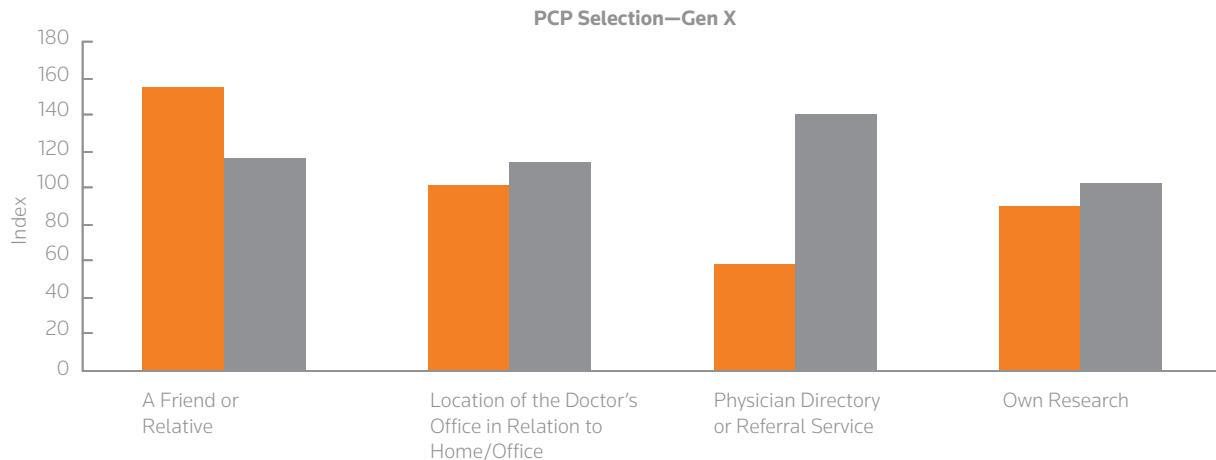


Selecting a primary care physician is a community decision.

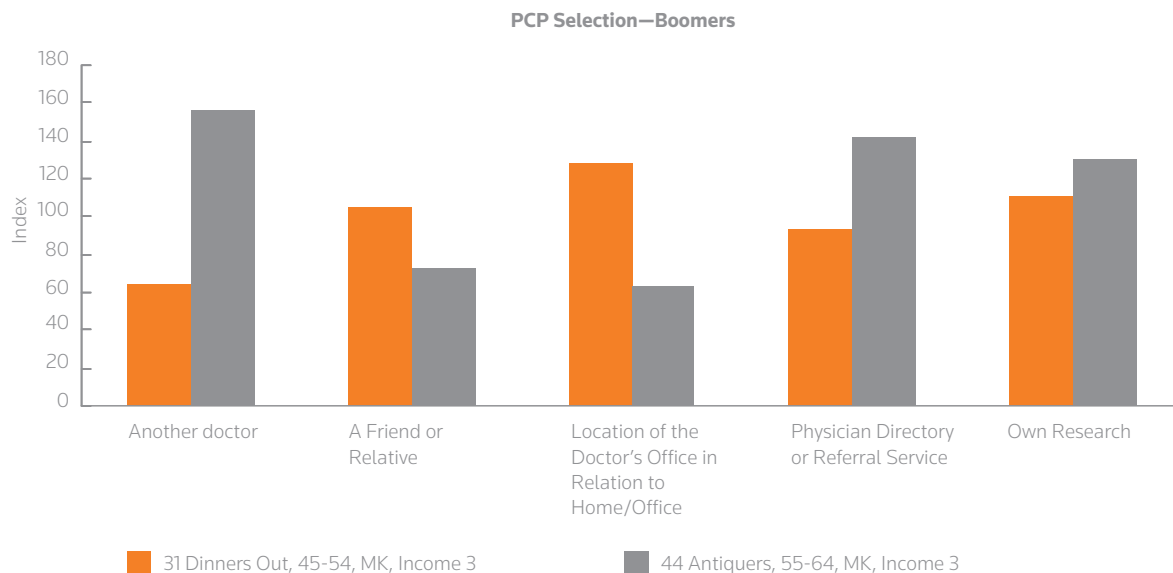
PCP selection strategies vary among these four generational groups, but also within groups. Friend and relative recruitment is most effective, particularly for the younger generations, and hospital and physician referrals drive PCP selections for older adults. Hospital and physician affiliates are less meaningful for the younger groups; they choose the hospitals and physicians independent of one another.



