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Strategic Thinking | Digital Healthcare

 klein & partners

# The 5<sup>th</sup> Annual State of Digital Marketing in Healthcare Report

*Released in February 2020*

# Table of Contents

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Introduction .....2

Executive Summary .....7

Healthcare Marketing Confidence Grade .....13

Online and Digital Marketing Techniques Used .....15

CMS, CRM and Marketing Automation .....22

ROI and KPIs .....36

Web Innovations .....39

Importance/Effectiveness of Digital Marketing Efforts .....43

Driving Digital Transformation of the Healthcare Brand .....48

Resources .....51

Survey Sponsors .....61

## Introduction

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*The Why and How*

# Introduction

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As we enter a new decade, digital marketing in healthcare is pervasive and continues to grow in sophistication and value.

Even so, it is often hard for marketers to keep up with the pace of change. But, “keeping up” is increasingly essential as marketers and digital teams must understand the landscape - what it looks like now, and how it is evolving.

To help marketers keep pace, in 2015 Greystone.Net and Klein & Partners launched its first annual survey to assess the then current state of digital marketing in the healthcare space. The results of that survey were shared in *The State of Digital Marketing in Healthcare Report*, and a corresponding white paper, both released in late 2015.

Since then, we have conducted three additional surveys and now present the results from the 5<sup>th</sup> survey wave. The survey results represent a continuing effort to better understand the changing relationship between healthcare and digital marketing.

## Introduction, *cont'd.*

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To assess changes from prior years, many questions from previous years were repeated and a few new ones were added.

In total, we **surveyed 271 healthcare marketers and digital professionals** from various healthcare organizations – from small community hospitals, academic medical centers, children's hospitals and large health systems with multiple sites. They provided answers on their current use of digital marketing and their expectations for 2020. The survey was completed in the 4<sup>th</sup> quarter of 2019.

This white paper analyzes and discusses the results of the 5<sup>th</sup> annual healthcare digital marketing leadership survey.

It provides valuable insight for CEOs, CMOs, web and digital managers and others involved in healthcare marketing to assess the current state of their organization's digital marketing efforts, look at future plans and compare themselves to their peers.

# Methodology

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- ❑ The survey included **over 50 questions**, designed to elicit information pertaining to:
  - The scope of the organization's digital and website activities
  - The importance and effectiveness of the organization's digital marketing efforts
  - Details about the organization's planned future web activities and challenges
  - Details about the organization's marketing resources
  - The organization's classification/demographics.
- ❑ The survey was administered via SurveyMonkey to healthcare organizations from **October 20 to November 12, 2019**.
- ❑ As an added incentive to participate in the survey, participants were offered a \$10 Amazon gift card for completing the survey. **A sample size of 271 yields a sample error of +/-5.0% at the 90% Confidence Level.**
- ❑ **Note:** Letters (e.g., A, B, C) and arrows (↑) in charts and tables indicate a statistically significant difference between those two data points at the 90% Confidence Level.



# Demographic Profile

Demographics	2015 Wave I	2016 Wave II	2017 Wave III	2018 Wave IV	2019 Wave V
<b>Organization Type</b>					
Health system	47%	47%	38%	45%	33%
AMC	21	25	23	18	26
Community hospital	11	15	26	20	15
Children's hospital	6	5	5	8	6
Cancer center	2	1	3	4	5
<b>#Beds</b>					
<200	20%	15%	20%	18%	16%
200-499	19	21	26	20	26
500-999	29	27	25	30	25
1,000+	32	37	29	32	34
<b>Title</b>					
Director of Marketing	14%	15%	14%	10%	16%
Chief Marketing Officer	5	14	3	2	1
Marketing Manager	13	13	18	20	30
VP of Marketing	8	10	8	8	6
Dir of Interactive/Digital Marketing	12	9	10	11	8
Web Manager	16	8	10	13	12
Chief Digital Officer	0	5	1	1	1
Director of Web Services	5	3	5	4	3
Webmaster	6	3	3	4	2
Chief Experience Officer	0	3	1	1	1
Other	21	15	28	28	22
11+ years in healthcare	47%	47%	47%	49%	47%

## Executive Summary

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### *Overview of the Key Findings*



## Executive Summary

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This report shares the results of the 5<sup>th</sup> Annual Healthcare Digital Marketing Survey administered by Greystone.Net and Klein & Partners. It provides valuable insight for CEOs, CMOs, web leaders, digital managers and others involved in healthcare marketing to assess the current state of their organizations' digital efforts, look at future plans and compare themselves to their peers.

Digital marketing continues to steadily grow in importance and sophistication in healthcare. This survey was designed to measure the effectiveness of digital marketing in healthcare, and to help identify trends and challenges faced by the industry. The results represent an effort to help healthcare marketers understand the current state and prepare for the future.

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

## Key Takeaways

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- ❑ Digital marketing in healthcare continues to grow in depth and sophistication. Based on our findings:
  - Over 90% of marketers use website and social media marketing techniques, and online advertising, paid search, email marketing, e-Newsletters and content marketing continue to be highly used tools.
  - 65% have a CRM system (up from 59% last wave), 51% have a marketing automation system (up from 42% last wave) and the use of a PRM system has remained stable.
  - The percentage of systems offering a mobile app for consumers stayed stable at 49%.
- ❑ The results of the Healthcare Marketing Confidence Grade shows that marketers have growing confidence in their website strategies, social media and digital marketing. They continue, however, to show less confidence in their CRM efforts.
- ❑ Facebook ads and Google Ads are the most used online advertising tools in healthcare and as might be expected, Google Analytics and Facebook Page Insights are the most used tools for measuring a digital return on investment.
- ❑ Voice search made its first appearance on the list last wave at 8% use and has grown to 12% in the latest wave. Blogs and online reputation management are important tools too.

## Key Takeaways, *cont'd.*

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- ❑ Over 80% of healthcare marketers are leveraging Facebook, YouTube, Twitter, LinkedIn and Instagram for their organizations, all of which continue to grow.
- ❑ Snapchat stayed steady at about 21%.
- ❑ The top three website content management systems (CMS) used in healthcare for external website pages are WordPress, Sitecore and Drupal, with Sitecore seeing a significant one-year jump.
- ❑ The top intranet CMS is SharePoint, but it saw a significant drop in this wave and no other system has more than a 5% market share.
- ❑ Although 65% of healthcare organizations reported having a CRM system, still only 12% report that their CRM and website(s) are well integrated.
- ❑ Top CRMs mentioned in the survey included Healthgrades (32%), Salesforce (23%) and Evariant (13%), which has been acquired by Healthgrades since this survey was launched.

## Key Takeaways, *cont'd.*

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- ❑ Healthcare marketers told us their top uses for CRM were:
  - List pulls (65%)
  - Campaign management (64%)
  - ROI reporting (61%)
  - List management (58%).
- ❑ Conversions are the most commonly-used metric to measure return on investment (ROI) from CRM (63%), followed by Encounters (55%) and Contribution Margin (41%).
- ❑ Only 10% of healthcare marketers say their level of deploying CRM is “Advanced,” down from 12% last wave. Most feel their deployment is either at the “Intermediate” (49%) or “Beginner” (32%) level.
- ❑ Only 18% of healthcare marketers reported currently using their CRM to support population health initiatives, but another 30% say they plan to do so in the next 12 months.
- ❑ There appears to be less planned churn in CMS and CRM platforms for 2020.

## Key Takeaways, *cont'd.*

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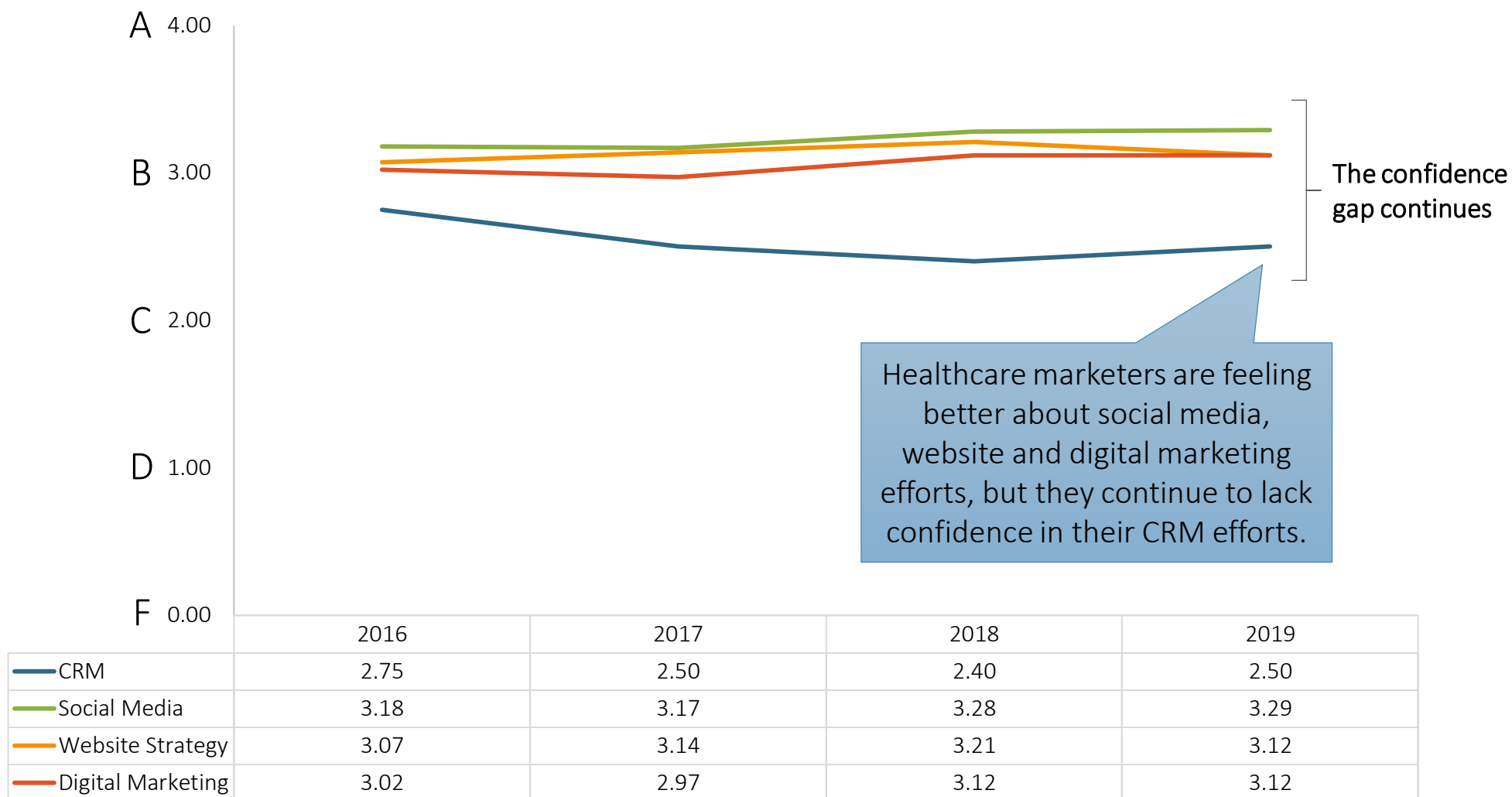
- ❑ Healthcare marketers use a variety of SEO tools, but Google Search Console, Google Trends and Siteimprove are the most frequently used.
- ❑ The top email marketing services include MailChimp, Constant Contact and Salesforce Marketing Cloud.
- ❑ Over half (60%) of these organizations' website visitors used a mobile device to access their sites. And, nearly half of the organizations represented in this study have a mobile app for consumers.
- ❑ Over half said the top two challenges affecting digital marketing efforts continue to be the *lack of staffing* and *lack of funding*.
- ❑ Healthcare marketers identified their most pressing issues as: figuring out personalization and 1:1 marketing and marketing attribution (ROI).
- ❑ Over 80% of healthcare marketers expect their *total* marketing budgets to either stay the same or increase next year.
- ❑ Regardless of organization type, there is a fairly consistent proportion of the marketing budget dedicated to website design/management and digital marketing.

## Healthcare Marketing Confidence Grade

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*How Confident are Healthcare Marketers in their Marketing Strategies?*

## How Healthcare Marketers Grade Their Efforts in ...



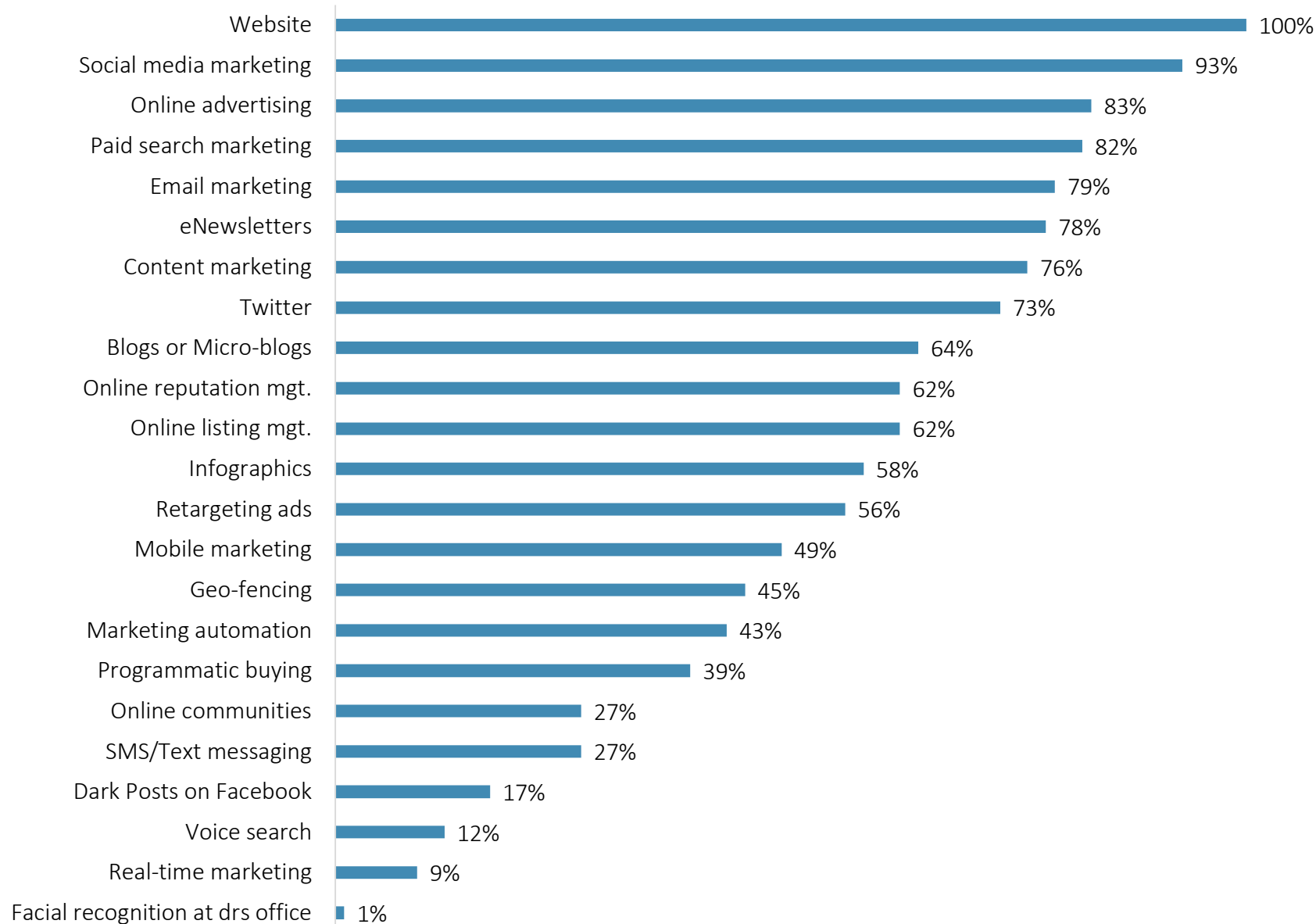


## Online and Digital Marketing Techniques Used

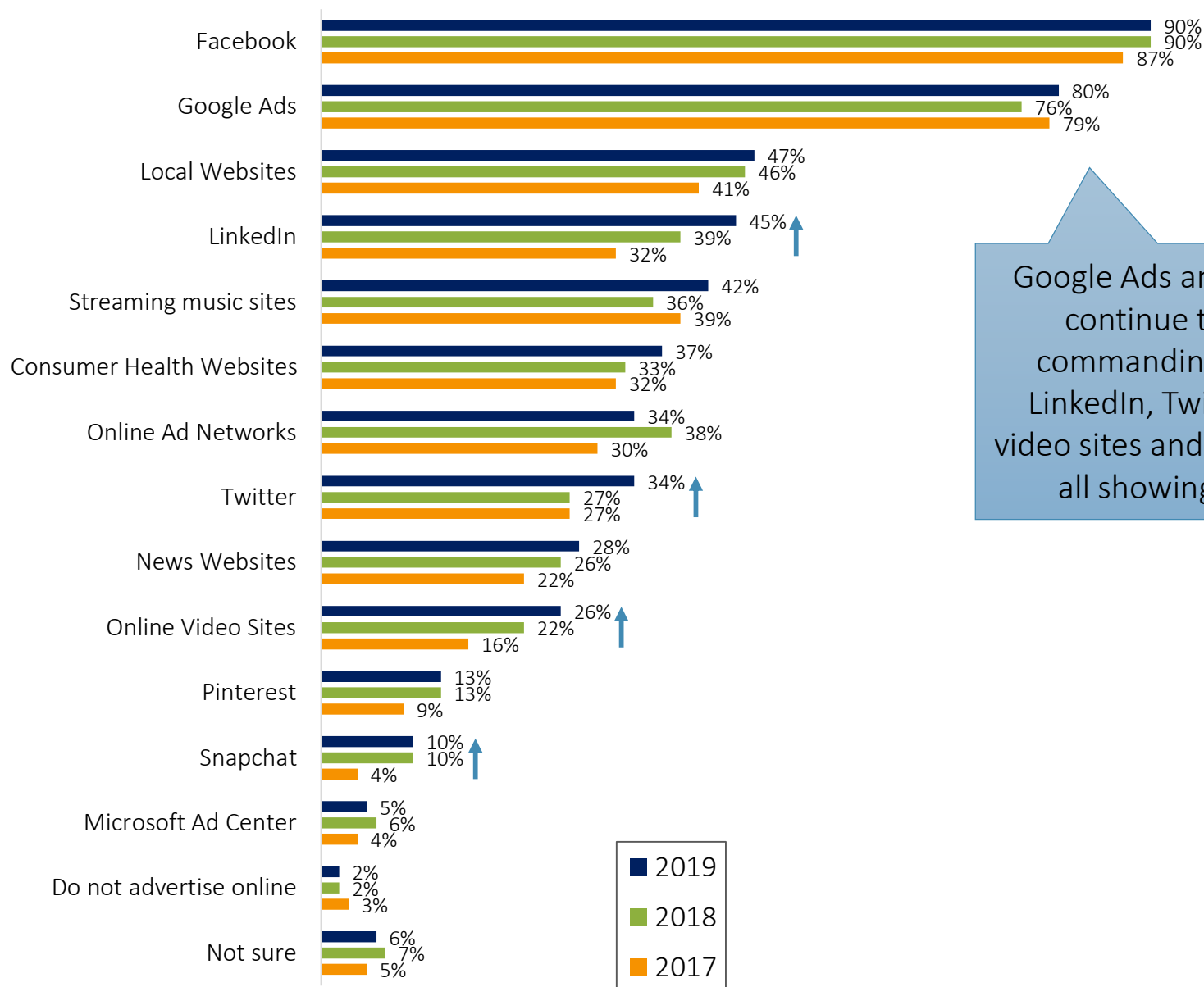
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*What Tools and Techniques Are Being Used*

