



MILLENNIALS: A MISSED OPPORTUNITY FOR PAYERS

**WHAT WILL IT TAKE TO SATISFY THE
FASTEST-GROWING CONSUMER
SEGMENT IN HEALTHCARE?**

THE FASTEST-GROWING SEGMENT OF HEALTHCARE CONSUMERS IS DISSATISFIED

Tech-savvy, digitally enabled and discerning millennials have now surpassed baby boomers as the largest living generation in the United States, well on their way to comprising the biggest group in the healthcare market (see Figure 1).

Millennials want to use digital channels for familiar experiences, such as scheduling a doctor’s appointment. But when they are confused and overwhelmed by complex decisions, such as choosing a health plan, they expect knowledgeable live assistance right away to have their questions resolved on first contact. Insurers that deliver inconvenient experiences or poor customer service fall short on meeting millennial expectations.

Unmet millennial expectations have negatively impacted brand loyalty. Millennials have a low [Net Promoter Score^{®1} \(NPS\)](#) for insurers (-18 compared to +11 of baby boomers), and the millennial generation shows the highest rates (38 percent) of brand detractor. Willingness to recommend, translated into an NPS, is a measure of consumer loyalty and is correlated with revenue growth. If healthcare organizations don’t change to meet millennial expectations, they risk losing the opportunity to engage this large and growing segment of healthcare consumers.

MILLENNIALS	BABY BOOMERS
Ages 18 to 34 as of 2015	Ages 51-69
Technologically savvy	Use traditional technology methods*
Entrepreneurial and innovative thinkers	Driven, competitive**
Independent learners	Prefer traditional, more formal trainings**

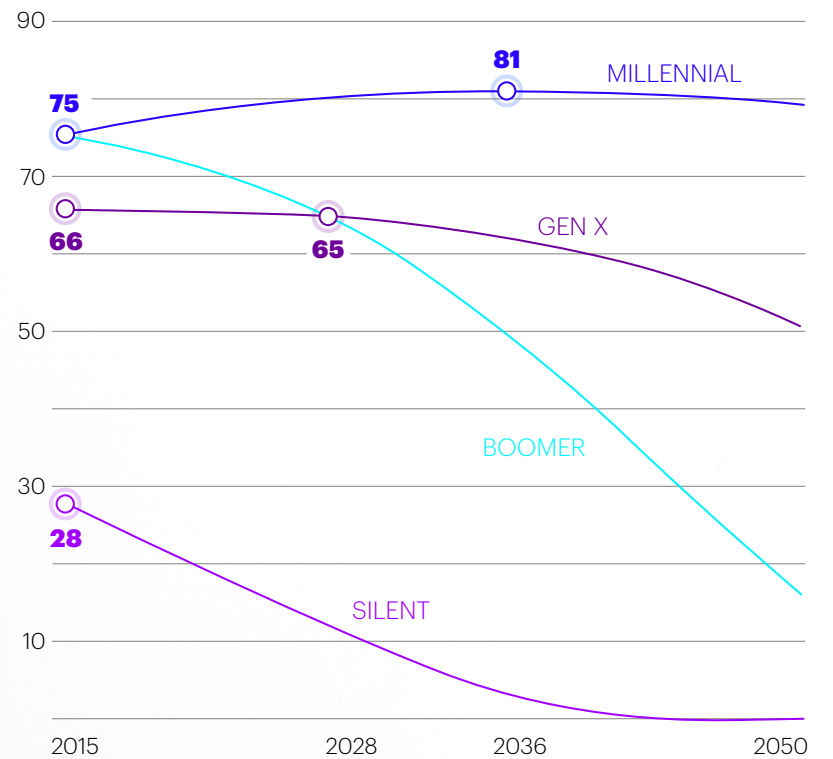
* <http://www.pewinternet.org/2011/02/03/generations-and-their-gadgets/>

** <http://guides.wsj.com/management/managing-your-people/how-to-manage-different-generations/>



FIGURE 1. **MILLENNIALS ARE AN EXPANDING MARKET SEGMENT**

PROJECTED POPULATION BY GENERATION (IN MILLIONS)