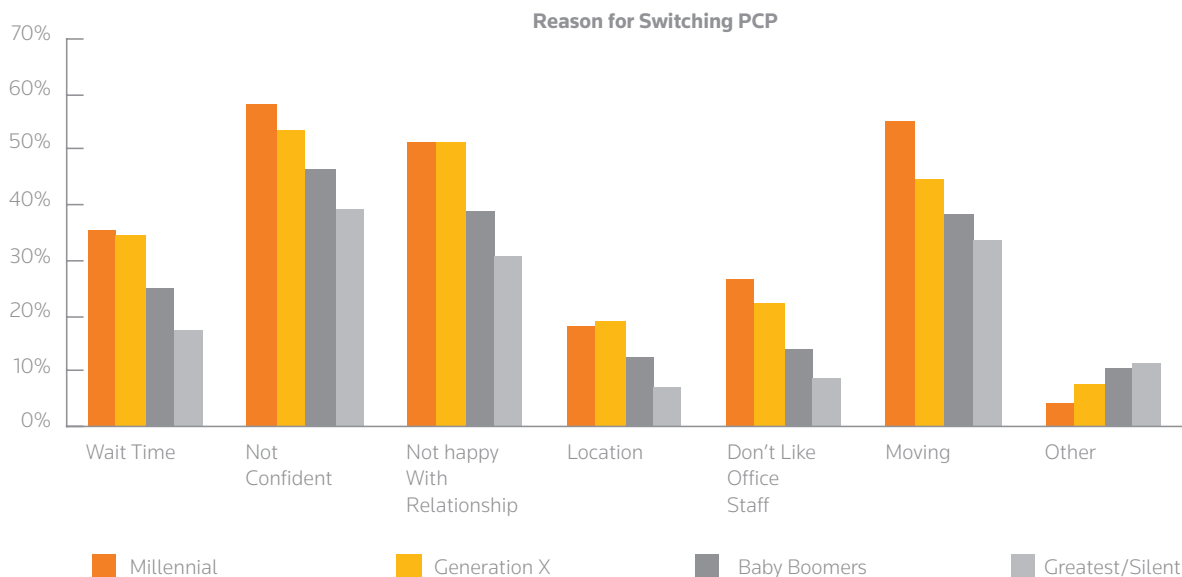
Word-of-mouth matters less to high-income Gen Xers, who are more likely to trust a referral or directory that provides information about physician credentials.



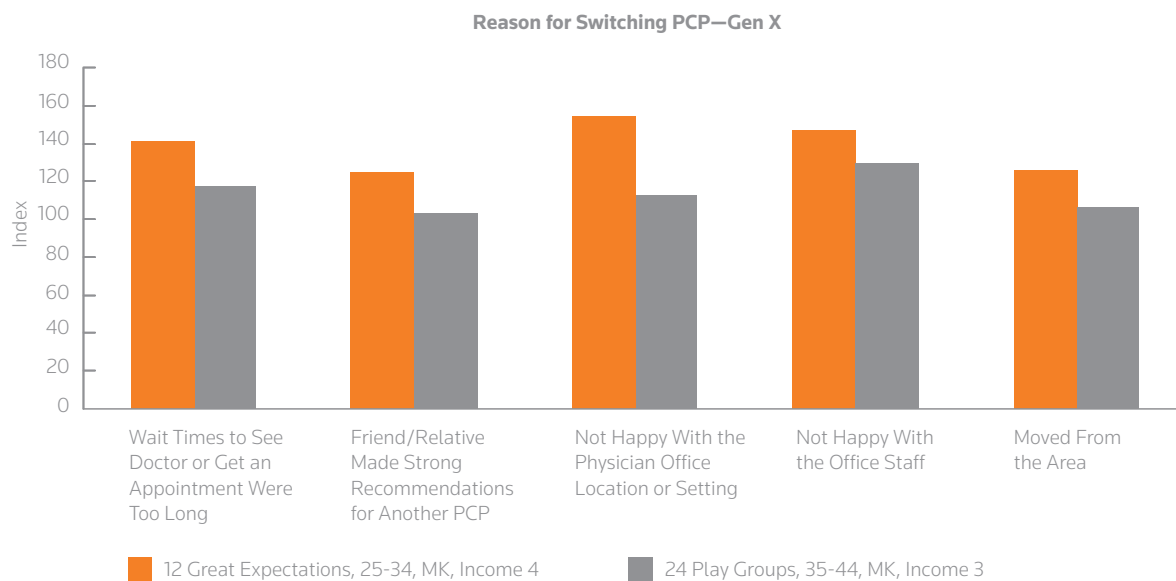
Similarly, some Boomer segments are more influenced by friends and family and location than hospital physician endorsement, but some Boomer segments respond very favorably to physician referral services. This clearly shows that not all Boomers respond to the same influences.