## Online/Digital Marketing Currently Used at Hospital/System



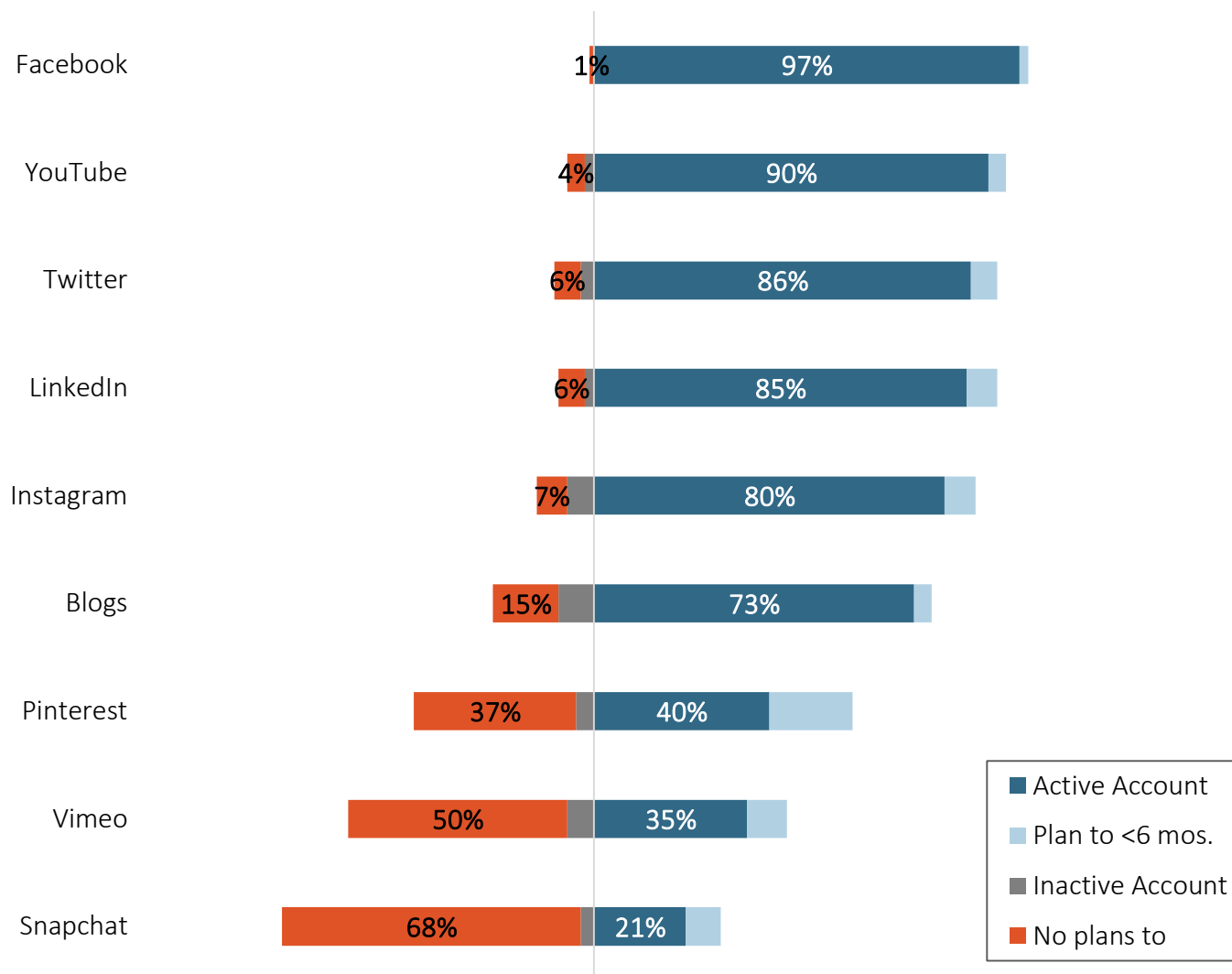
## Online Advertising Used In Healthcare



Google Ads and Facebook continue to have a commanding lead. But LinkedIn, Twitter, online video sites and Snapchat are all showing growth.