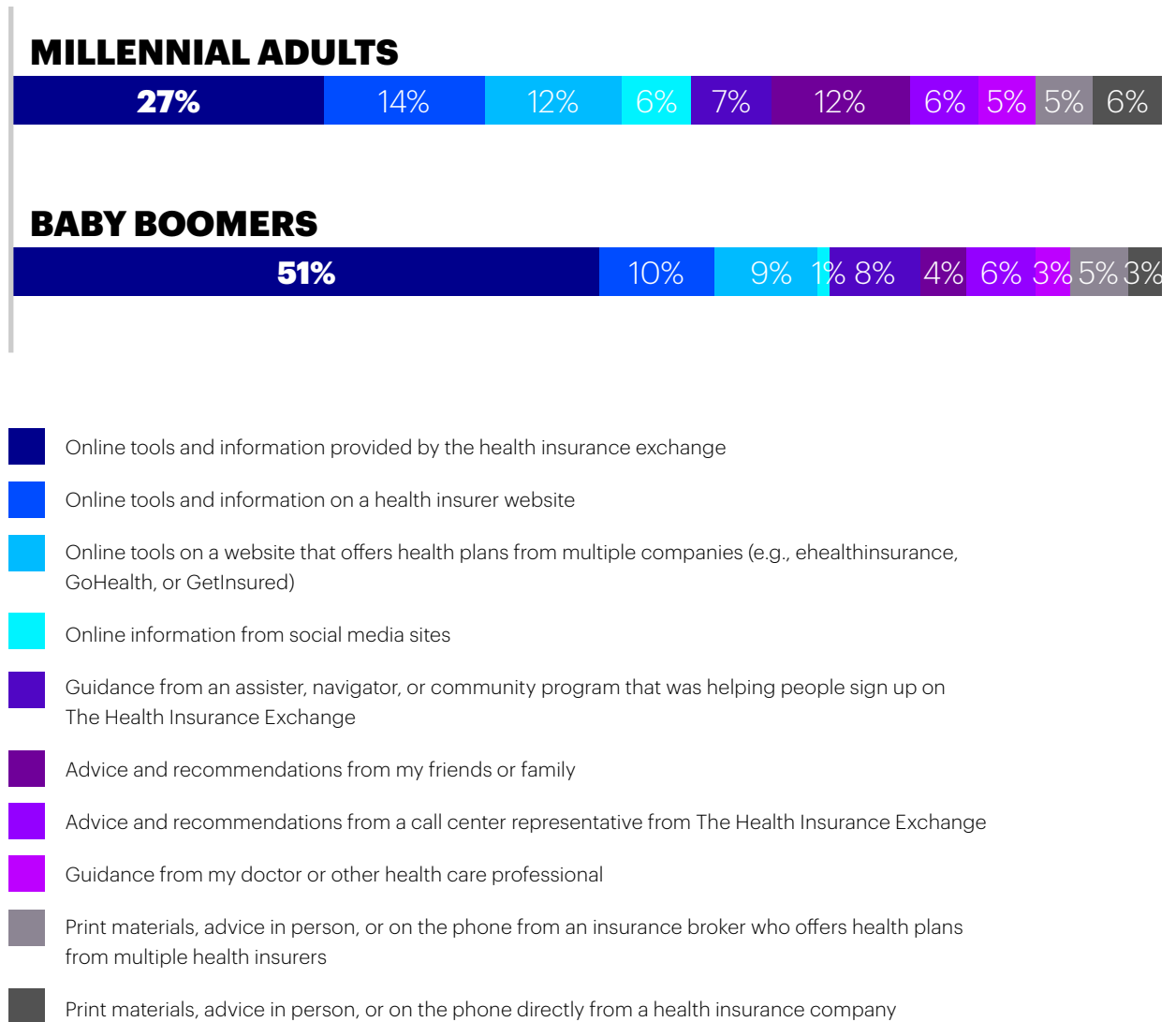
Source: Pew Research Center tabulations of U.S. Census Bureau population projections released April 2015, Pew Research Center