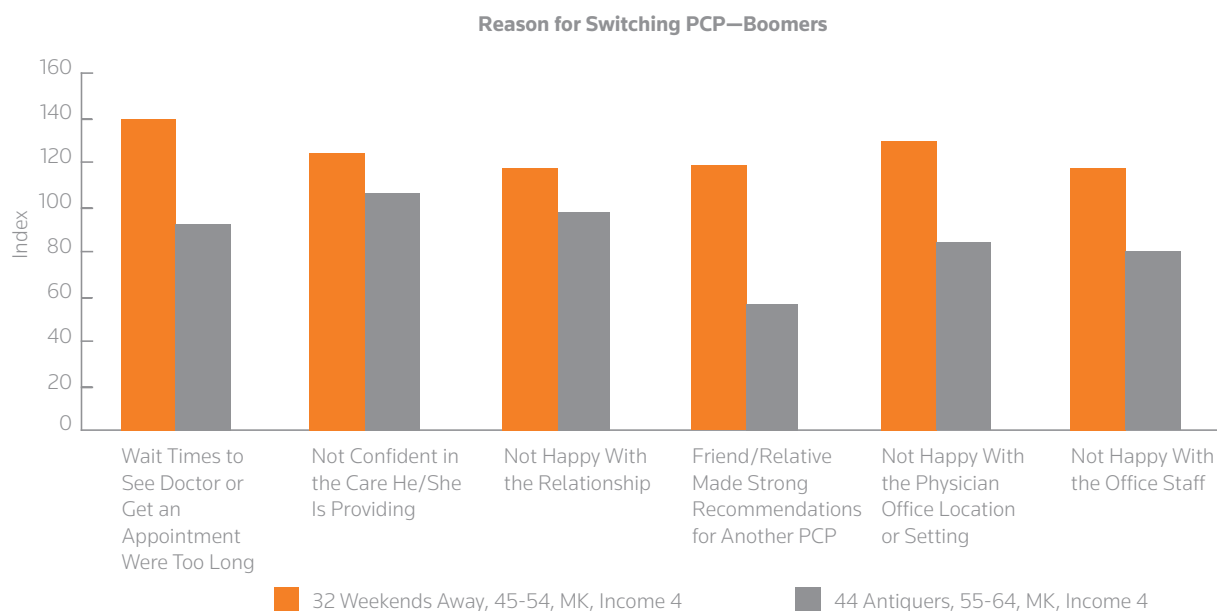
Switching primary care providers is an individual decision affected by confidence, happiness, and location. Primary care physician engagement strategies differ for younger versus older adults. Millennials and Gen Xers are most likely to switch their PCP within a 12-month period due to lack of confidence, a move, relationship satisfaction, location, and wait time. In stark contrast, the Greatest/Silent Generation is the most loyal and the least likely to switch for any reason. Boomers closely mirror the Greatest/Silent Generation in this regard.