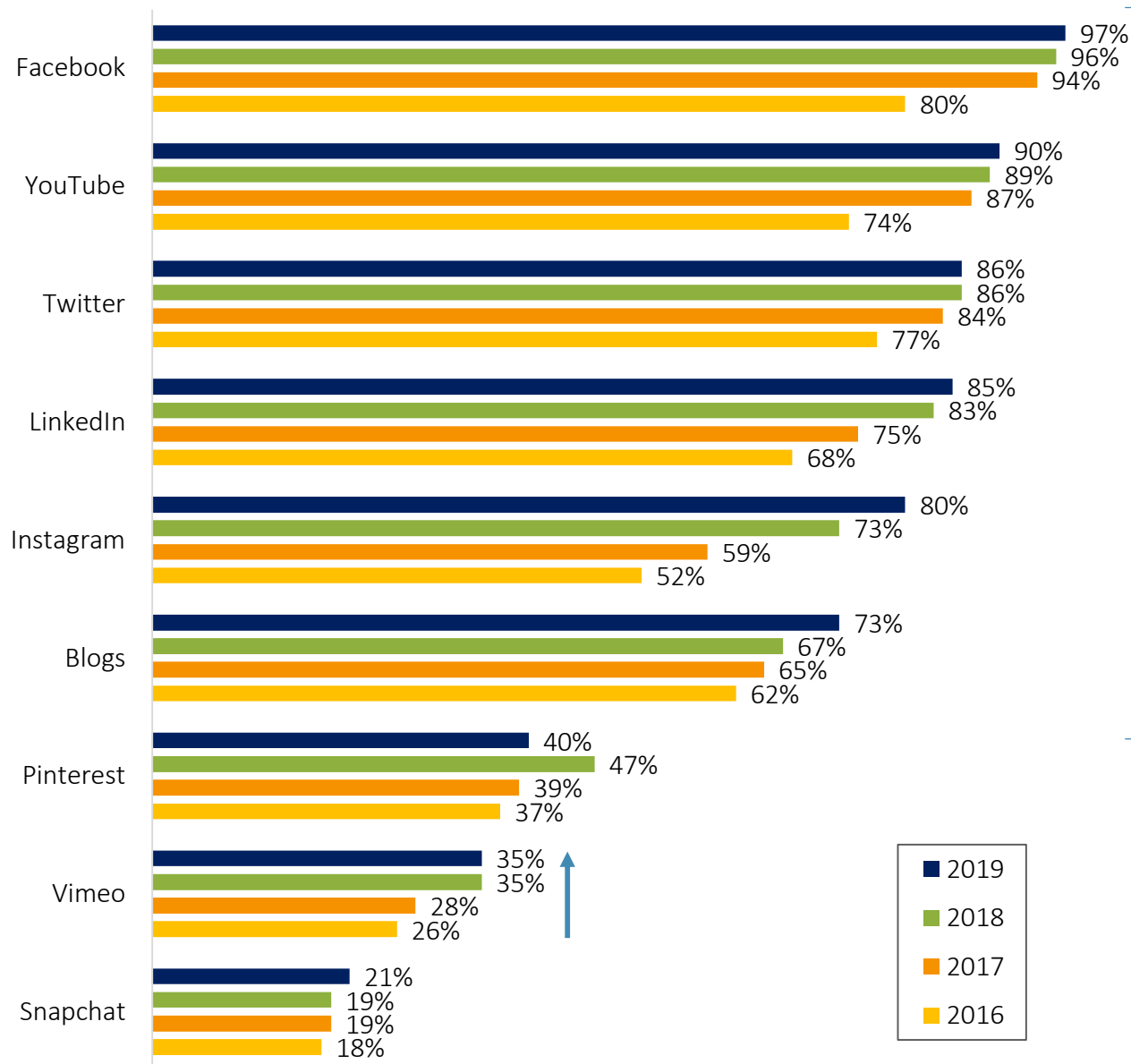
## Social Media Channels

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

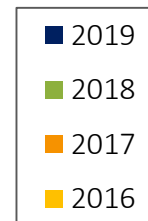


Note: Data are from the 2019 wave

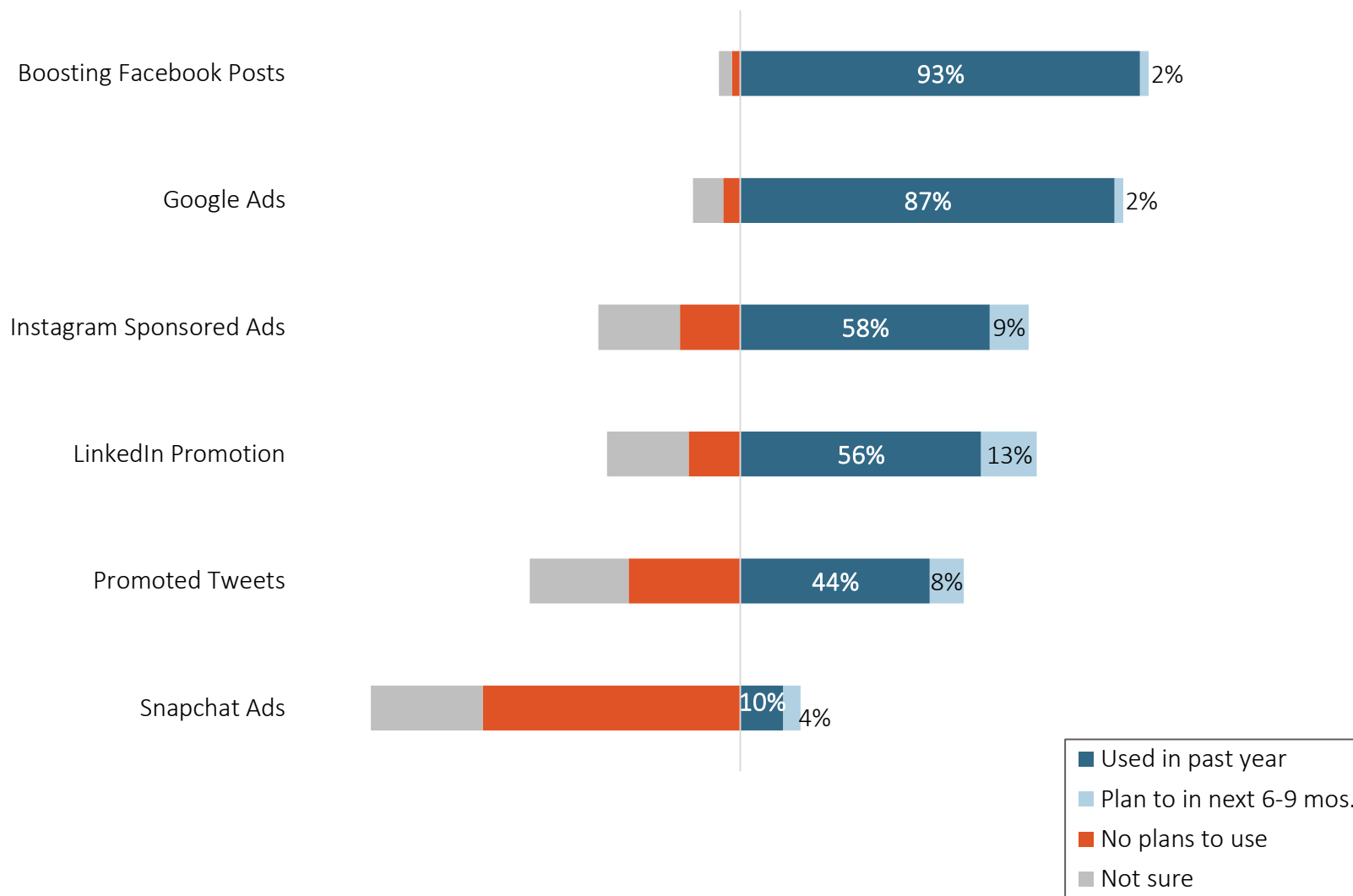
## Active Social Media Channel Accounts



**All of these channels have grown significantly since 2016**

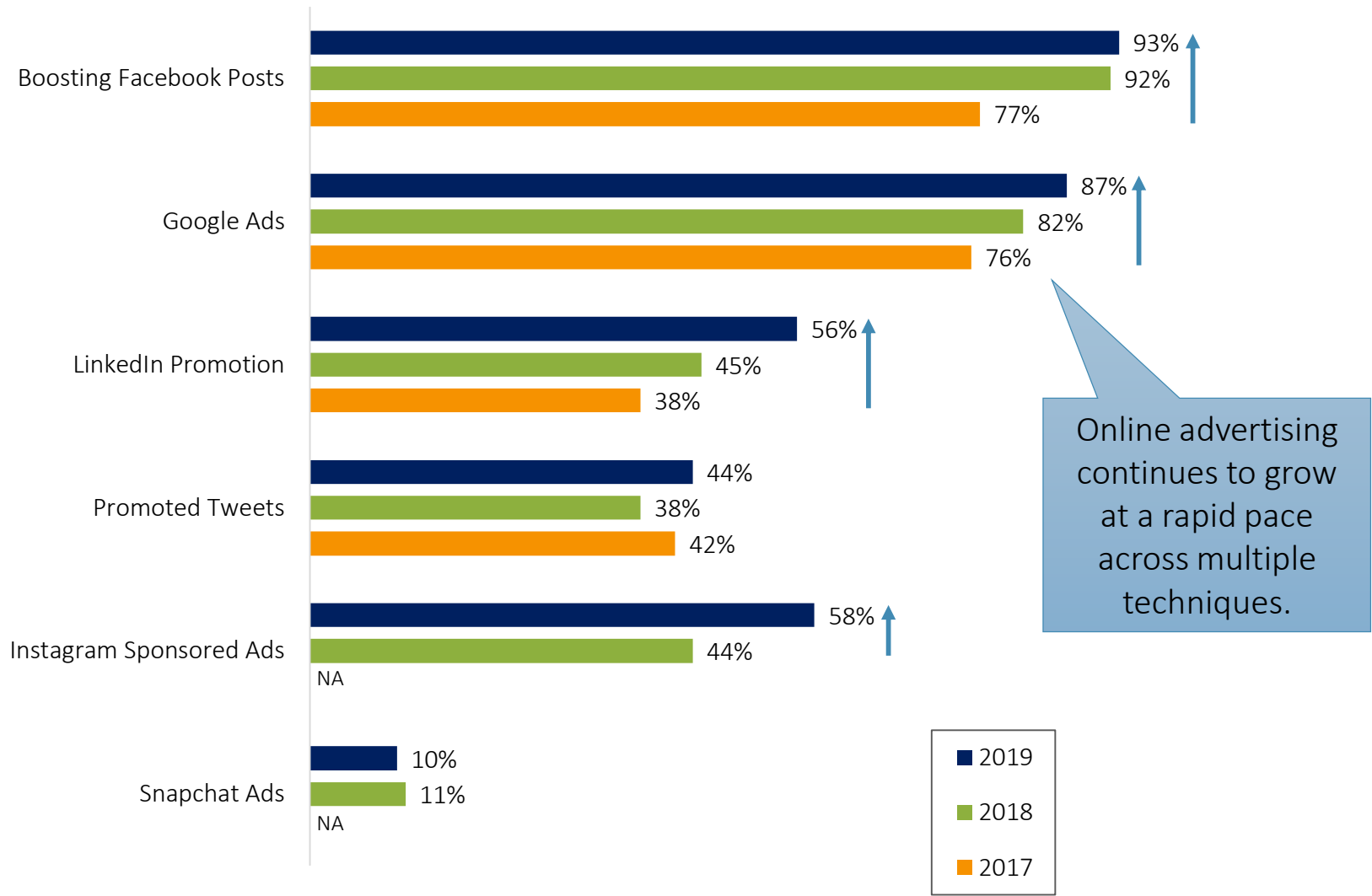


## Online Advertising Techniques Used in Healthcare



Note: Data are from the 2019 wave

## Online Advertising Techniques Used in Healthcare

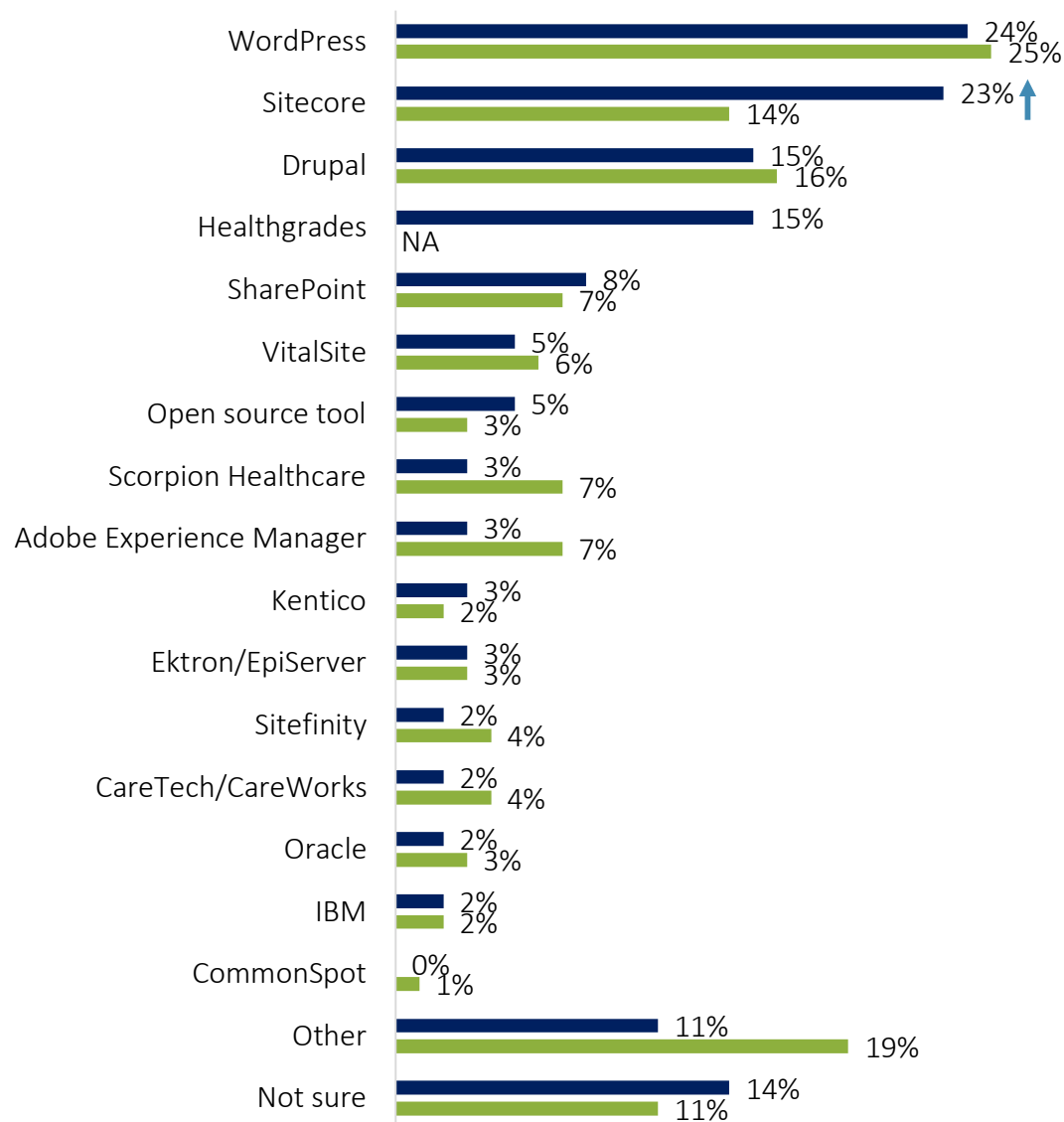




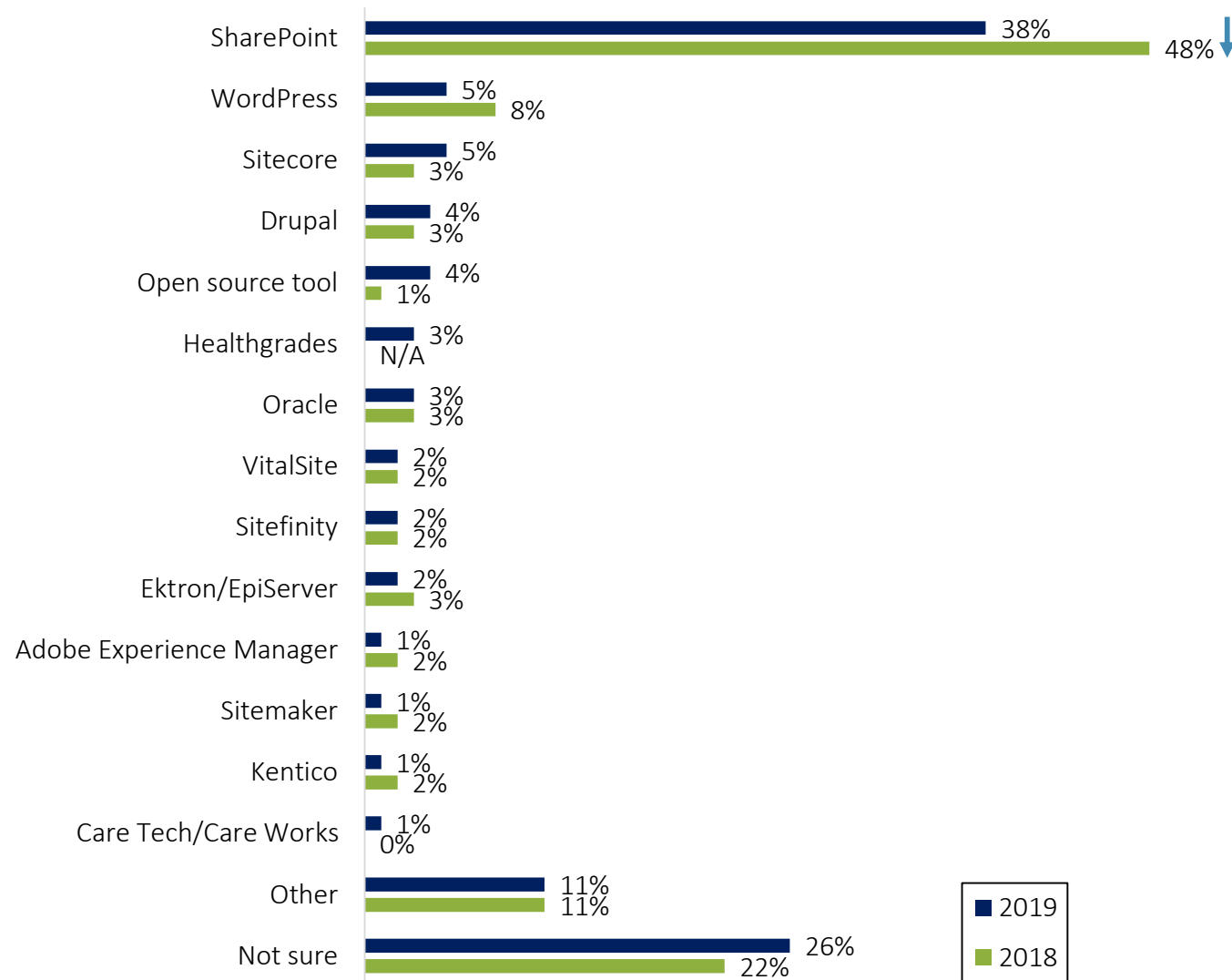
## CMS, CRM and Marketing Automation

### *The Latest Results*

## CMS Software Used to Support Website



## CMS Software Used to Support Intranet

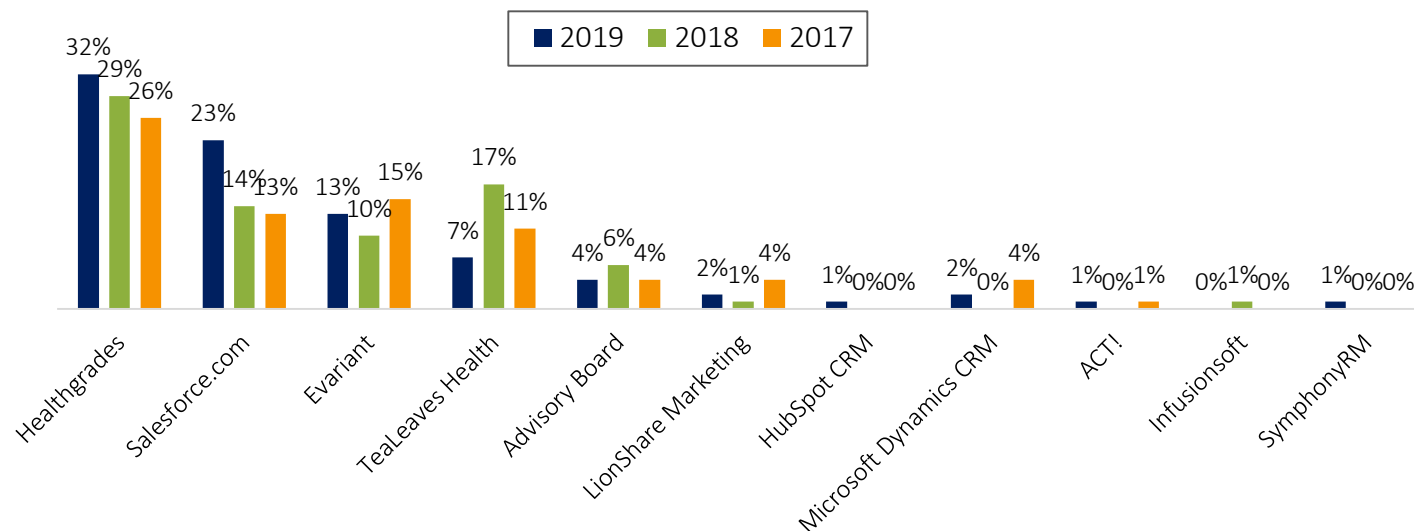


57%/59%/65%↑

Have a CRM System

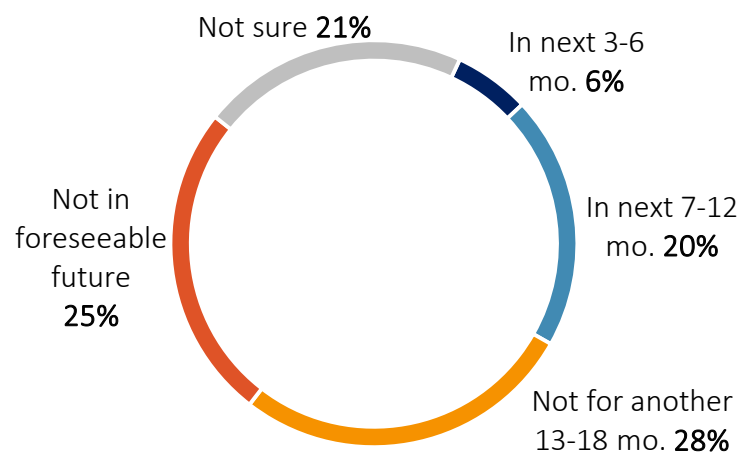
Note: 2017/2018/2019

## CRM Vendor Used

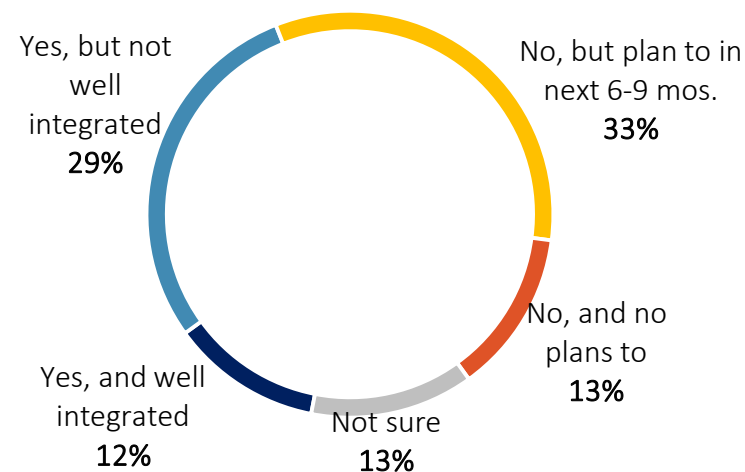


## Plans to Implement CRM

(Among the 35% without CRM)



