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Focus

Focusing On The After-Sale Sale In Medicare Advantage Plans

By Lindsay Resnick

Over 600 Medicare Advantage plan sponsors. That's a sea of competition! It's time to look beyond member acquisition and start focusing on member retention. Whether a plan marketer or sales broker, it's vital to spend time on the after-sale sale.

Satisfied consumers will tell four people about their positive customer experiences. Unsatisfied customers will tell an average of eleven people. Do you know which of your members are sharing their experiences with their friends? And, is it 4 or 11?

Most plan managers don't know the cost of a customer complaint. It's critical to step back and look deep inside your organization. Ask some tough questions. Then put together a plan of action to tackle member retention.

- Which customers are unhappy...*and why?*
- Are you creating loyalty through problem resolution?
- What is your strategy for affirming their purchase decision?
- Which competitors are targeting your members...and how?

Create Promoters

An important step is talking (and listening) to your customers. Rather than conducting lengthy and exhausting customer satisfaction surveys, which usually have dismal response rates, use short surveys where the real value question is answered immediately: "Would you recommend us to a friend?" This research will reveal who are your brand advocates as well as who's on the bubble and ready to switch.

Seniors have vast social networks and rely heavily on those networks when making choices—at point of purchase and again at renewal. If members aren't happy, negative stories and word-of-mouth innuendos can quickly spiral into increased disenrollment rates.

One measure gaining popularity is a company's Net Promoter Score (NPS). It ranks your customers on a scale of 1-10, then takes the percent of promoters and subtracts the percent of detractors.

10-9 = Promoters (brand advocates and ambassadors, speak on your behalf)

8-7 = Passives (neutral and vulnerable, would most likely switch for better offer)

0-6 = Detractors (sharing negative experiences, actively seeking to switch)

There's a direct correlation with a strong NPS and member retention. Promoters are high-value, high-return customers. They are long-term supporters and they're influential. It's wise to listen to them, speak to them, invest in them and work hard to keep them happy.

Actionable Outreach

Retention takes a proactive effort. Simply reacting to decreasing membership numbers puts you behind the curve. As companies and their brokers acquire customers, part of the immediate sales plan should be to retain them. There are three stages to successful retention strategy:

Data Driven Seniors have demographic and psychographic indicators that can help you build loyalty. The more you know about your customers and their needs, the more members you will retain.

Strong retention marketing starts with profiling. Use customer information to turn numbers into intelligence. Cater to your customers by understanding their interests, traits and “hot buttons”. If 40% of your membership goes to the library, start a book club. If 35% like to garden, start a Gardening column in your newsletter. Play to generational interests, grandchildren, wellness or buying habits.

Continuous Customer Interaction Recent studies indicate that three “touches” per year can help generate over 90% retention. How often are you and your distributors in touch with members?

Smart Medicare plans have formal member orientation “touches” such as welcome calls, plan benefit reminders and expanded provider relations programs. Over the course of the year, constant follow-up remains critical. Develop social networks where members regularly receive newsletters, quarterly telephone calls and wellness or plan reminders (e.g., how to manage their benefits as they approach the “doughnut hole”). Use testimonials or customer success stories based on your promoters, they’re built-in loyalty ambassadors.

Meaningful Messaging Once you’re talking with your customers, you’ve made a good start. But speaking their language gets results. Seniors need guidance and interaction that’s meaningful their situations.

When communicating to seniors, make your materials work for them. Keep your primary message simple. It will make your CMS submission process easier and help break through the clutter. Mix education with ongoing selling. Teach your audience and use it as opportunity to explain why your company is the right choice. Finally, reinforce value. Not just product features, but the value in your brand. The after-sale sale.

Brand Leverage

When you create customer-centered brand experiences, you will build loyalty and retain more members. It’s not easy to steal loyal members...and there’s over 600 competitors eyeing your customers for defectors.

Your brand is your company’s reputation. It’s every aspect of the relationship you have with your customers—everything they see, hear, feel and experience. This means every telephone call, every email exchange, and every written communication must support the customer experience. In other words, fulfill every promise your company makes. Brand differentiates and defines value and ultimately, is the reason customers remain loyal. Loyalty equals customer Lifetime Value and this translates into profitability.

As a marketer of Medicare products in today’s competitive landscape you cannot wait for your message to be heard. Blend customer service with after-sale selling. Leverage public relations and word of mouth opportunities. Communicate via telephone and e-mail. Engage your brokers and other distribution channels and, rely on your customer service team to communicate, again and again, your brand value proposition. The result not only will not only be loyal plan members, but proud plan promoters.

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