Some Gen Xers are less concerned with location and more concerned with the overall healthcare experience, including wait times and relationships with office staff.



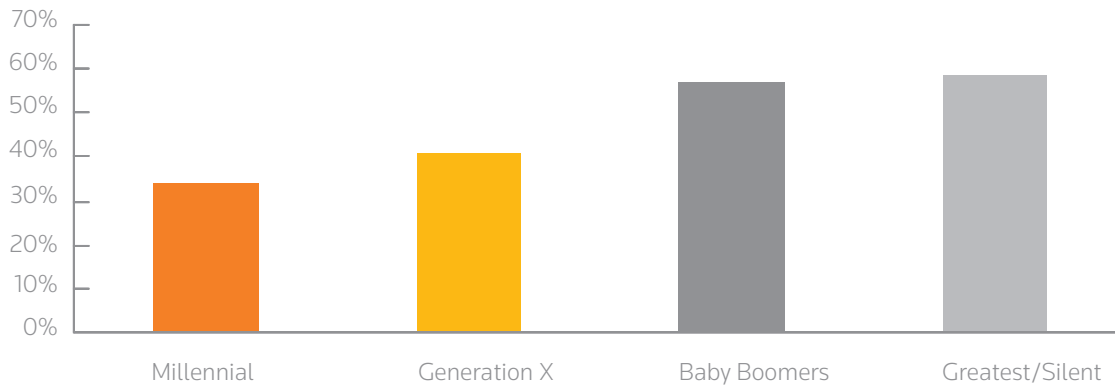
Some older Boomer segments switch PCPs based on dissatisfaction with the physician relationship and lack of confidence in the care they receive, while others find customer service drives the decision to switch.



Physician satisfaction is higher among older adults.

Satisfaction with physicians is directly proportionate to age and results from length of physician relationships and frequency of visits. However, it is yet unclear how successfully the traditional healthcare practice engages and retains younger adults. This implies that physicians should be prepared to deal differently with younger patients, as loyalty for the younger patients may be driven by a different value proposition.

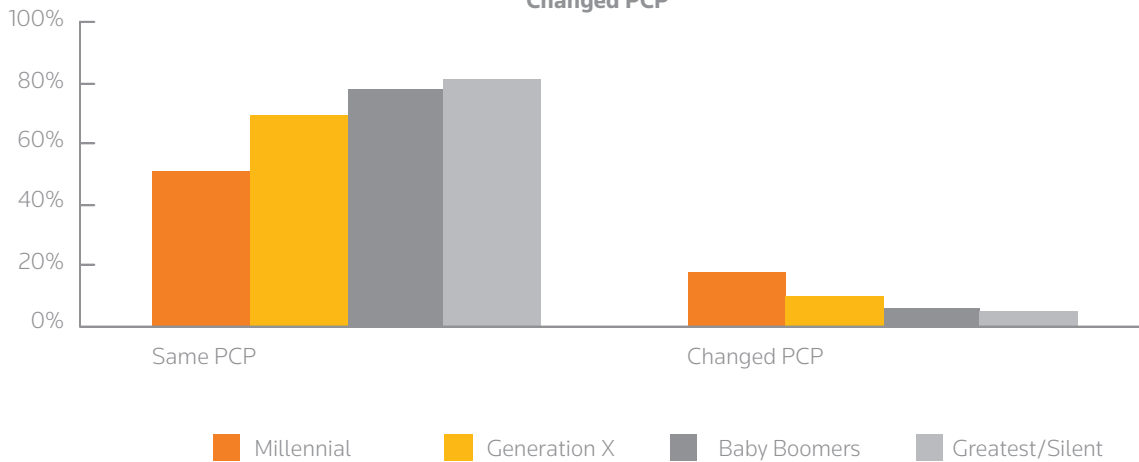
Would You Recommend Your PCP?



Older adults are more satisfied and tend to stay put.