## Website and CRM Integrated

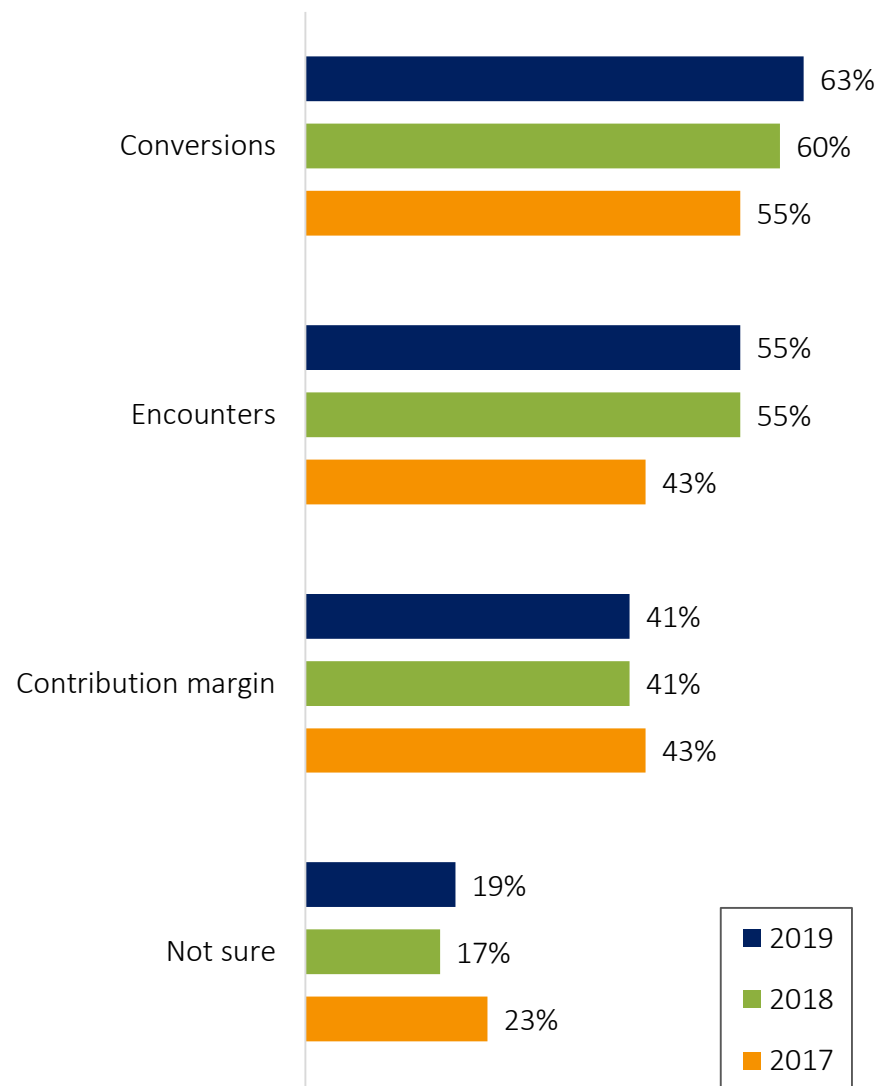


# CRM Uses

## Use CRM System for...



## Metrics to Measure CRM ROI

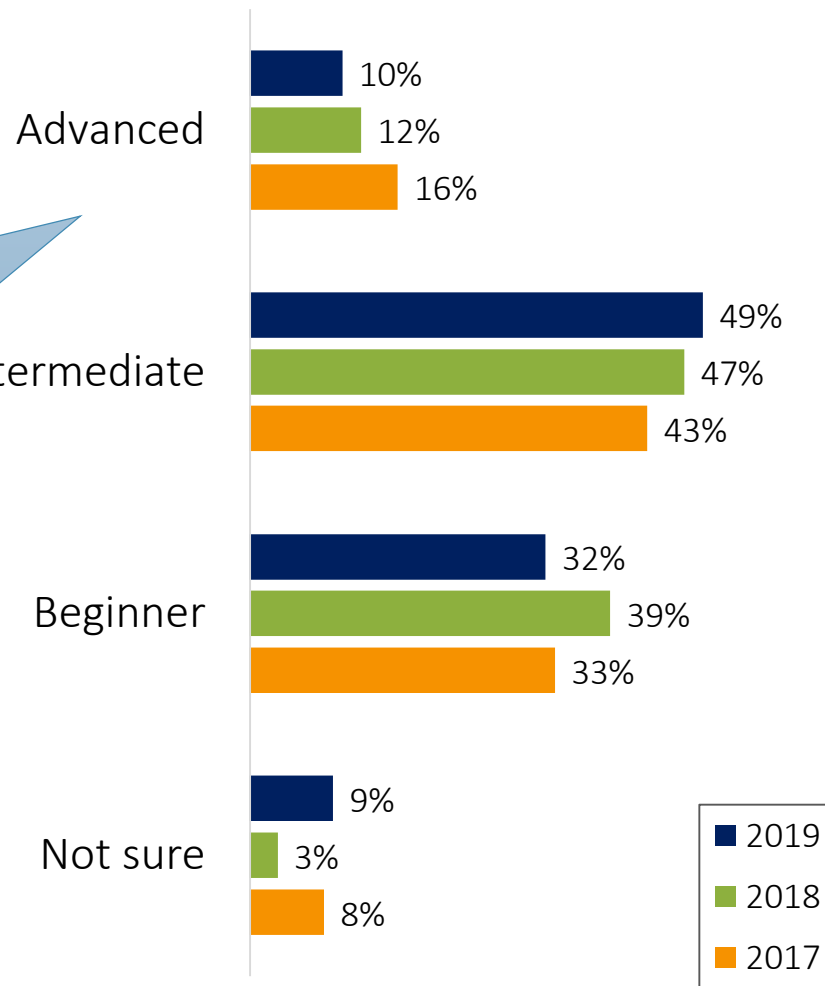


# CRM Level of Deployment

## Organization's "Level" of Deploying CRM

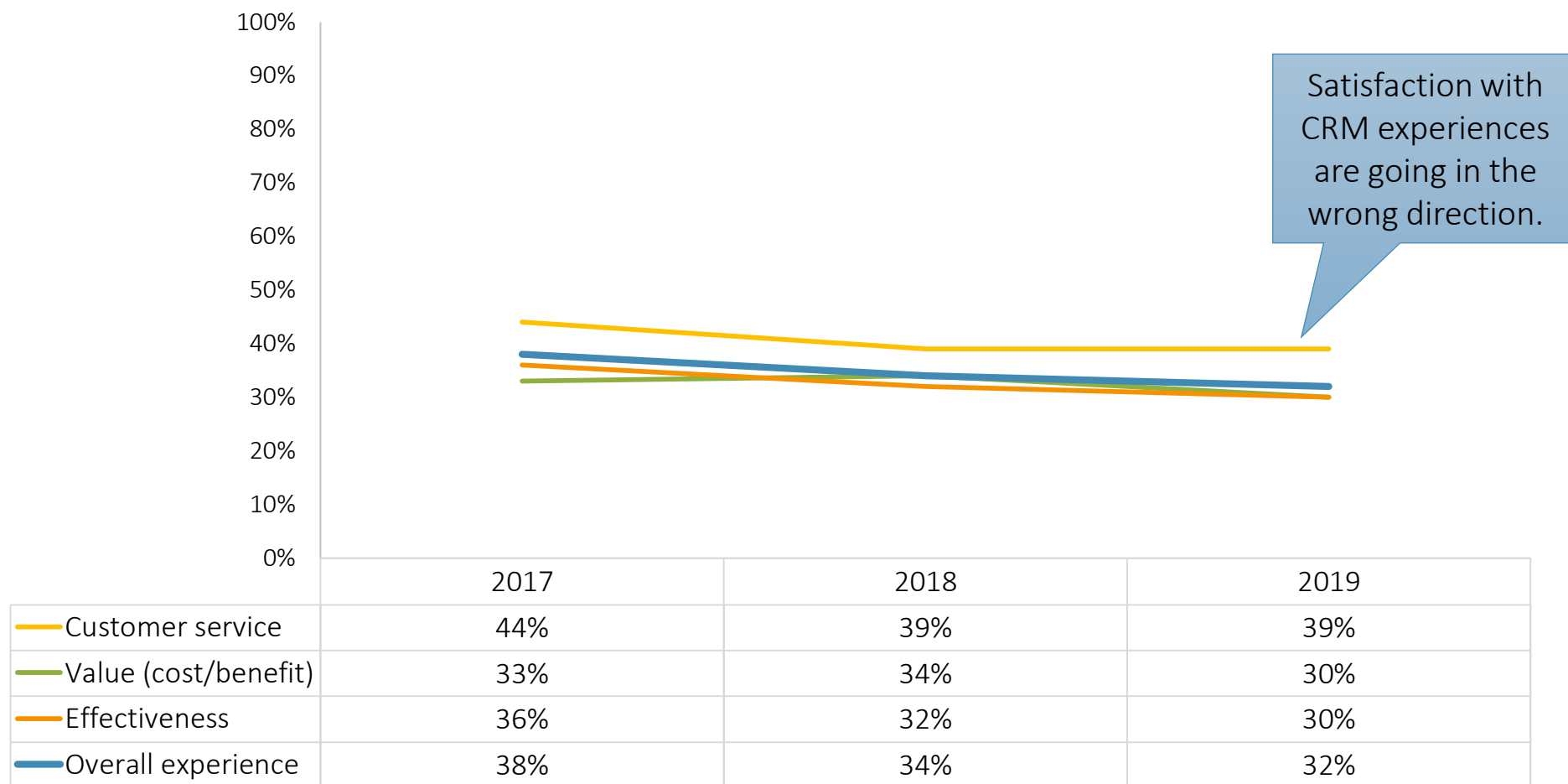
Fewer marketers are willing to say they are Advanced in the use of CRM; more consider themselves as Intermediates and Beginners.

Is the lower confidence in CRM (see slide 14) making us rethink just how expert we are at deploying it?



## CRM Experience - Trended

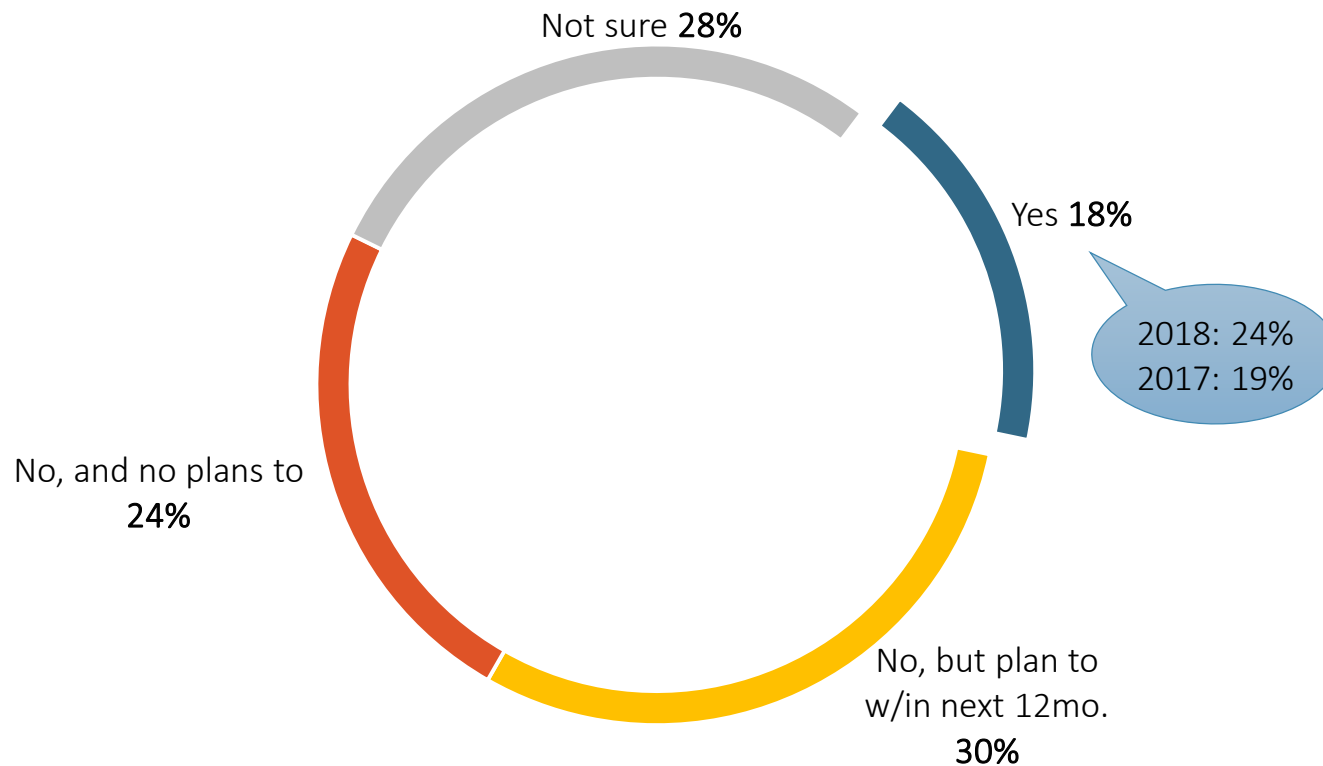
### Excellent/Very Good Experience with CRM



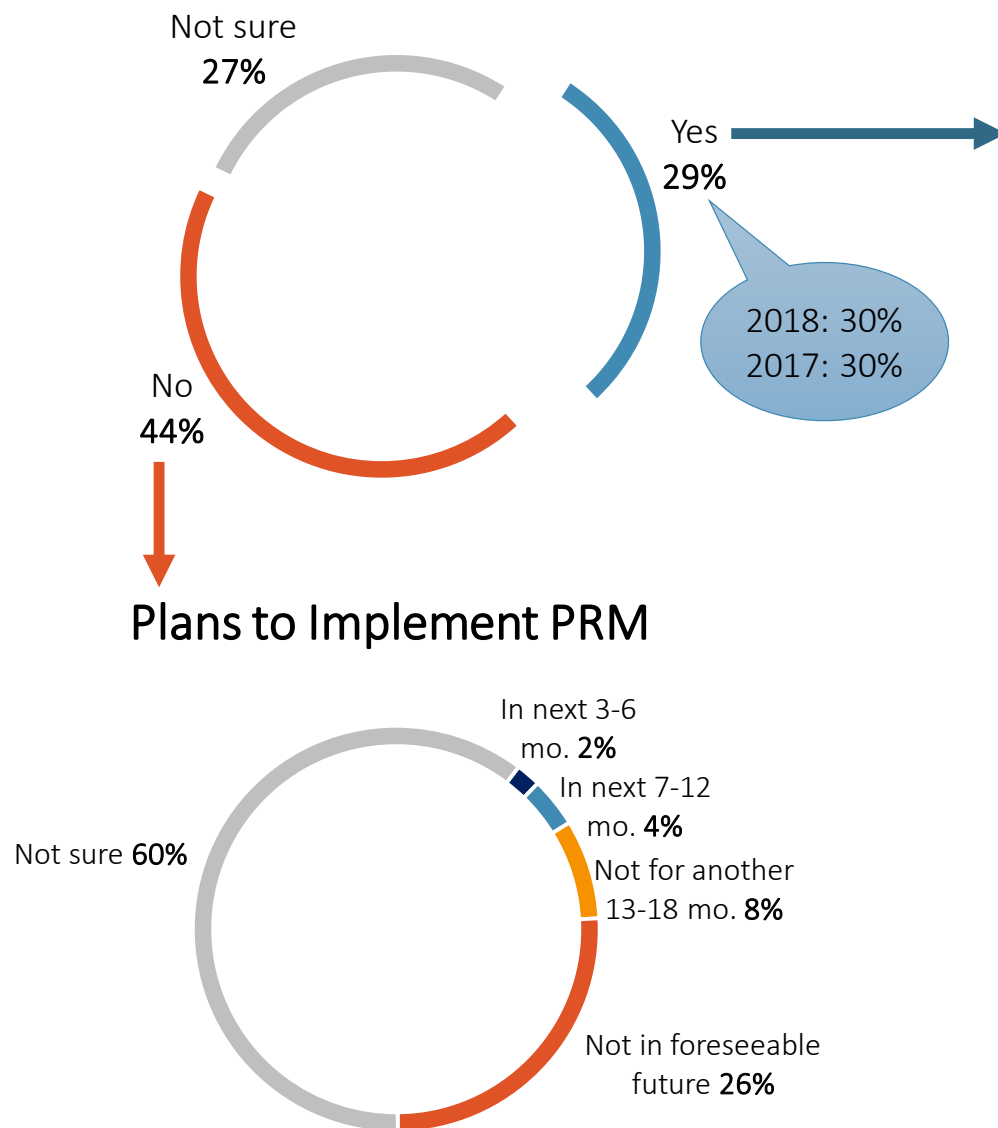


## CRM Integration with Population Health

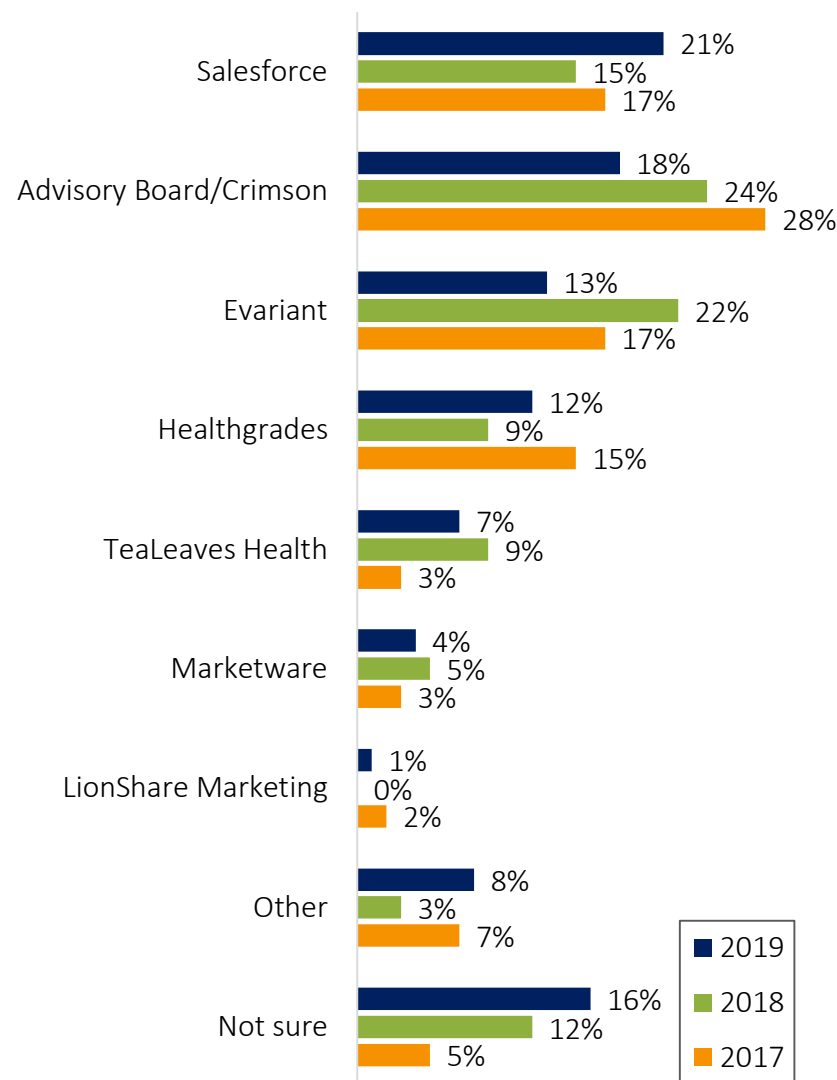
### Use CRM to Support Population Health Initiatives



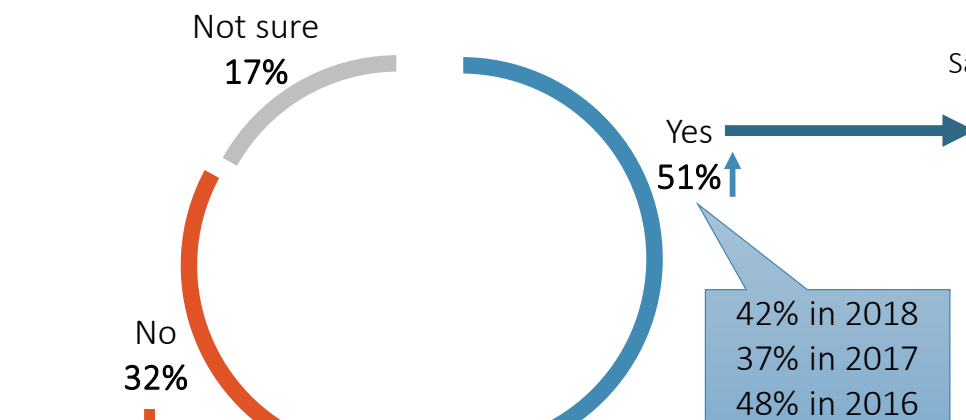
## Use of a Physician Relationship Management (PRM) System