FIGURE 2. YOUNGER GENERATIONS WERE LESS LIKELY TO VISIT THE PUBLIC HIX FIRST WHEN SHOPPING

SHOPPING FOR HEALTH INSURANCE

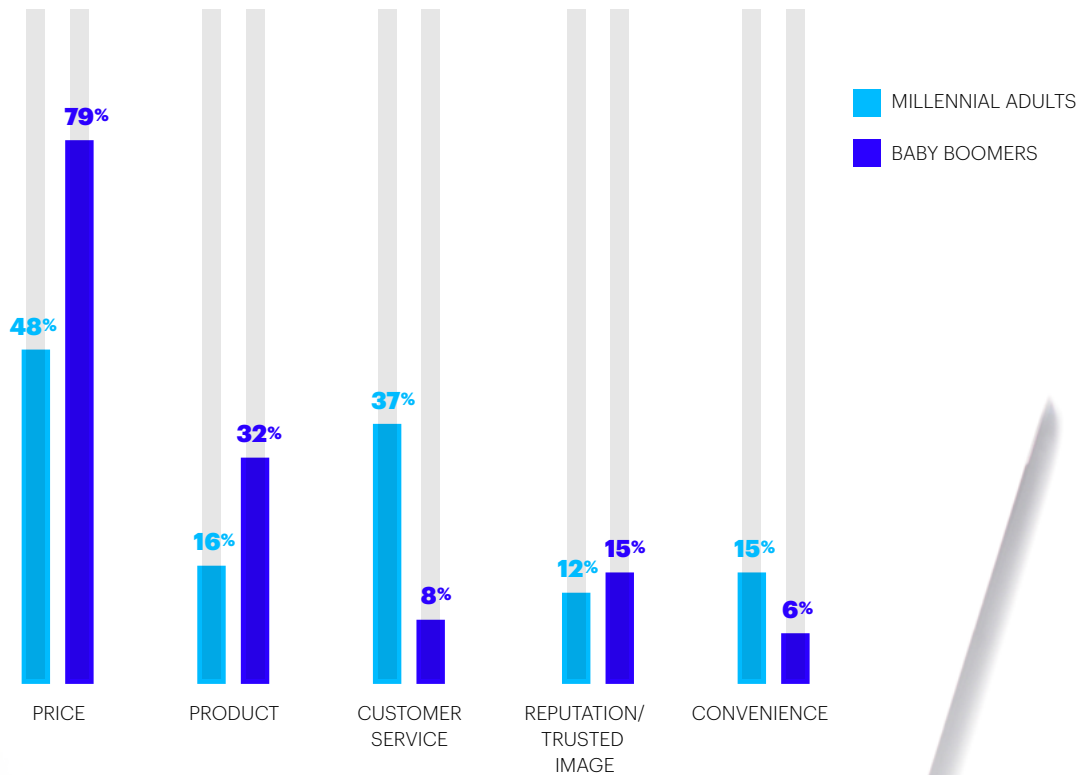
Although millennials are generally more digital, only 59 percent use online tools and information when first shopping for a health insurance plan, compared to 71 percent of boomers. Among public health insurance exchange (HIX) consumers, only 27 percent of millennials used these tools as their initial source, and more than half of the baby boomers consulted the HIX first (see Figure 2).

More millennial public HIX consumers (61 percent) require live help than baby boomers (43 percent) to finalize complex health decisions, such as shopping for and buying a health insurance plan. Millennials (61 percent), compared to baby boomers (39 percent) are overwhelmed by the many plan options and cannot distinguish one plan from another.