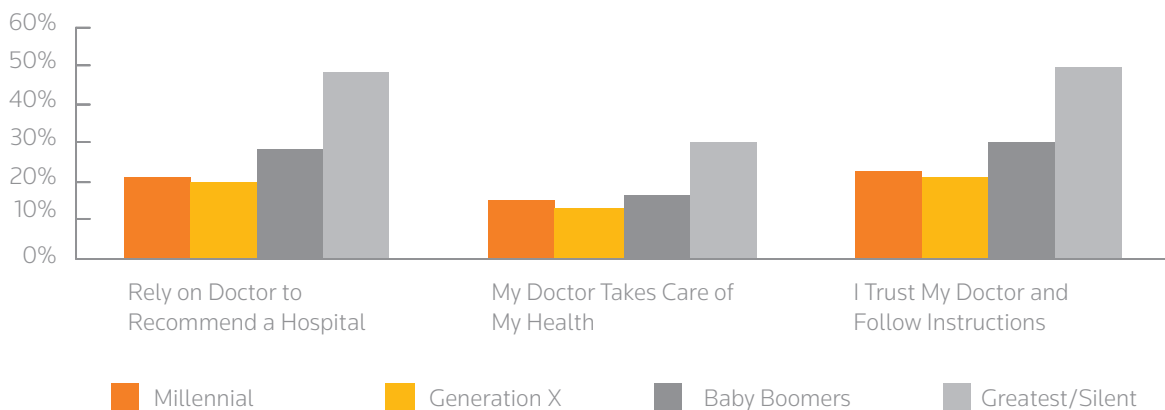
Providers have ample opportunity to market to the 20 percent of older adults and the 40-50 percent of the younger adults in the Gen X and the Millennial generations who are looking for a new PCP.

Changed PCP



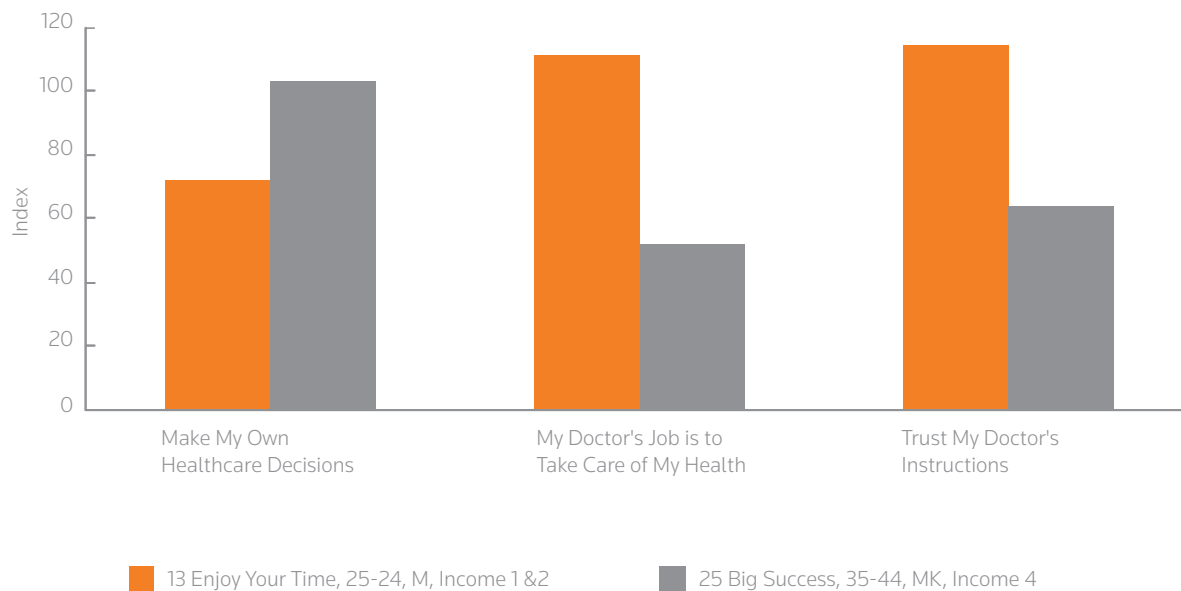
Care for the Greatest/Silent Generation is doctor-directed while Gen X makes healthcare decisions more independently.