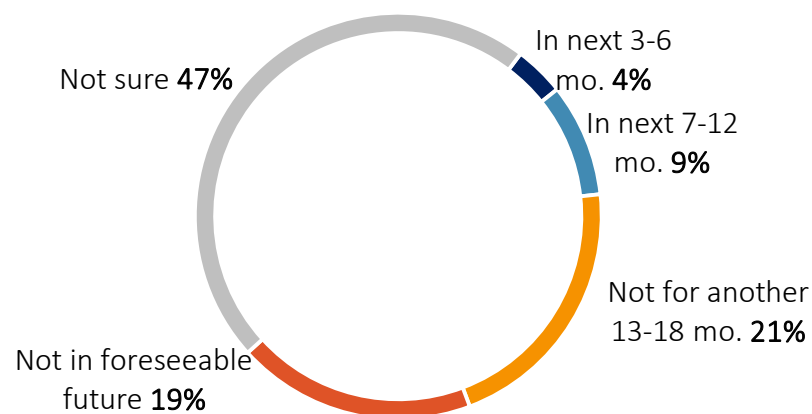
## PRM Vendor



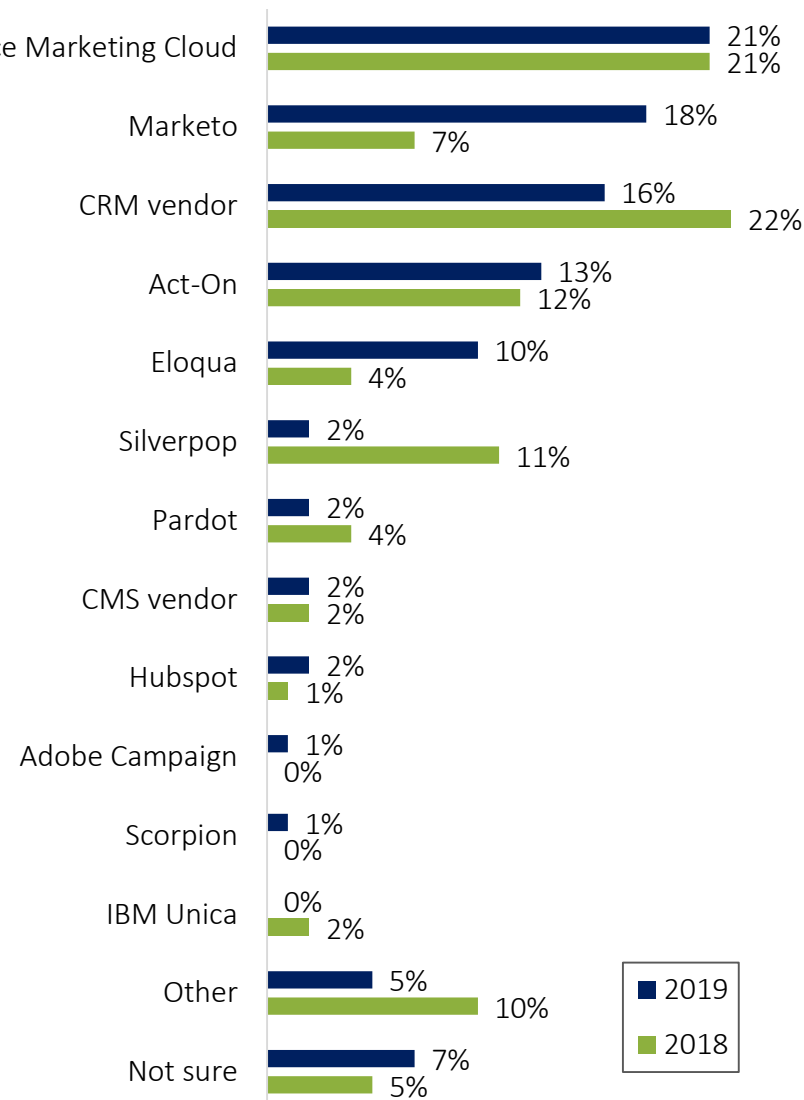
## Use of a Marketing Automation Tool



## Plans to Implement Marketing Automation Tool

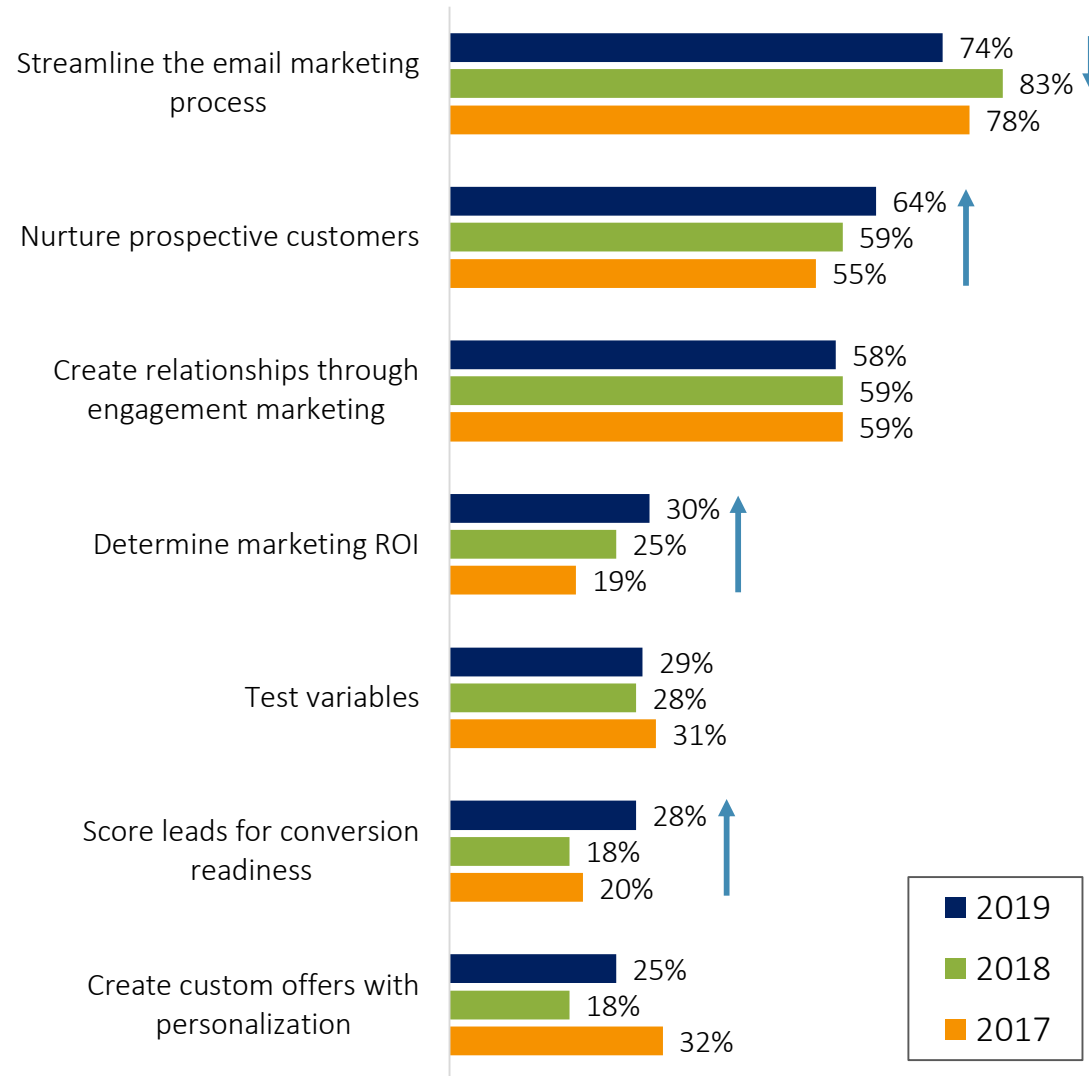


## Marketing Automation Tool Used

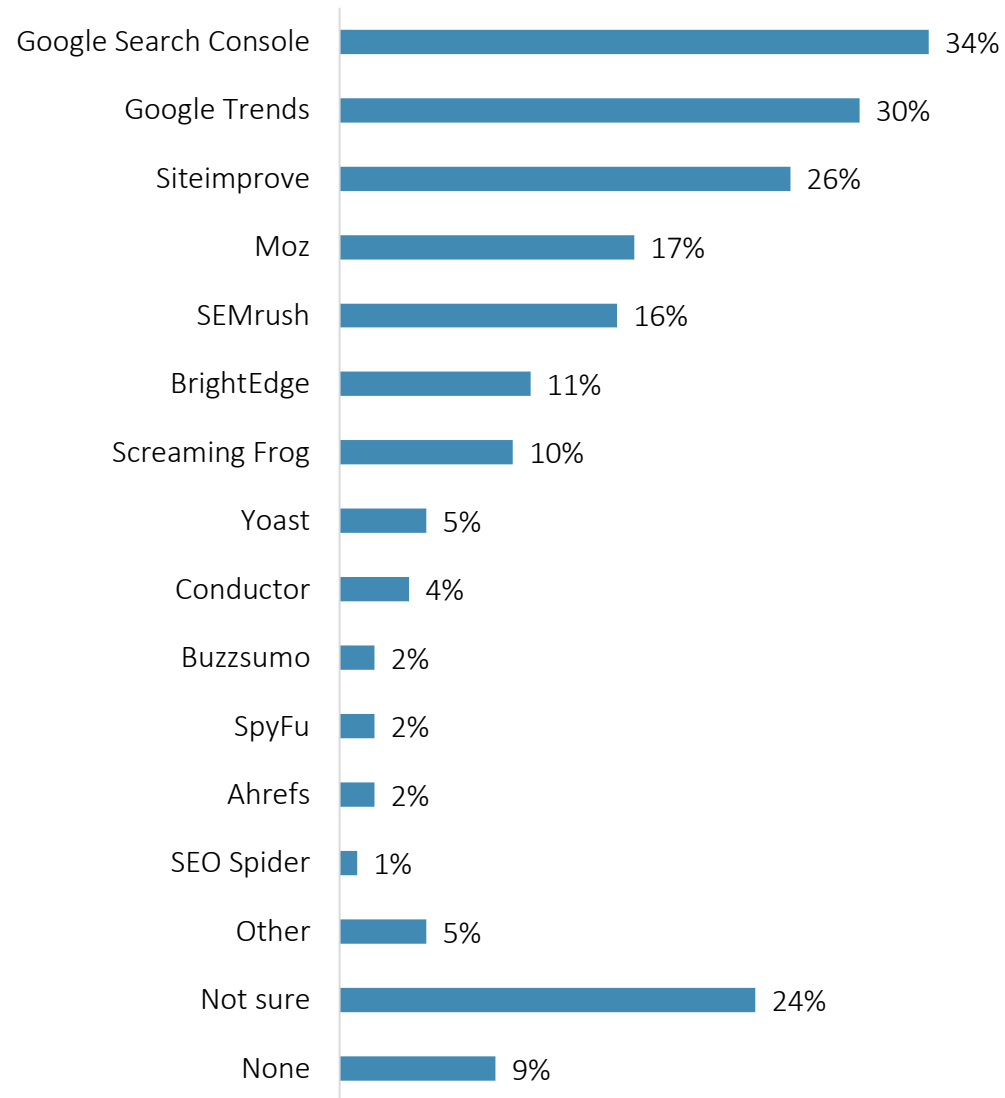


■ 2019  
■ 2018

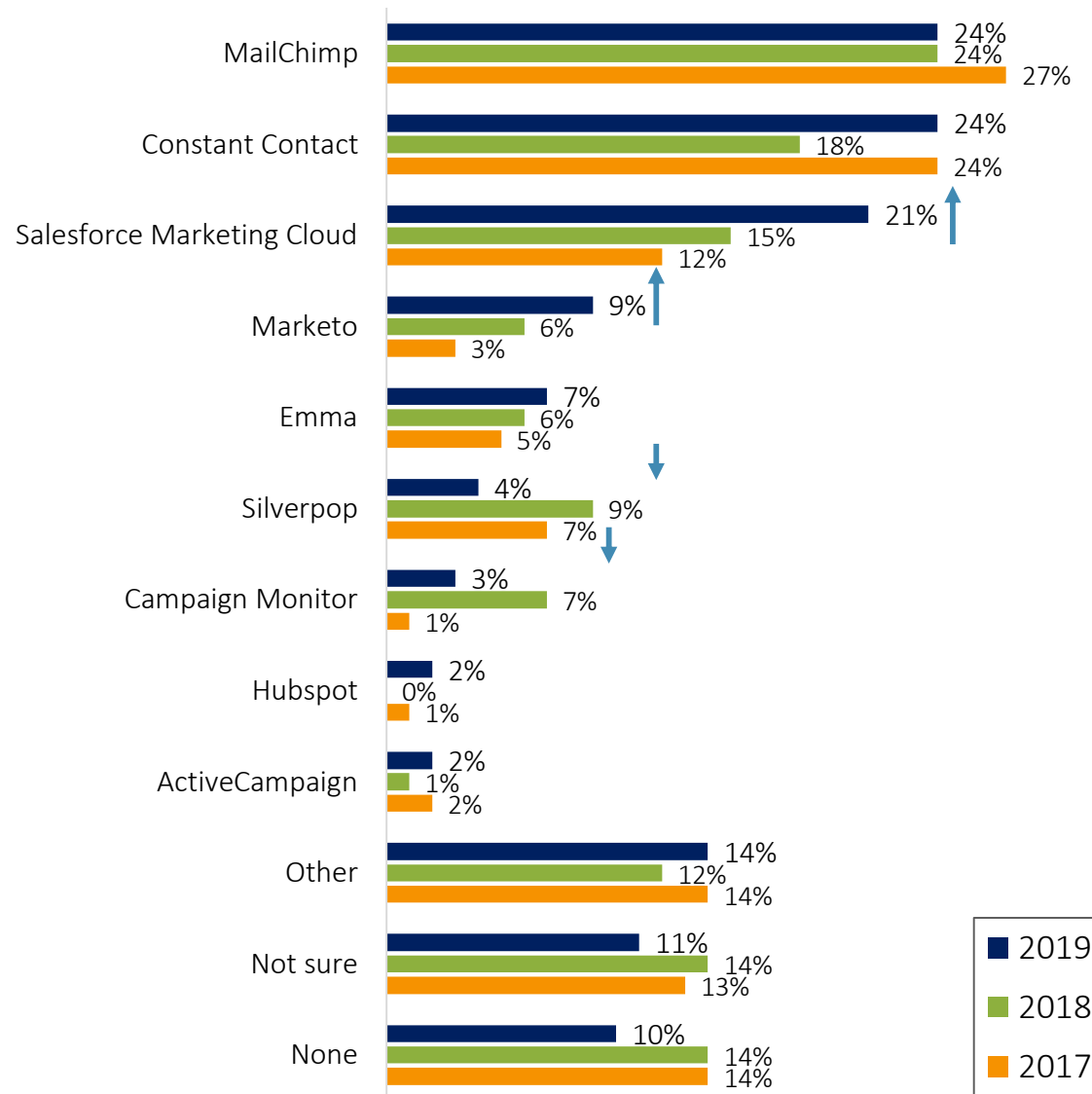
## Marketing Automation Activities



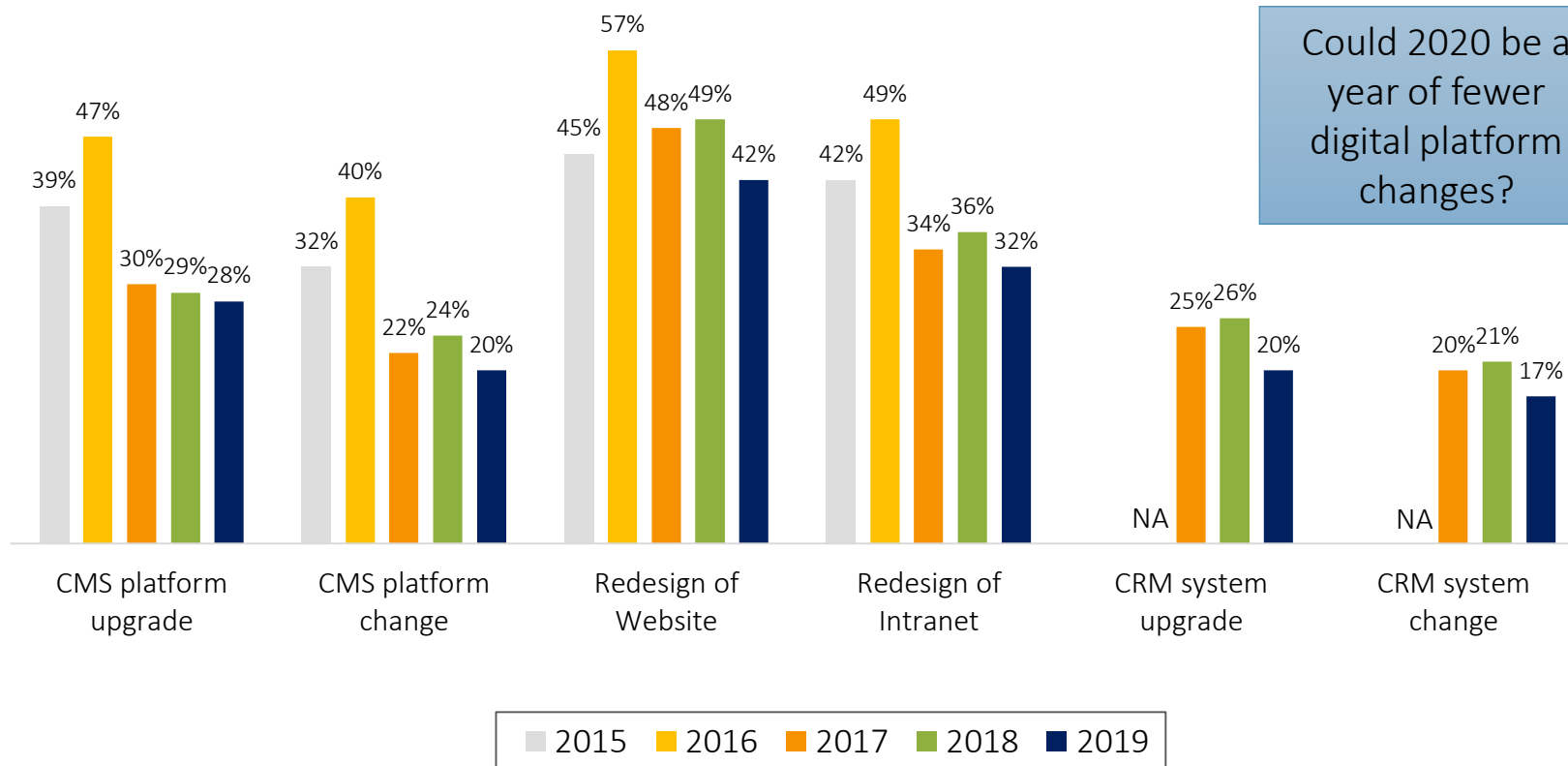
## SEO Tools Currently Used



## Email Marketing Service Currently Used



## Planning Platform and Design Changes in the Coming Year?



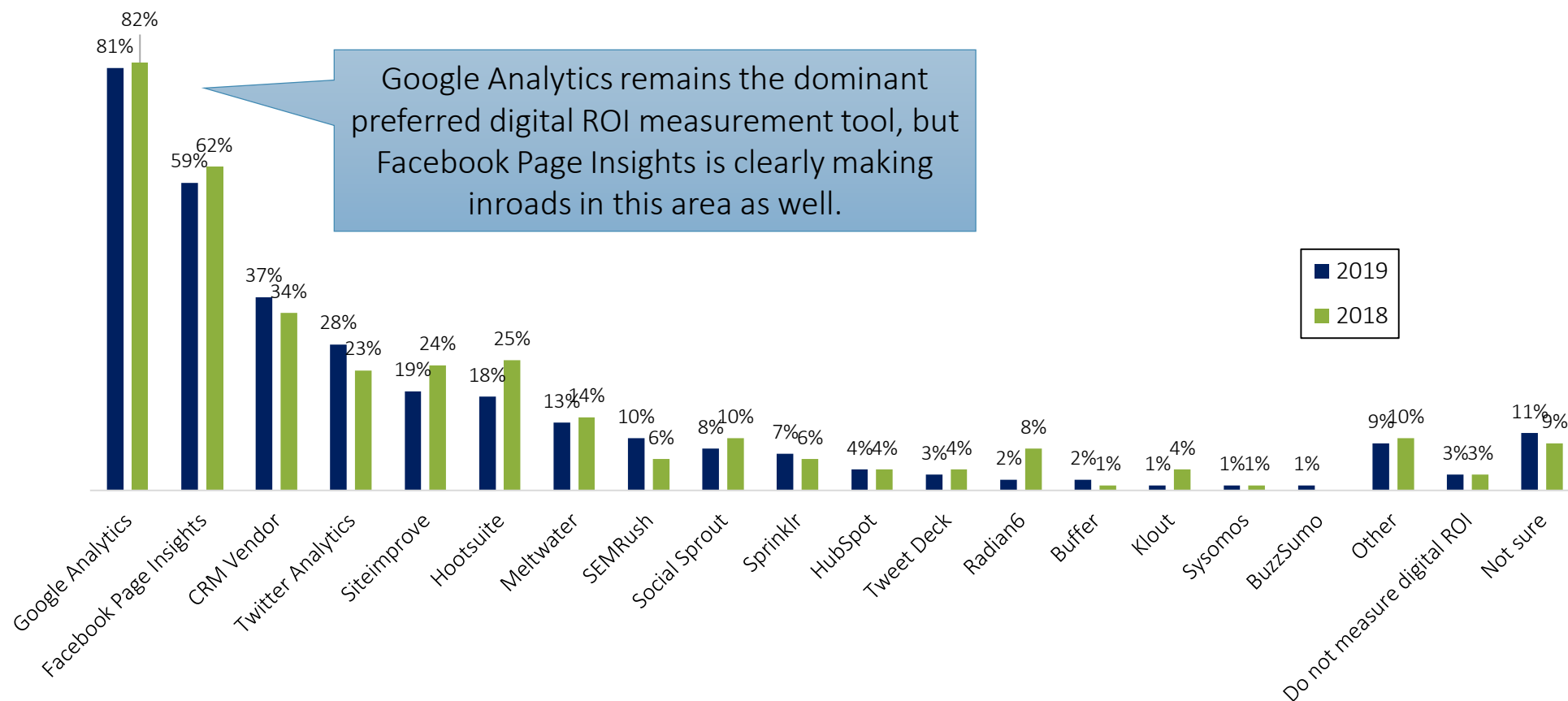