Source: Accenture 2016 Consumer Survey for Public Health Insurance Exchanges

FIGURE 3. CONVENIENCE AND CUSTOMER SERVICE ARE KEY FACTORS FOR MILLENNIALS CHOOSING HEALTH PLANS

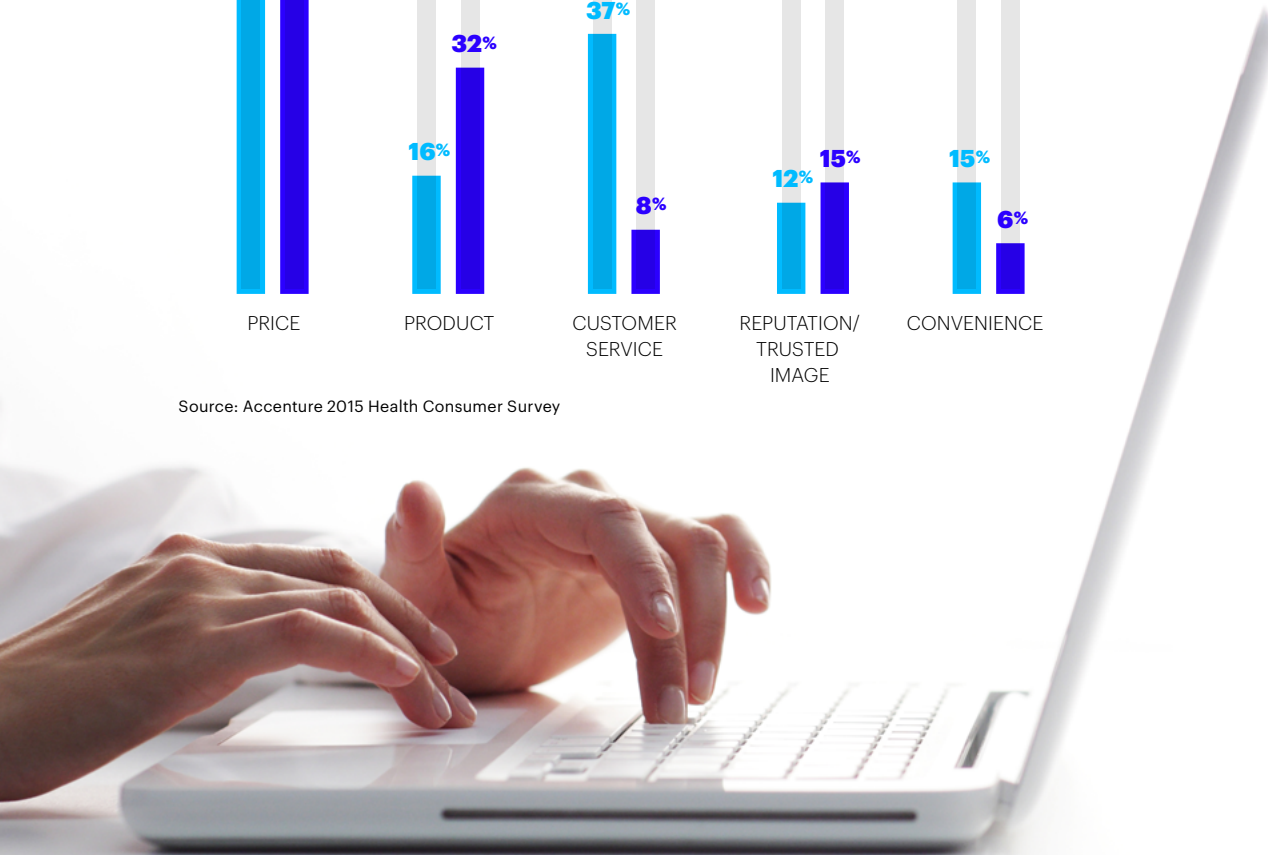


Source: Accenture 2015 Health Consumer Survey

As both groups explore health insurance options, the factors most important to each generation differ. Baby boomers (79 percent), perhaps on a fixed income, said price was an important factor compared to 48 percent of millennials (see Figure 3).

The generations also differ on factors that would influence a decision to switch insurance companies.

Only 22 percent of millennials cited value for money as a key reason for switching insurance companies compared to 46 percent of baby boomers. And less than a quarter of millennials who switched issuers said insurers could have “offered me better pricing” to keep them as a customer. In contrast, nearly three quarters of baby boomers (74 percent) would be wooed by better pricing.