Relationship with PCP

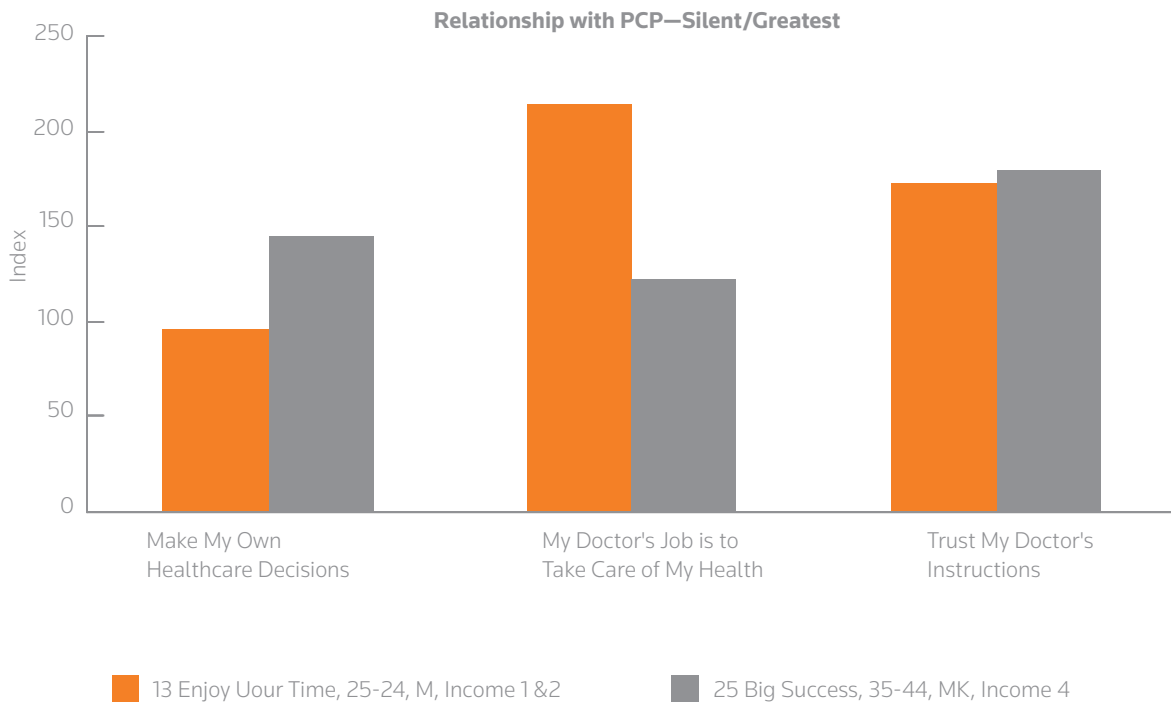


In the Gen X group, some take charge, while others defer to the doctor. In this example, a younger Gen X segment defers to physician instructions.