## ROI and KPIs

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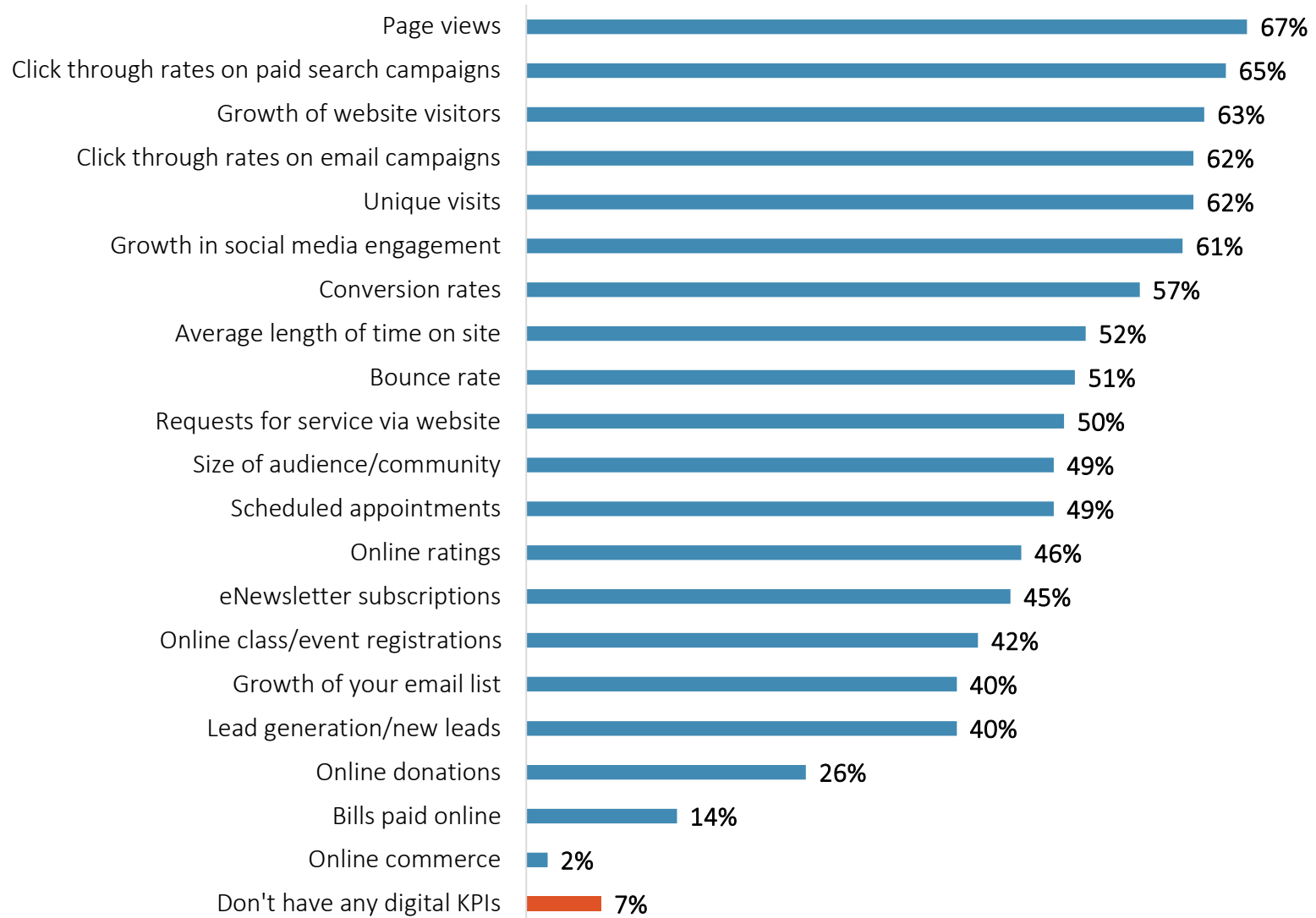
*How Are Marketers Measuring Results?*



## Tools Used to Measure Digital Return on Investment (ROI)



## Digital Key Performance Indicators (KPIs)

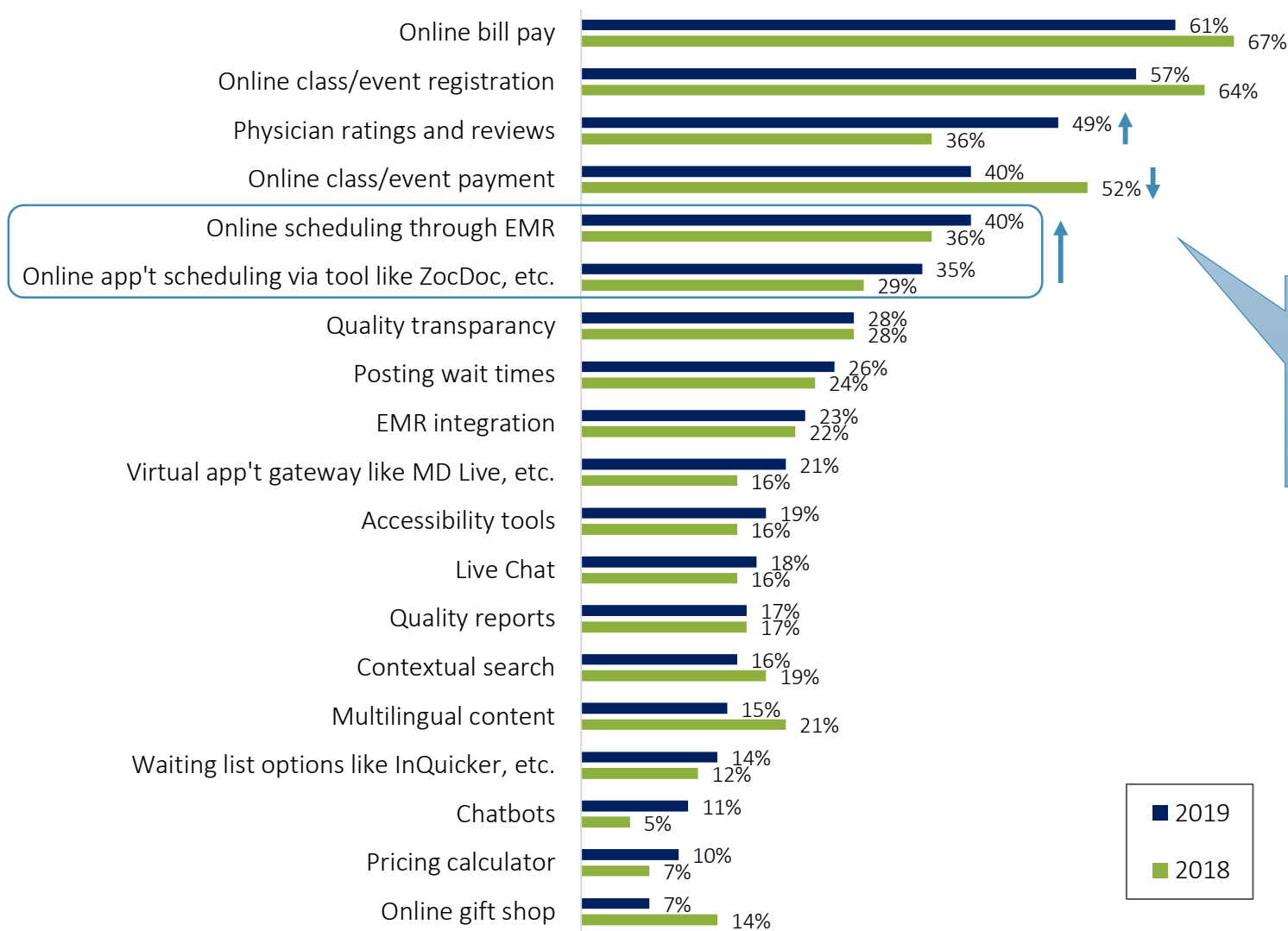


## Web Innovations

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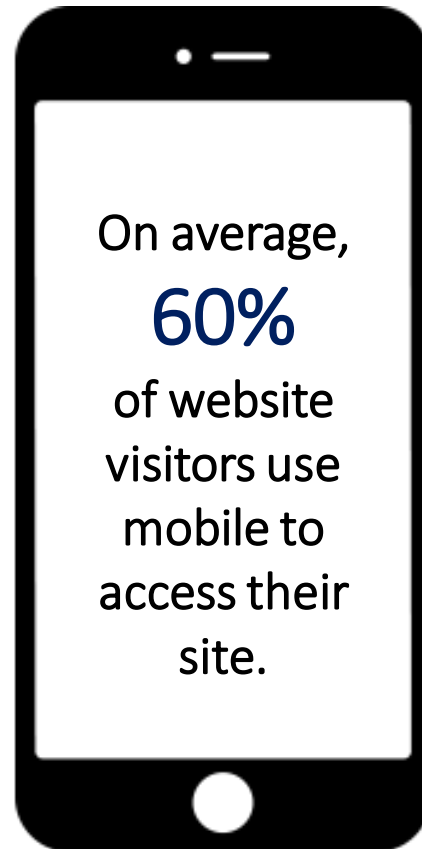
*What's New?*

## New or Emerging Functionality Available on Website




Look at the growth in physician ratings/reviews and online scheduling.

■ 2019  
■ 2018

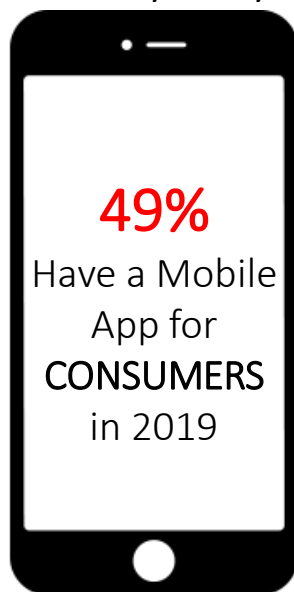


Trend:

60% in 2019  
56% in 2018  
47% in 2017  
41% in 2016  
39% in 2015

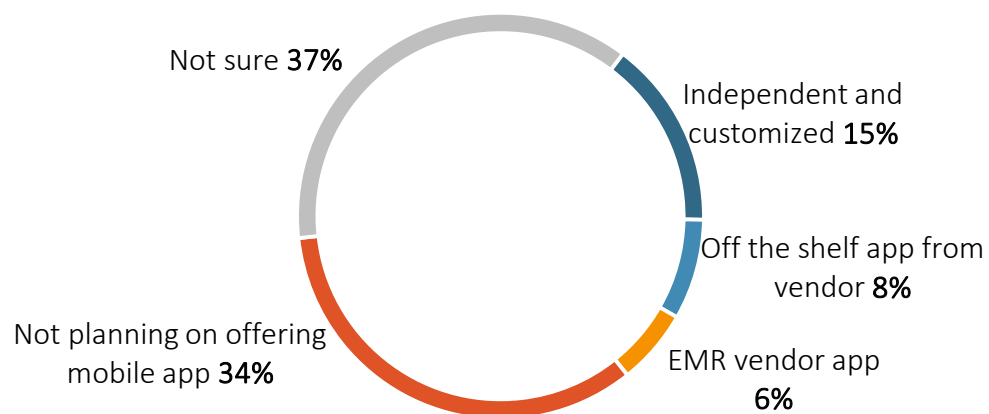


Trend data: 2018/2017/2016/2015

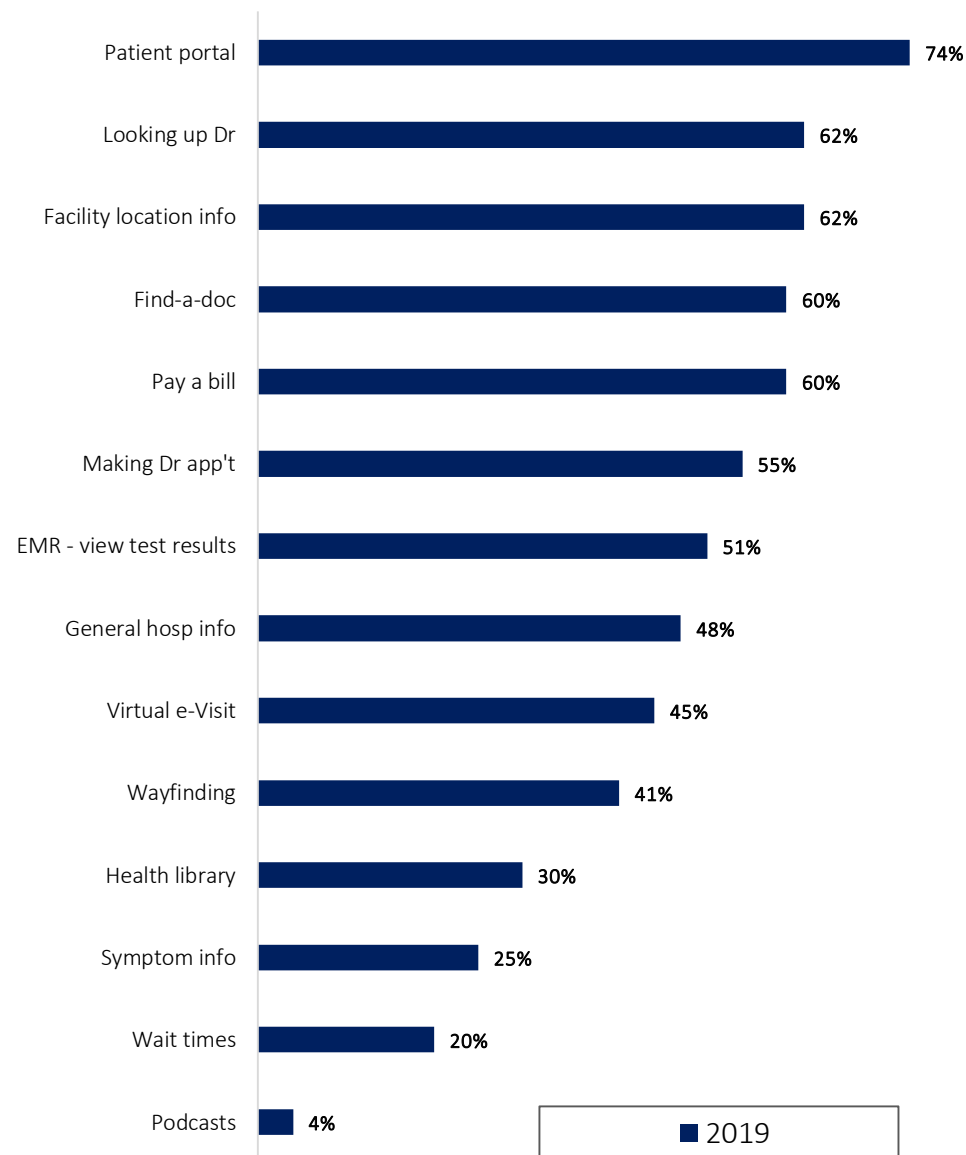


Trend: 48% / 44% / 51% / 43%

### Type of Mobile App Considering (for those who don't currently have app for consumers)

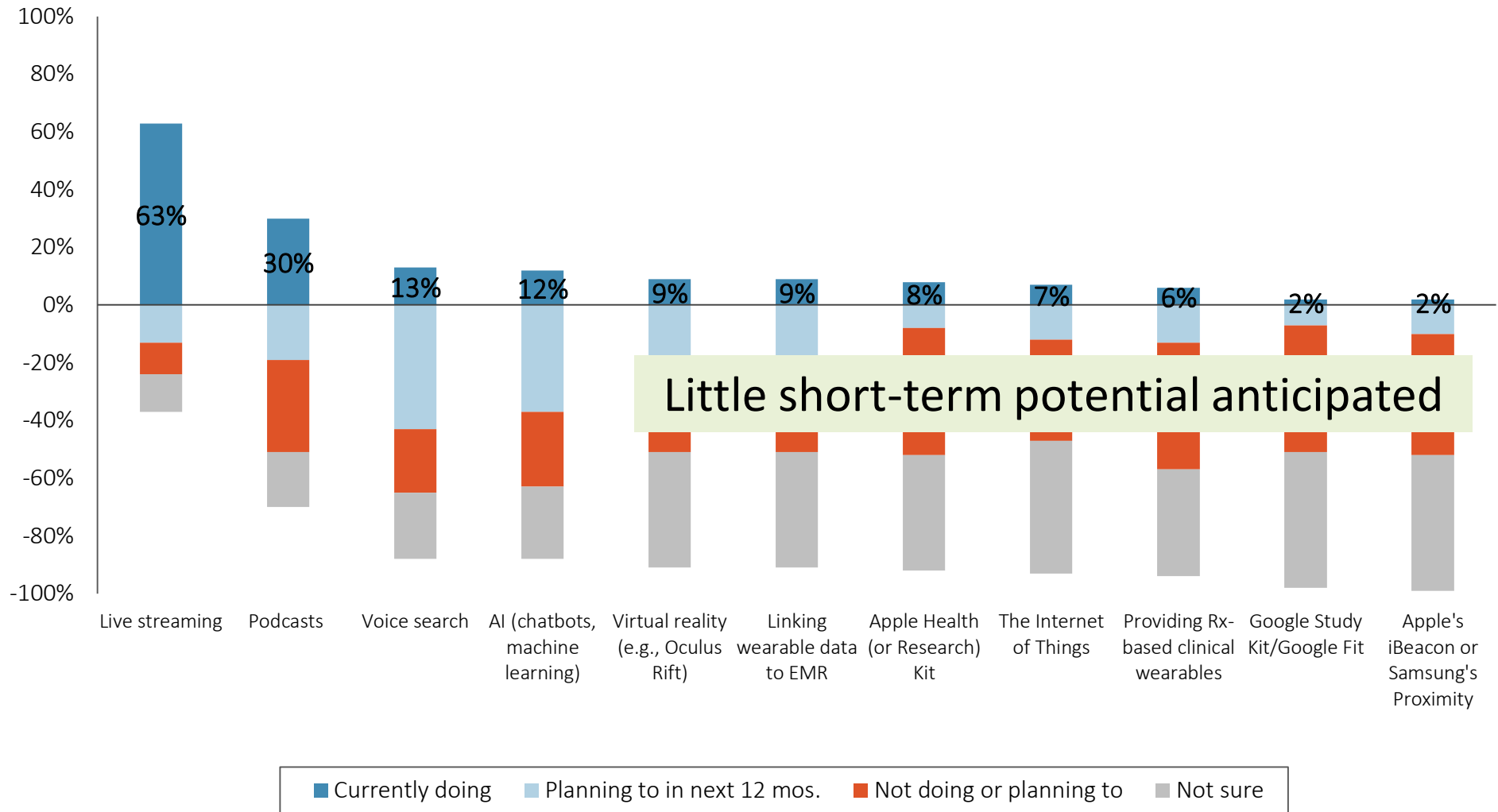


### Main Purpose of Consumer Mobile App



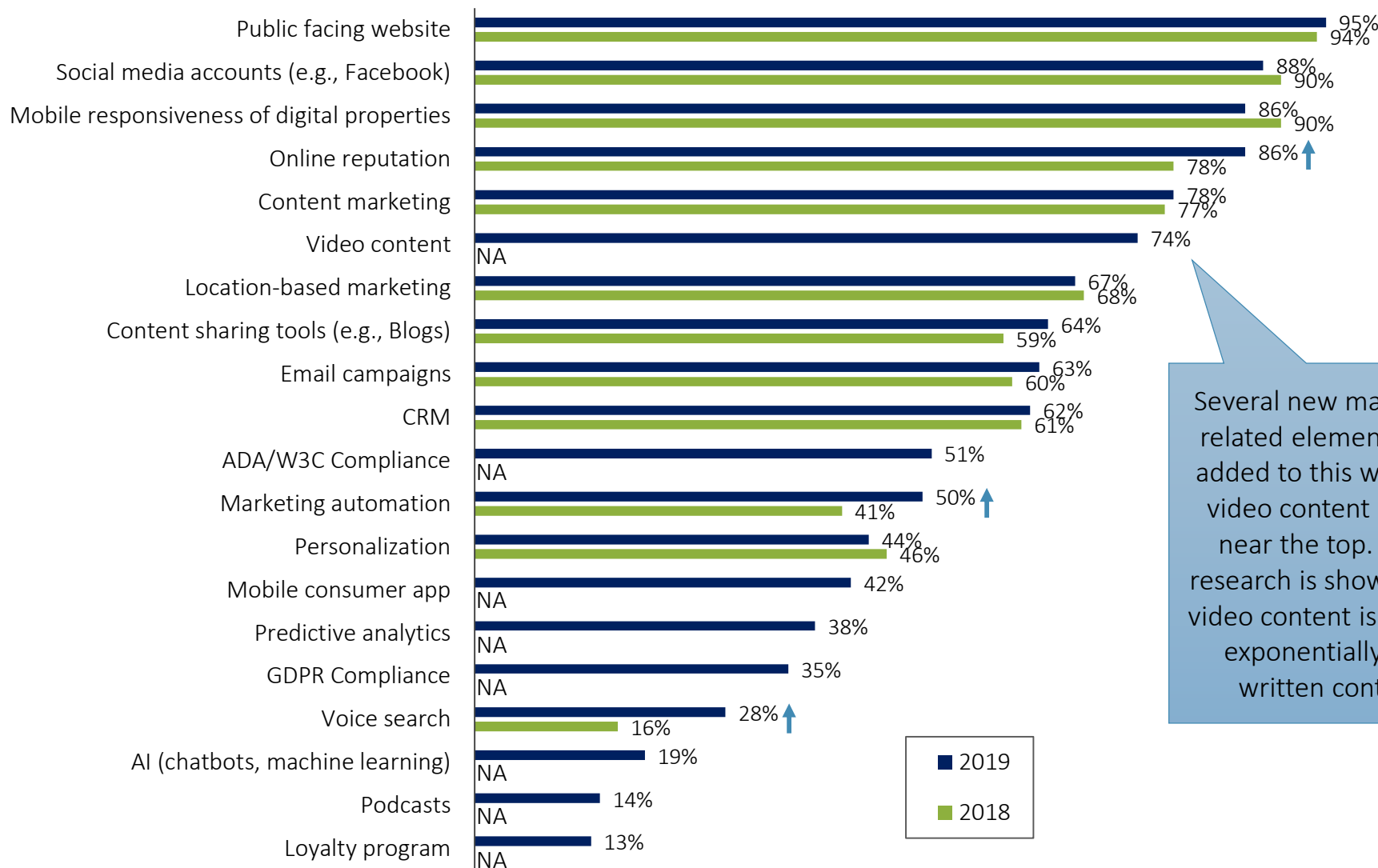
## Importance/Effectiveness of Digital Marketing Efforts

## Advanced Digital Marketing Activities



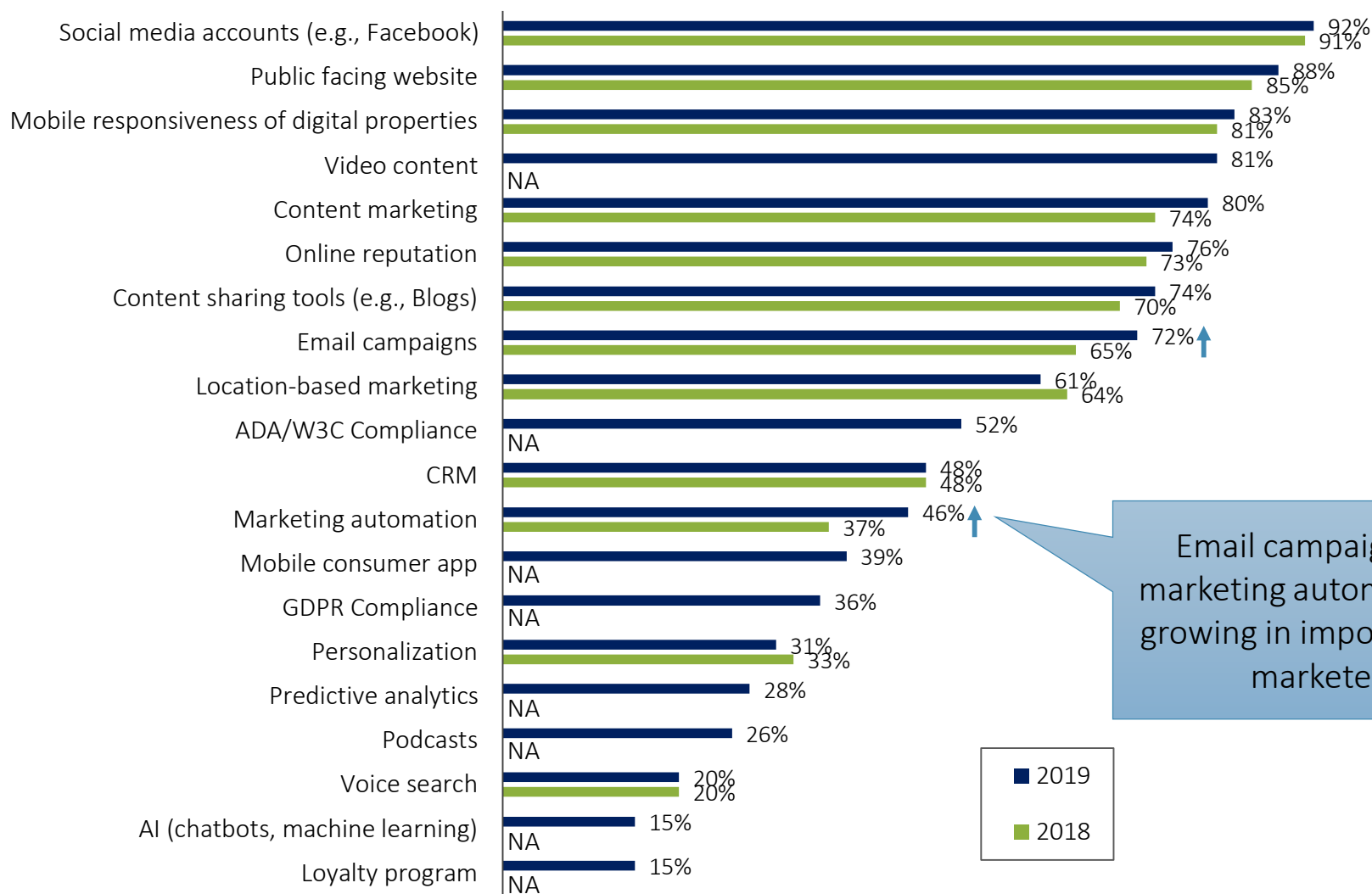


## Essential/Very Important to the Organization



Several new marketing-related elements were added to this wave and video content rose to near the top. Other research is showing that video content is growing exponentially over written content.

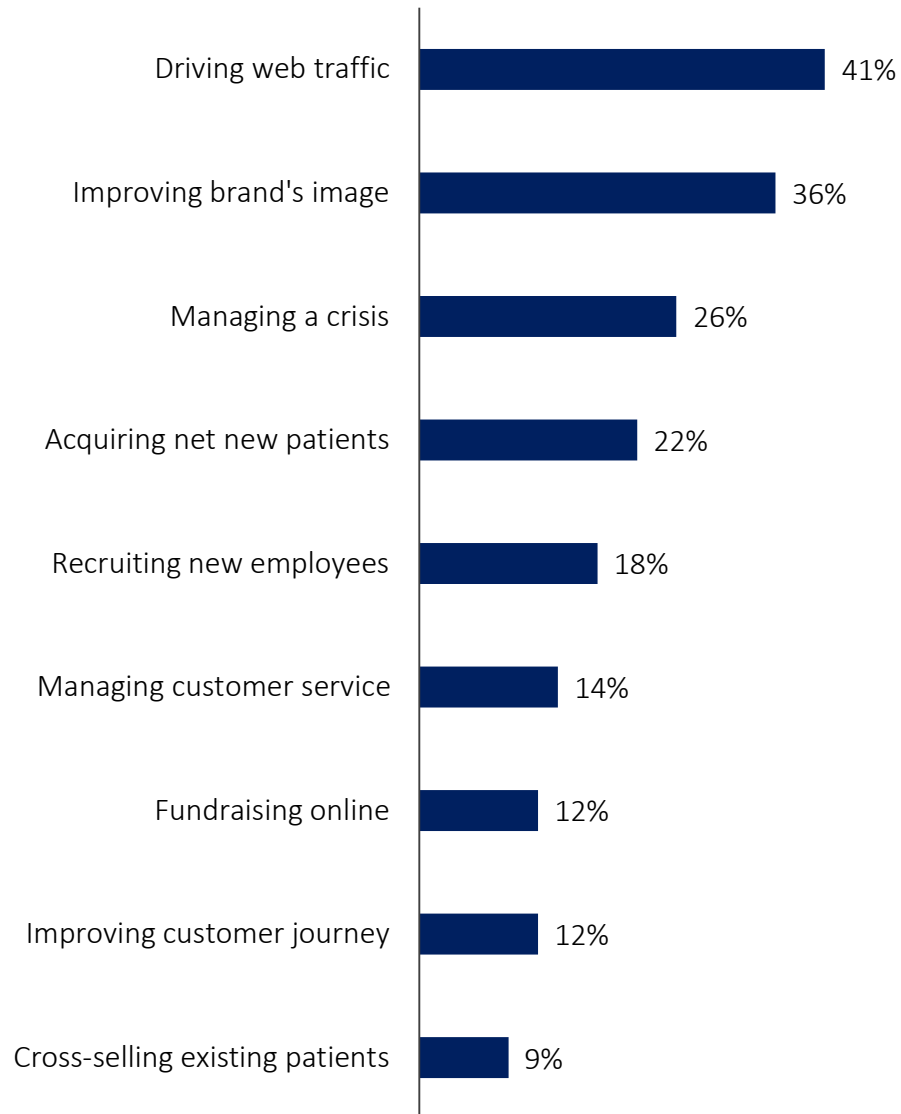
## % of Marketers that Feel their Organization is Very/Somewhat Effective at Meeting the Goals of these Activities



Email campaigns and marketing automation are growing in importance for marketers.

■ 2019  
■ 2018

## Using the Web and Digital Tools, The Organization has Been Very Effective at...



# Driving Digital Transformation of the Healthcare Brand

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*The Role of Marketing*

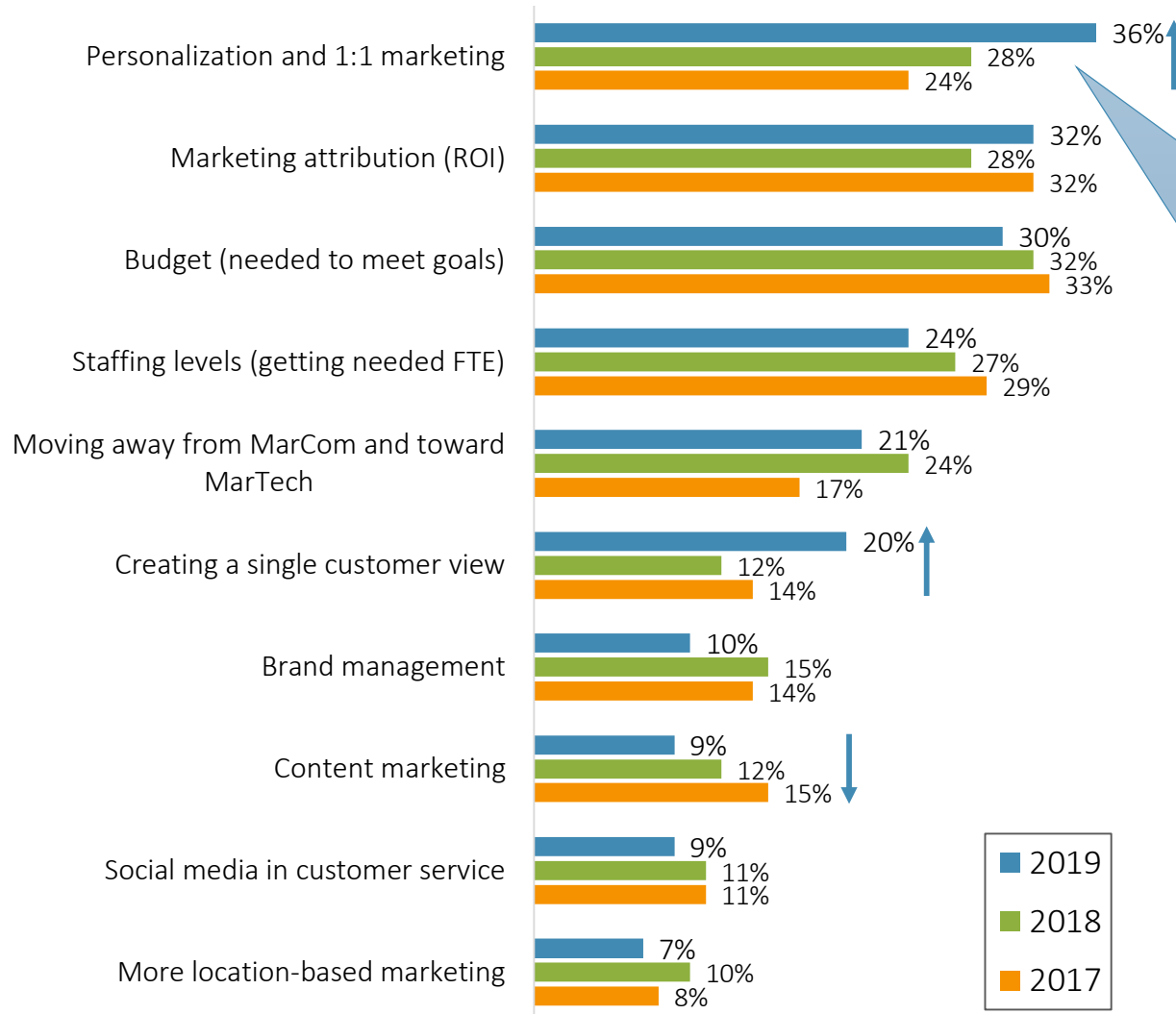
## Challenges/Barriers Affecting Digital Marketing Efforts



Lack of staffing continues to be the primary challenge, followed by lack of funding.

■ 2019  
■ 2018  
■ 2017  
■ 2016

## Top-2 Pressing Issues in Healthcare Marketing



The highest ranking pressing issues are **personalization/1:1 marketing** and **attribution**. Both issues represent opportunities for CRM solutions and data companies.