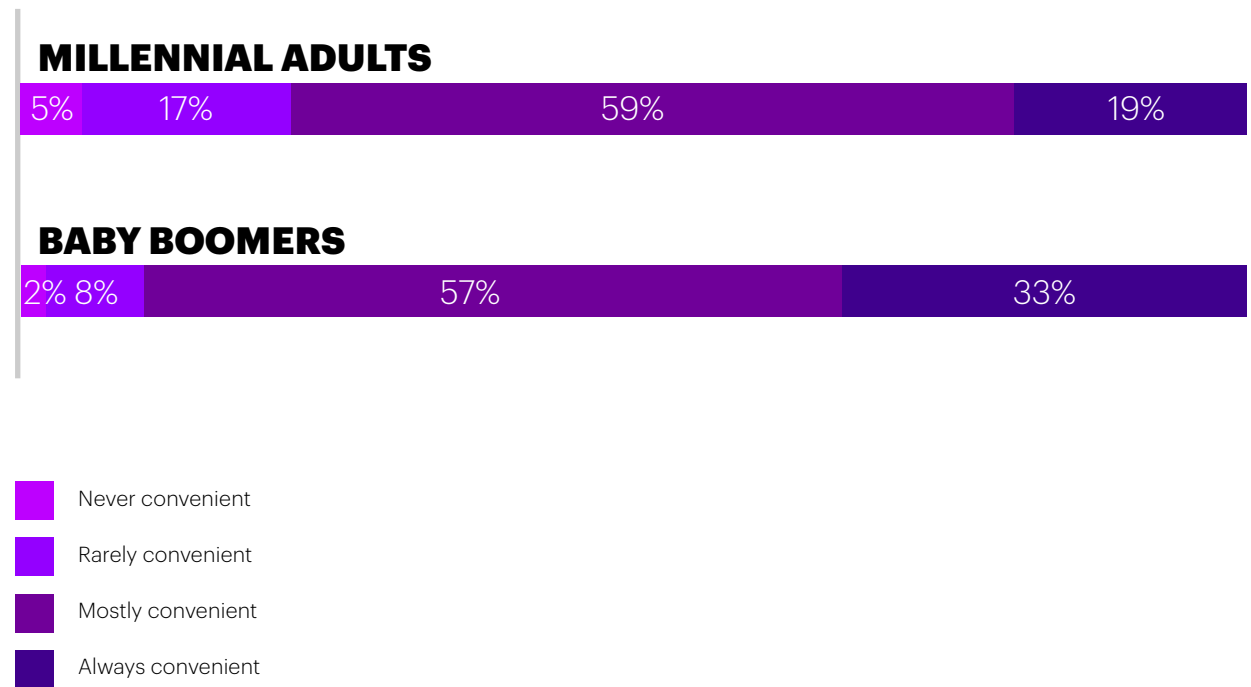


USING HEALTH INSURANCE

Millennials want to use digital channels when they are more comfortable with the health interaction. For example, 66 percent of millennials value scheduling appointments virtually as “somewhat” or “very important” compared to 42 percent of baby boomers. Millennials (47 percent) similarly value seeing a doctor virtually, whereas only 34 percent of baby boomers do.

Low numbers of millennials (19 percent) believe that it is convenient to get the care you need, if and when you need it. This compares to 33 percent of baby boomers who found care convenient (see Figure 4).