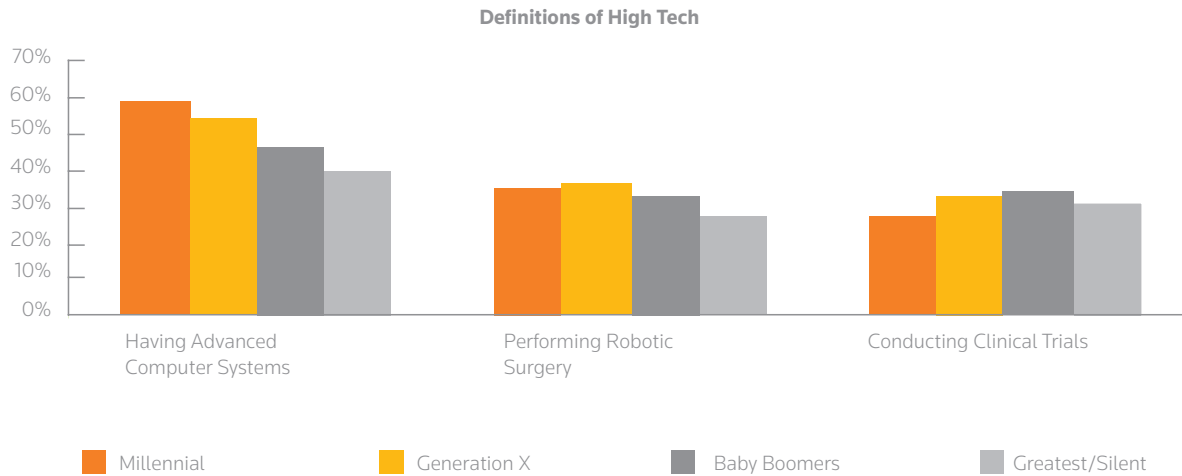
Relationship with PCP—Gen X



Even within the Greatest/Silent Generation, the most physician-directed segment, differences exist.

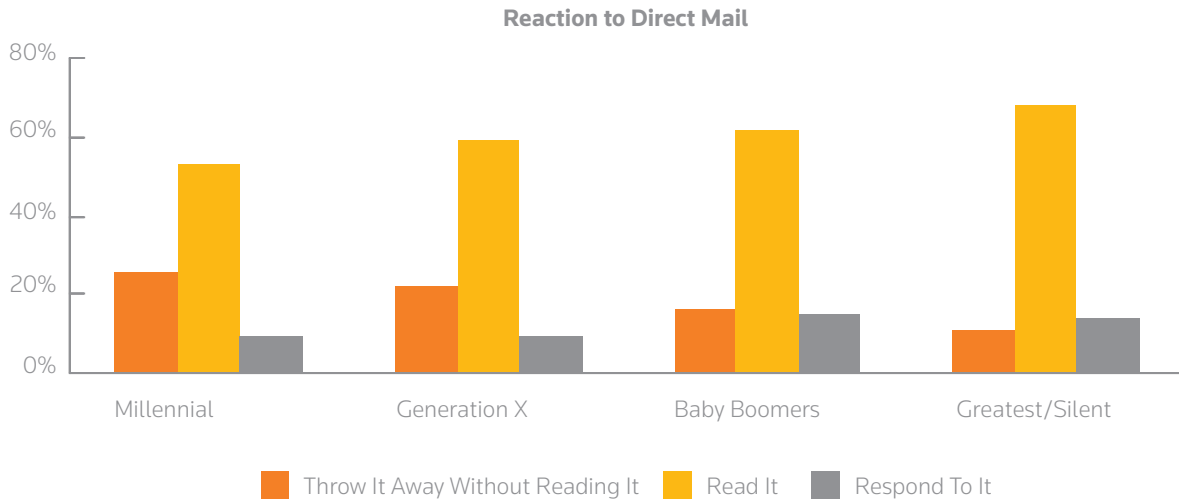


To Millennials, “high-tech hospitals” mean advanced computer systems and robotic surgery. The definition of a high-tech hospital is not as clearly defined by older adults.