## Resources

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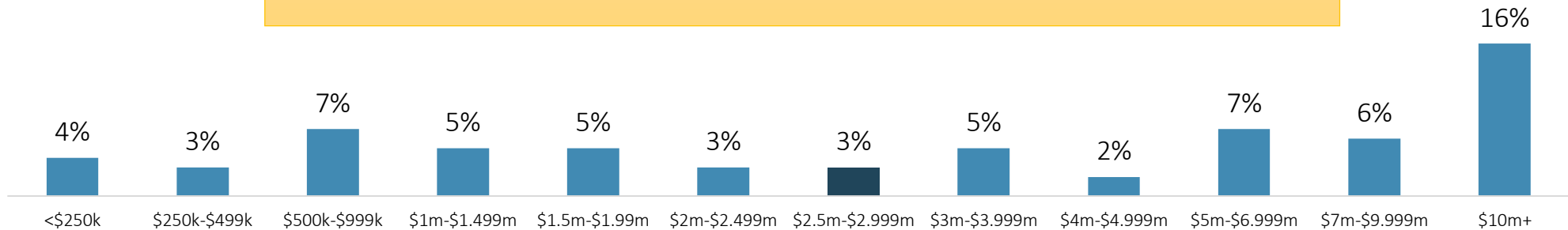
*What Budget and People Are Available to Marketers*

## Total Marketing Budgets (Operations & Salary)

Average percentage of total marketing budget dedicated to:

Website Design and Management: 19% (20% in 2018)

Digital Marketing: 31% (29% in 2018)



Median Total Marketing Budget  
**\$2.75m**  
(\$2.5m in 2018)



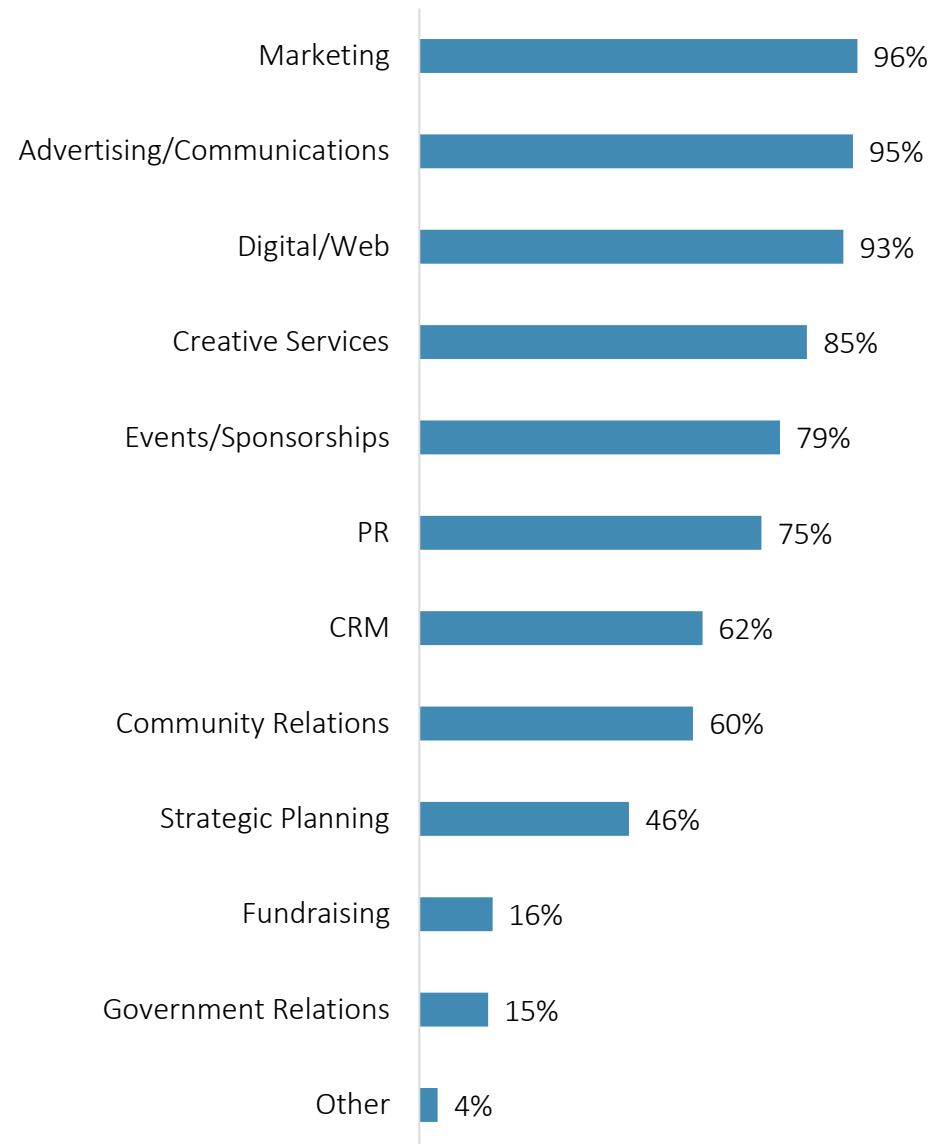
## Marketing, Website and Digital Budget by Organization Type

Organization Type	Estimated Mean Marketing Budget	% of Marketing Budget Dedicated to Website Design & Mgmt.	Estimated Website Budget	% of Marketing Budget Dedicated to Digital Marketing	Estimated Digital Marketing Budget
AMC	\$5.713M	19.03%	\$1.087M	30.12%	\$1.721M
Integrated Health System	\$5.69M	17.41%	\$0.991M	32.11%	\$1.827M
Community Hospital	\$2.254M	18.42%	\$0.415M	30.47%	\$0.687M
Children's Hospital	\$5.902M	15.30%	\$0.903M	28.56%	\$1.686M
Cancer Center	\$3.562M	22.73%	\$0.810M	25.91%	\$0.923M

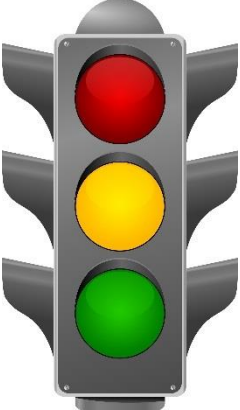
A fairly consistent % of budget dedicated to website

A fairly consistent % of budget dedicated to digital marketing

## Activities Included in Marketing Budget

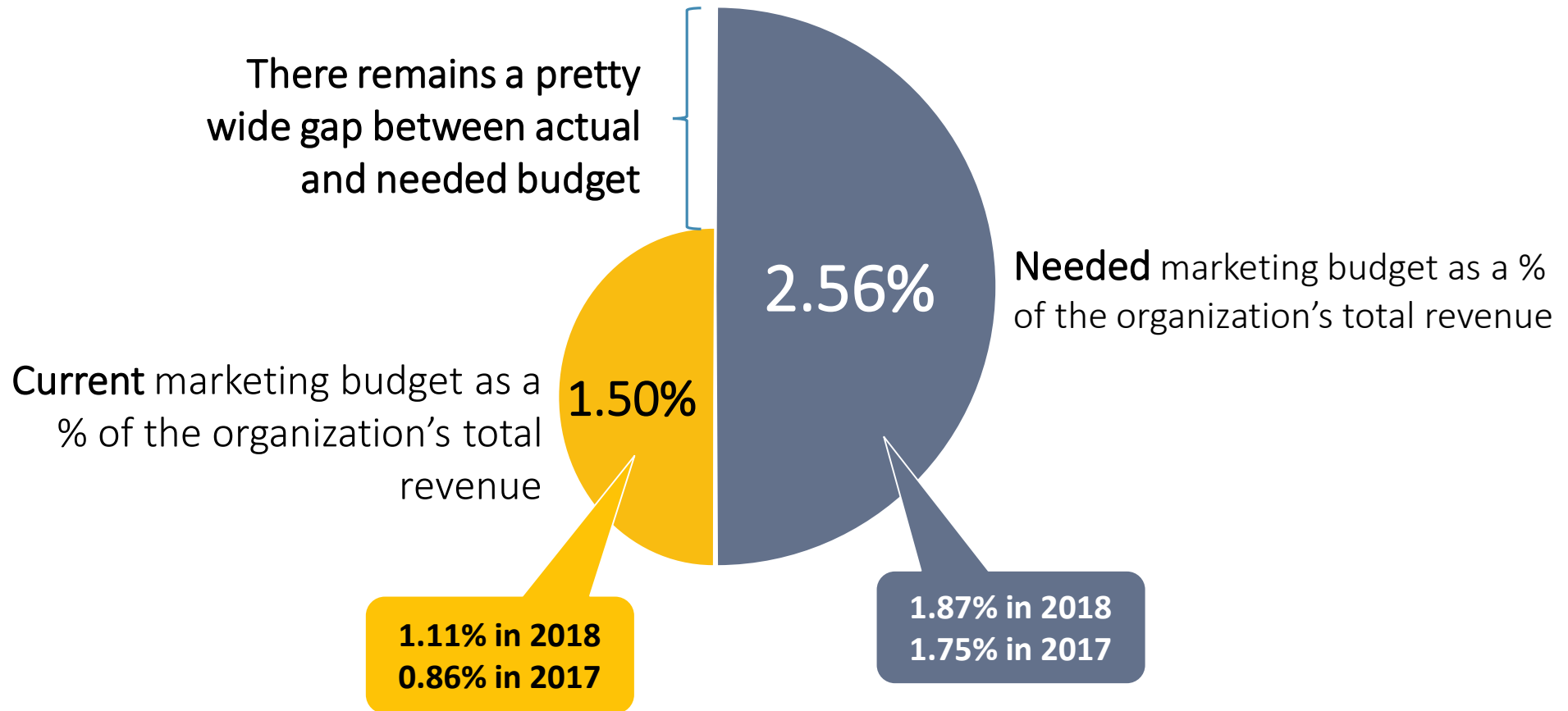


## Expectations about Next Year's Marketing Budget

		2019	2018	2017	2016
Expect budget to be lower next year		12%	14%	13%	11%
Expect budget to be unchanged next year		58%	52%	53%	52%
Expect budget to be higher next year		25%	26%	23%	29%

Optimism remains that budgets will increase next year (versus decrease).

## Marketing Budget as a % of Organization's Total Revenue



**55**

**Mean Number of Total  
Marketing FTEs**

**But need 64 to be effective!**

**Mean Percentage of FTEs  
Dedicated to ...**

Website design/mgt: 11% = 6 (5 in 2018)

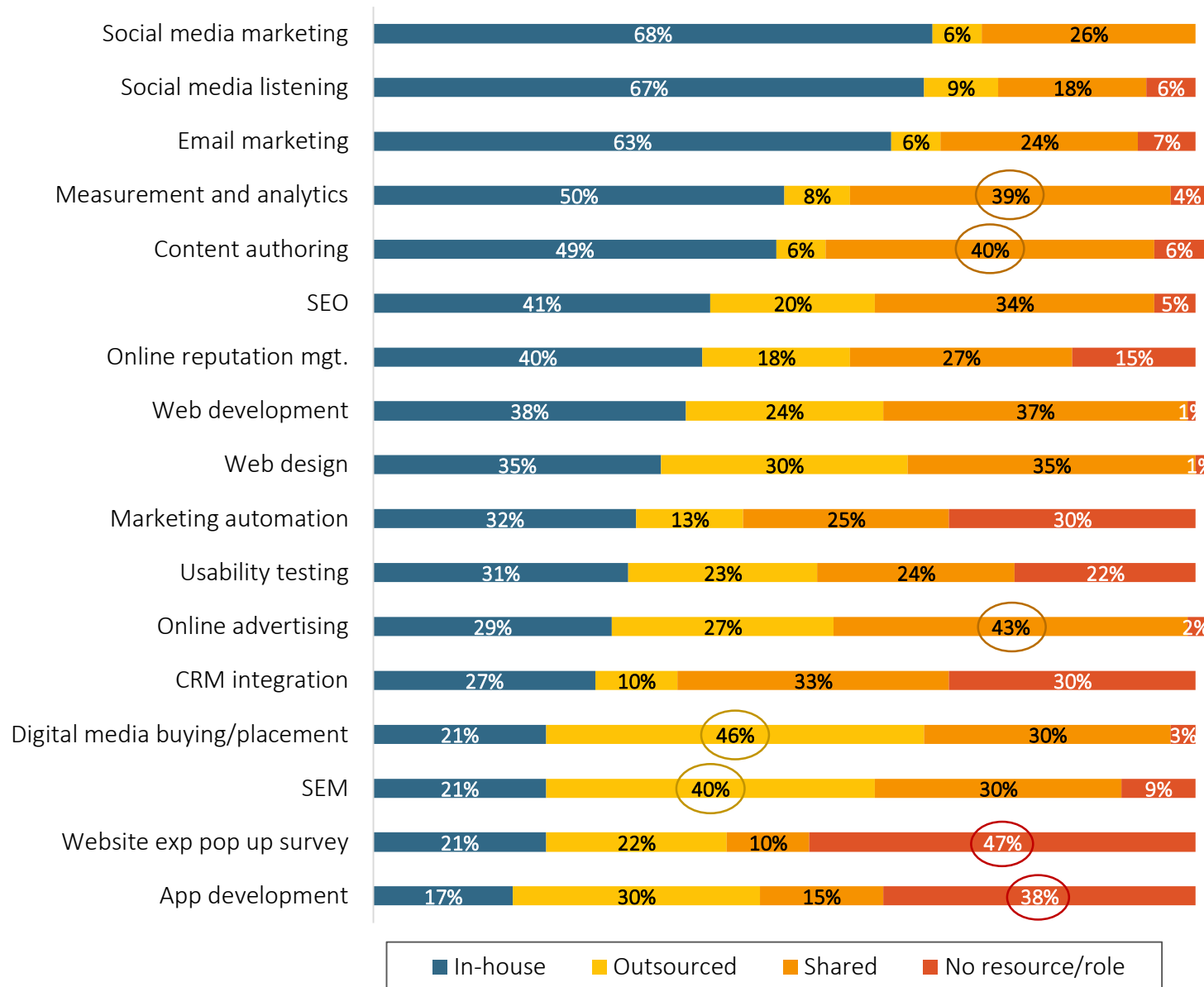
Digital marketing: 13% = 7 (5 in 2018)



### Marketing, Website and Digital FTEs by Organization Type

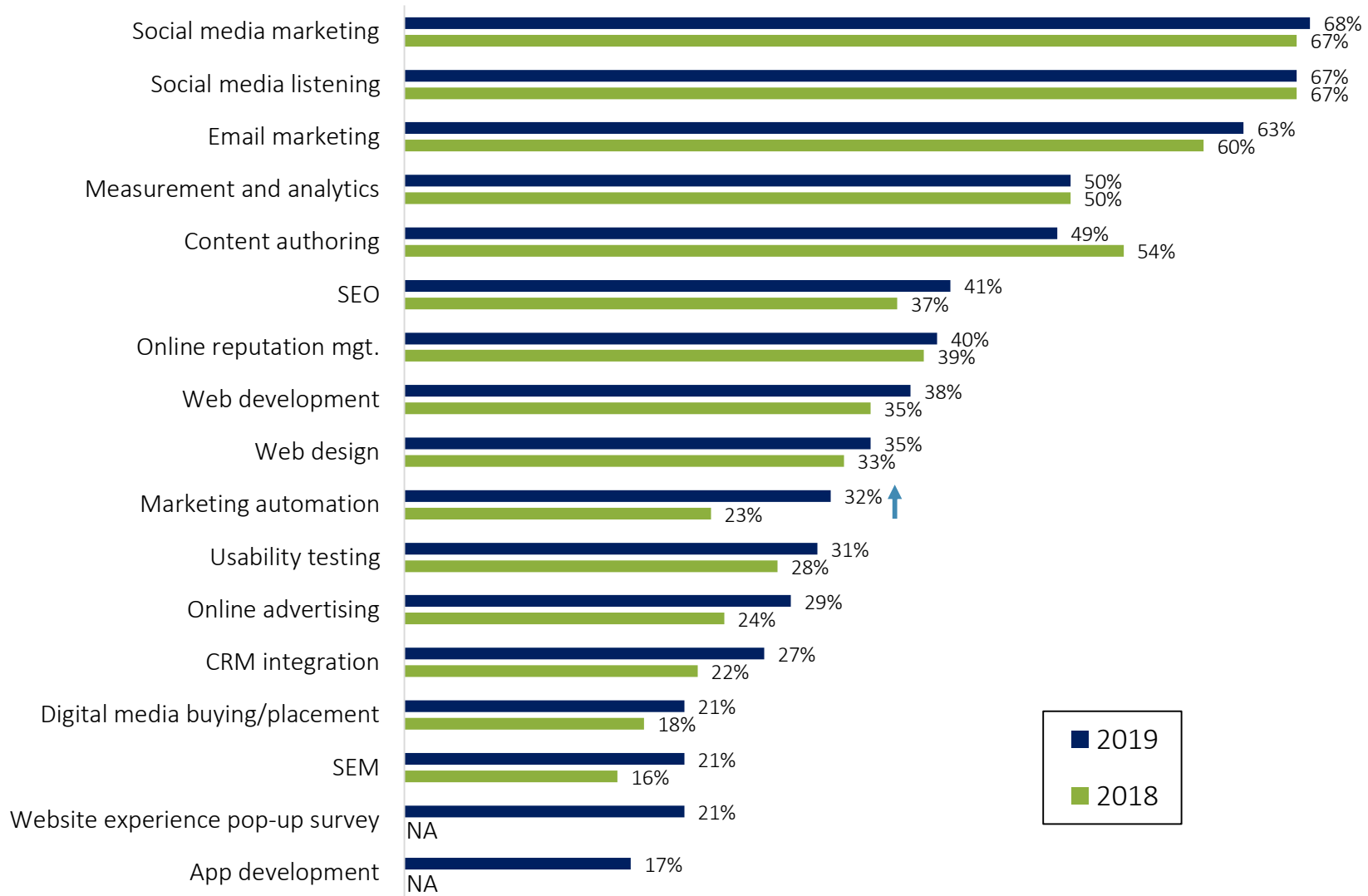
Organization Type	Mean Marketing Department FTEs	Calculated – Website Design & Management FTEs	Calculated – Digital Marketing FTEs
AMC	49.34	4.99	5.99
Integrated Health System	70.33	7.08	9.34
Community Hospital	39.13	4.18	4.12
Children's Hospital	30.07	2.49	4.51
Cancer Center	12.22	3.05	2.95

## Web and Interactive Marketing Roles Performed



**Note:** Circled data points represent a significant difference from others in the category.

## Web and Interactive Marketing Roles Performed In-house





## Survey Sponsors

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*Learn More About the Survey Sponsors*

***Be On The Lookout:***

***Survey Invitation for the 6<sup>th</sup> Annual  
Drops in October 2020***

## About Greystone.Net

Now in its 24<sup>th</sup> year, Greystone.Net provides:

- **Professional services** including web/digital strategy consulting, vendor selection assistance, call center/access consulting and more
- **Professional development options** including the well-known and highly-regarded annual Healthcare Internet Conference (HCIC) and the Backstage Pass webinar series
- **Solutions and products**, including gSight and Greystone Engage, both designed to help marketers benefit from the rapidly-evolving trends and technologies in the healthcare MarTech space, and Greystone Connect to help vendors connect with providers in healthcare.

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

## About Klein & Partners

The objective of any brand that strives to be strong is to “acquire and retain customers more efficiently and profitably than competitors over the long-term.” These two elements of a single strategy are brought to life through an effectively communicated brand promise (i.e., patient acquisition) and the effective internal operationalization of the brand promise by creating a strong brand experience (i.e., patient retention). All of Klein & Partners’ quantitative and qualitative research and consulting services are geared toward improving your brand’s overall health; whether it is in providing information that helps your brand increase its share of new patients or increase its retention of existing patients or even improve current patients’ level of interaction (i.e., share of experience) with the brand... because it’s all brand research.

Learn more at [www.kleinandpartners.com](http://www.kleinandpartners.com)