FIGURE 4. **MILLENNIALS FOUND IT LESS CONVENIENT TO GET CARE THAN BABY BOOMERS**



Source: Accenture 2015 Health Consumer Survey

BUILDING LOYALTY WITH HEALTH PLANS

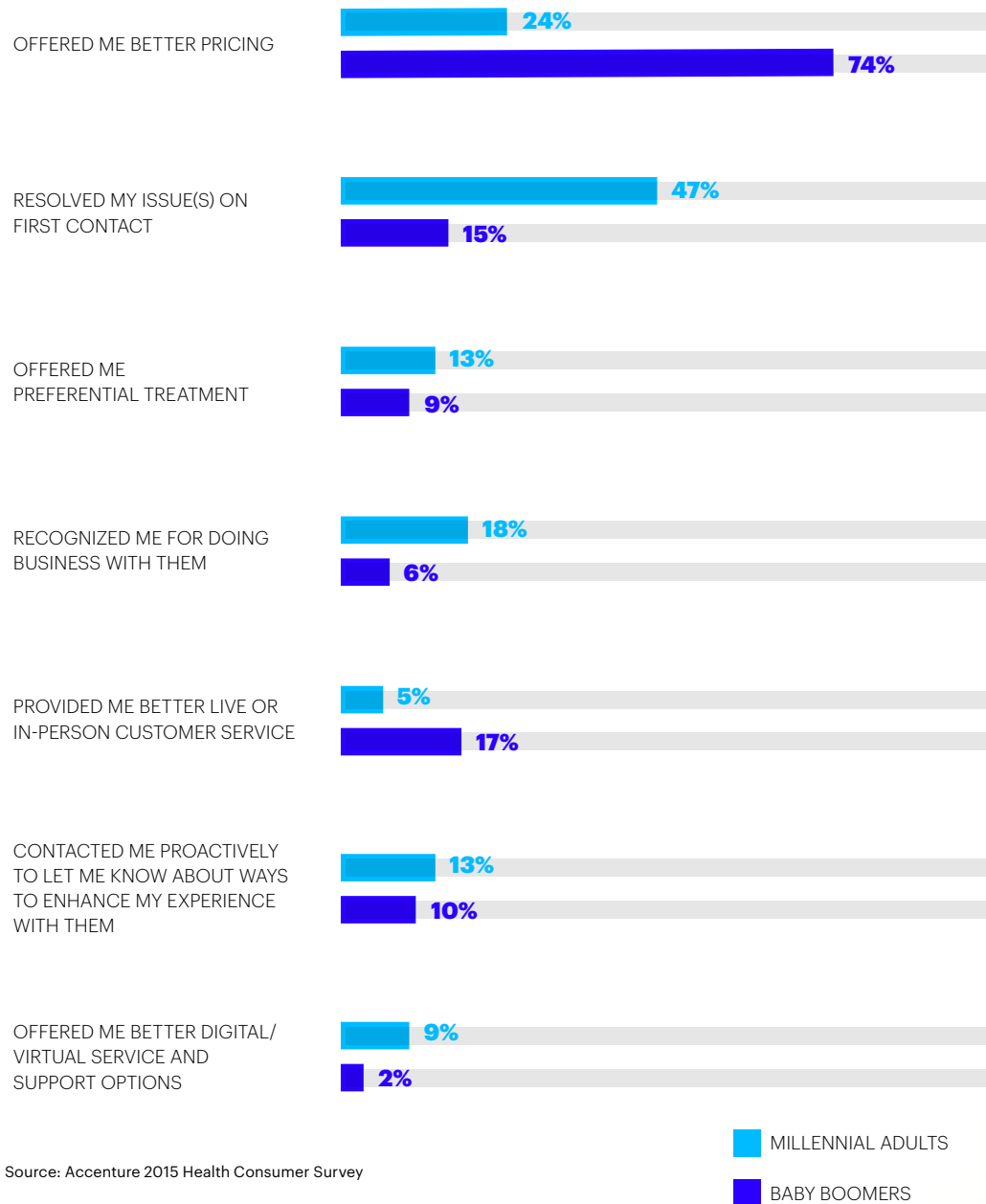
Customer service and convenience are critical to millennials—and they will switch insurance if their expectations are not met. Service is so important to millennials that they are willing to sacrifice price to receive better convenience (see Figure 5). Nearly half (47 percent) of millennials who switched issuers answered “resolved my issue(s) on first contact” as something that could have been done differently to keep them as a customer. Only 15 percent of baby boomers would switch for the same reason.

Millennials expect their questions to be answered, and they are frustrated when that is not the case.

In fact, “Member service representatives who aren’t knowledgeable” is a reason for 37 percent of millennials to switch insurers, compared to just 3 percent of baby boomers (see Figure 6). In general, millennials feel they aren’t getting the service they deserve. Only 32 percent of millennials feel they are treated well in the healthcare system, compared to 51 percent of baby boomers.