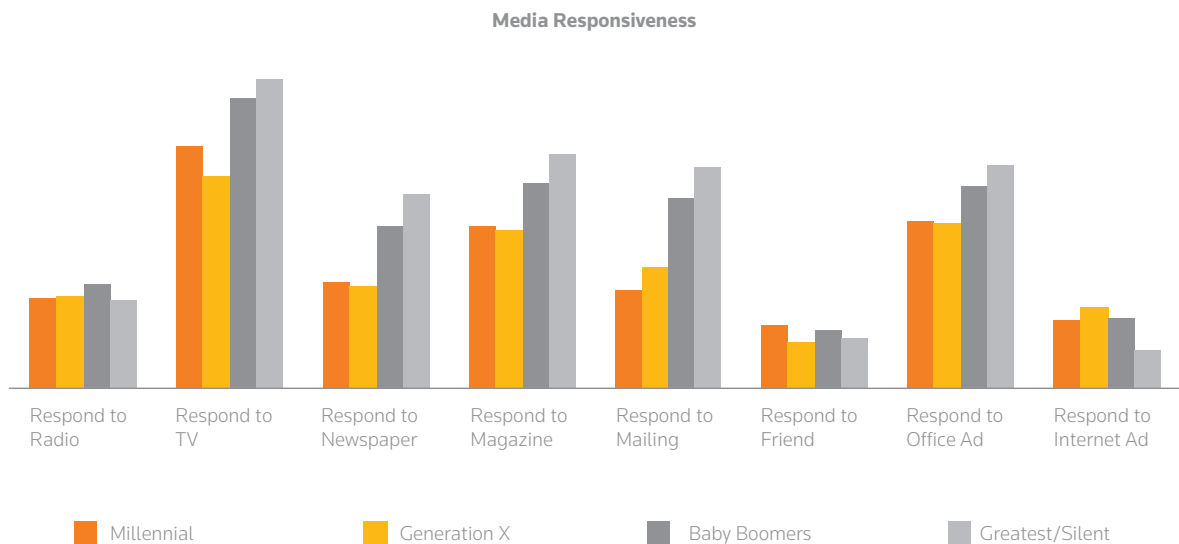
Older adults will more often read mailers and respond more readily than younger adults.

Members of the Greatest/Silent, Boomer, and Gen X generations may react this way to satisfy the need and the openness to be directed and engaged by healthcare providers.



The physician-directed older generation responds as positively to physician-office messaging—a less costly option—as they do to TV.

The Greatest/Silent Generation responds positively to TV ads while Gen Xers respond more favorably to messaging in magazines and physician offices. Boomers echo many of the preferences shown by the Greatest/Silent Generation, with the exception of the Internet, which they consider a resource.



The Greatest/Silent Generation, given their increased prevalence of medical conditions, welcomes healthcare advertising.

This generation processes information about healthcare in terms of illness and treatment, conditions, and resolution. Boomers are slightly more difficult to reach. They are aware of traditional media, such as print, radio, and television, but are only moderately responsive to healthcare messaging.

Gen Xers and Millennials share similar impressions of healthcare advertising. A majority of this population are “digital natives”⁴ who have grown up using a variety of technologies and regularly consume media channels simultaneously (for example, watching television while scanning the Internet). For digital natives, information-gathering is more like “monitoring,” or paying partial attention, and can result in extremely fragmented message reception. Being able to provide relevant content in an appropriate medium will become increasingly important when targeting these segments.

SUMMARY

Customer differentiation can help focus targeting and engagement strategies. By applying the insights from these four generations and delving deeper into a segmentation strategy, costs can be avoided, ROI can be increased, and customers are more likely to be engaged and retained. These insights are available to support marketing strategies by engaging the right consumers for the right service, in the right way for a more effective marketing budget spend.

SOURCES

- 1 Neil Howe, William Strauss, *Generations: The History of America's Future, 1584 to 2069*, 1991
- 2 Michael Howe, *The New Generation Gap: Impact on Healthcare*; October 26, 2008; Forum for Healthcare Strategists; Scottsdale, Arizona
- 3 Neil Howe, William Strauss, *The Fourth Turning: An American Prophecy*, 1997
- 4 Martin P. Block, Ph.D., Don E. Schultz, Ph.D, *Media Generations: Media Allocation in a Consumer-Controlled Marketplace*, 2008
- 5 Marc Prensky, (2001). "Digital natives, digital immigrants." *On the Horizon*, 9(5), 1-2.

READING GRAPH AND CHART DEPICTIONS CONTAINED IN THIS DOCUMENT

Indices are used to measure response. An index of 100 is considered the segment average. Indices over 100 indicate that a segment is more responsive than the average population, while scores under 100 suggest that the segment is less responsive than the average population. The variables below are also used to describe household composition.

HOUSEHOLD COMPOSITION KEY

SFK: Single Female with Kids
SF: Single Female
SM: Single Male
MK: Married with Kids
M: Married

HOUSEHOLD INCOME MODEL:

Metropolis
1: \$0-\$29,999
2: \$30,000-\$49,999
3: \$50,000-\$99,999
4: \$100,000+

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