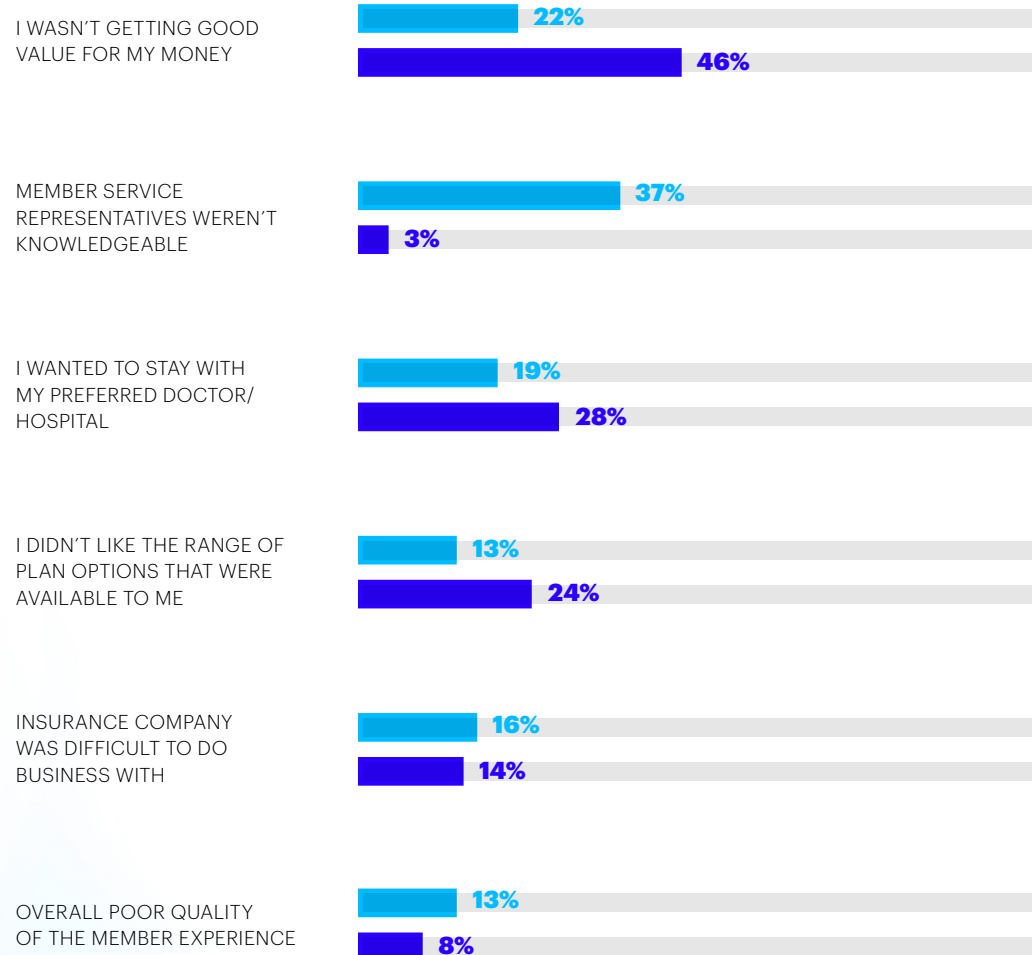
FIGURE 5. RETAINING POTENTIAL SWITCHERS



Source: Accenture 2015 Health Consumer Survey



FIGURE 6. TOP REASONS FOR SWITCHING INSURERS



Source: Accenture 2015 Health Consumer Survey

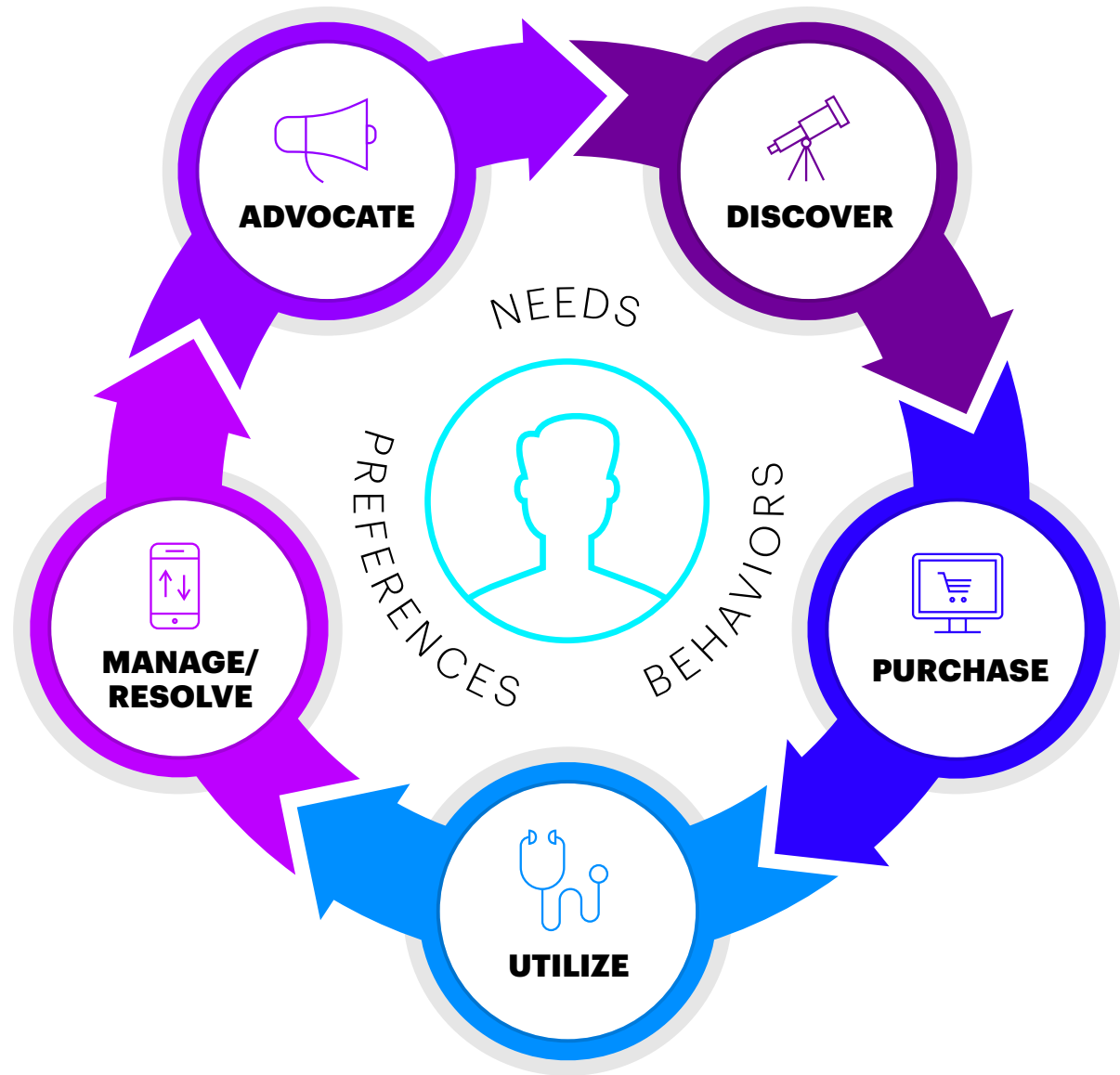
MILLENNIAL ADULTS
BABY BOOMERS



FIGURE 7. **IMPROVING THE CUSTOMER EXPERIENCE—
FROM START TO FINISH**

IMPROVING EXPERIENCES TO CAPTURE MARKET SHARE

Creating digitally enabled, convenient and high quality customer experiences will help health plans to appeal to millennial desires, without sacrificing the needs of baby boomers. However, strides must be made across the entire customer journey to turn brand detractors into brand promoters (see Figure 7).





DISCOVER

Improve the shopping experience by educating millennials, helping them to understand the options, prices and respective benefits of health plans. Provide responsive, live support to make it easier to get answers. Craft simple messages that matter and make sense to millennials, and provide that information via intuitive, user-friendly digital experiences that are seamlessly integrated with the live help channels.



PURCHASE

Ensure consistency and seamlessness between on- and off-line sales channels. Hone your product portfolio to offer distinct, meaningful options. Clear and distinctive choices allow millennials to understand how one plan differs from another. Consider selling on convenience and service—not just price. Ideally, use an Amazon-like recommendation engine that synthesizes consumer preferences and buying habits to deliver “people like me” recommendations that help shoppers make buying decisions.



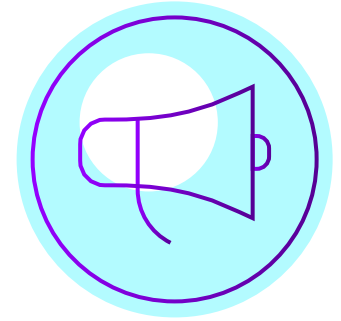
UTILIZE

Provide convenient care options that make it easier for members to use their plan benefits, including choosing a healthcare facility, provider or treatment. Enable digital capabilities for common tasks, such as appointment scheduling. Actively promote and enable virtual health and make sure supporting tools are geared toward mobile use. Selectively offer millennial-friendly services, such as text messaging, for reminders and targeted outreach.



MANAGE

Give members the right answer the first time when it comes to claims, benefits and billing questions. Make it easy for members to use intuitive digital channels to get questions answered, but also offer easy access to a live person, when needed. Deliver outstanding customer service consistently across multiple touch points to build loyalty and relationships with millennials, who will be a key audience for years to come.



ADVOCATE

Millennials will rate or share their experience, whether it is good or bad. Allow them the means to provide that feedback within your solutions, or they will find other outlets. And use feedback to foster meaningful dialogue and make adjustments. Make every effort to improve all customer interactions so that millennials and baby boomers alike will have a positive story to share about your brand.

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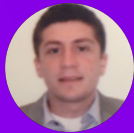
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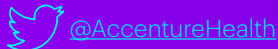
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ABOUT THE ACCENTURE 2015 HEALTH CONSUMER SURVEY

Accenture conducted an online survey of 6,178 healthcare consumers over 18 years of age in the United States. Respondents included insured (group, individual, Medicare, and Medicaid) and uninsured. The research aimed to understand healthcare consumer needs, expectations, and behaviors and was conducted between December 2015 and January 2016.

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