THINKSTOCK

The Medicare enrollment period that just concluded differed in one major way from those of years past: Marketers found, both to their delight and chagrin, that the pool of Medicare eligibles now includes many individuals perfectly comfortable with digital communications. **Tom Reid** shares a few thoughts on what marketers have learned—or, in some cases, should've learned

Every year we test more and more ideas during the annual enrollment period for Medicare—and every year we learn something important. That's one of the best things about marketing: If you never stop testing, you never stop learning. The year 2015 proved no exception. To that end, here's a brief survey of what we learned during the most recent period.

The digitally savvy are finally becoming Medicare eligible: We've been talking about this for several years now. It's gratifying to see digital channels come to the forefront of our messaging and our results. People are even responding online to offline marketing. Both direct response television and direct mail saw higher-than-expected response rates via the Web. More people are applying online as well.

And we're not just hearing from desktop users. When we look at results from search marketing and online display, we see significant growth in the percentage of respondents coming in from mobile and tablet platforms. One of our client campaign sites experienced nearly a fourfold increase year over year in response volume from mobile and tablet users—jumping from 8% of all digital responses in the 2014 enrollment period to more than 30% in 2015. The major takeaway from all this? If you aren't already making your digital resources mobile friendly, now is the time.

People are hungry for useful information about Medicare: And they aren't overwhelmed by large fulfillment kits that point them further down the sales path. For one client, our agency tested offering a complete kit that included all the information a person would need to decide on a plan (including a full application form) against a skinny lower-cost brochure that compared plans. The full-kit offer outperformed the brochure offer by 20%.

We believe the extra response will outweigh the cost of sending the initial kit. Additionally, those who decide to buy only after receiving the brochure will still need to be sent the complete kit with an application—or they will need to go online or call to apply, adding another layer of complexity and friction to the purchase process.

Aiming for sales attribution perfection will get in the way of getting useful information that's "good enough": The truth is that in our multichannel world, we can't possibly know everything consumers consider throughout their journey. Marketers have plenty of data to track—even if they can't always know with absolute certainty that a specific solicitation led to a specific response that led to a completed sale.

What should marketers be tracking? At a minimum: all outgoing messages in all media; IDs of recipients whenever possible (for example, direct mail and e-mail go to identifiable individuals, direct response TV and print ads do not and other digital marketing methods may provide a mix of both); response data (with responder IDs); and sales data (with IDs that correspond to the recipient and responder IDs).

In the end, you'll have your inputs and results—and analysis should show you whether your marketing efforts influenced results. Perhaps you can't give full credit for a specific sale to your direct mail campaign—but if you know a buyer received your mail, you could reasonably assume some credit. And by tracking the solicitation details—the creative, audience and offer—you can further home in on what is working best for each audience segment.

This isn't a new learning for 2015, but in the wake of the enrollment period it was reinforced that these kinds of decisions are best worked out with all stakeholders involved. If you don't get buy-in on your methodology, no one in your organization will believe your data. It's far more productive to use your analysis to focus on the future than to be endlessly arguing about what really happened in the past.

About half of newly eligible candidates enroll during the official annual election period—but that doesn't mean you should ignore them until October: The seven-month window for first enrolling in Medicare (the Initial Coverage Enrollment Period, or ICEP) will necessarily overlap with the annual enrollment period. And, naturally, because of the competitive nature of Medicare Advantage plans, newly eligibles will hear about Medicare more during the annual election period.

We've learned that it's important to talk to newly eligibles early—even if they don't enroll for a while. The general idea? Woo them throughout the year and then, when the AEP comes along, remind them to make their decision. The lifetime value of a 65-year-old customer is greater than that of an 80-year-old—so even if it costs a little more, it's worth it to communicate early and often with these potential customers.

People often sign up with original Medicare initially and switch to Medicare Advantage between ages 66 and 69: It may be that at age 65 they have too much to think about and don't have time to do the research—and then, when they discover Original Medicare doesn't cover as much as they need, they restart their search. In our experience this year we generated a great response from surveying people who were turning 66 and hadn't signed up with our client when they first became eligible for Medicare. It turns out they may have been in a holding pattern the previous year and were only truly ready to shop the next time the AEP rolled around.

Meanwhile, switching to and from Medicare Advantage seems to end around age 70—and then starts up again around age 80. That may be when chronic health issues really kick in and beneficiaries realize they need more coverage than Original Medicare provides.

They may discover their Medicare Supplement plan has grown far too expensive for a fixed income or they may find that their prescription drug plan costs too much. It could even be because they worry far less about how well their plan works outside their own state.

We have far more control over retention than we might have thought: In highly competitive markets—or when you're dealing with potential rate increases in the coming year—you will likely experience a lot of shopping activity across your membership. To improve your retention rates, it is crucial to engage current members before the shopping season begins. Educate them on how to use their plans to stay healthy and active. Encourage their use of preventive and wellness benefits to improve member satisfaction and help mitigate the impact of subsequent changes to co-pays or premiums. Done well, these communications also have the added benefit of helping to reinforce and boost your star ratings.

And when premiums do increase, make sure your members are aware of their buy-down options to your lower-premium plans. Ongoing proactive communications remind members why they chose your plan in the first place. By planning ahead, one of our clients was able to beat its retention goals by more than 6%.

Never stop learning: We've gone through eight AEP seasons with some of our clients. Some of the things that made an impact on results seven years ago lost power over time, became completely outdated or have been rendered moot by government regulation.

If you don't test and learn continuously, all your hard work will not be as successful as it should and could have been. Times will change and you'll be left not knowing what to do next. Testing is a key component of professional marketing—not an afterthought.

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HELP—NOT FLASH

Marketers have devoted more than their share of energy recently to the Medicare-eligible crowd while amping up efforts to lure consumers entering the health-insurance market in the wake of the passage of the Affordable Care Act. Here, Michael Mahoney, SVP of consumer marketing, GoHealth, an online exchange for people to compare and shop private plans, weighs in on the challenges of marketing to them.

On the difference between the pre- and post-ACA landscapes: In terms of growth, it's never a bad thing when the government comes out and says, "You have to do this. You get a fine if you don't." So we knew there'd be more opportunity for us and companies like ours.

What I think a lot of people missed is the seasonality part. Shopping for insurance used to be the opposite of what it is now. During the last two months of the year, nobody used to think about insurance—they were thinking about plasma TVs. Now those last two months of the year are the open-enrollment period. You need to start thinking about your plans much, much earlier.

On the biggest mistakes marketers make: They view marketing health insurance as a kind of public-awareness thing. That's not how health insurance is purchased, which is on a life-event or need basis. The start of the school year, a birth, a death, a move, a loss of a job—these are generally the triggers, even if [health insurance] is mandatory now. For health insurance, blanket awareness doesn't work.

Also, you don't need to spend a lot to get peoples' attention. Nobody should be out there with GoDaddy-style ads. We've seen companies in the private space and some state governments try to go viral and make a big splash. What people want is help, not flash.

On marketing to reluctant and super-informed purchasers: Obviously, the hardest group to target is the one that doesn't want to buy health insurance and doesn't want to hear about it. Even if you do penetrate that market, recall is very low. Our software picks the top two plans for them based on their life situation. It beats banging your head against the wall.

The people at the other end of spectrum are the ones who want to know everything. They've done their homework, they have loads of questions, et cetera. The challenge with them is that with healthcare insurance plans and nomenclature, it's not a level playing field. A very similar plan might be described one way by one insurer and another way by another insurer. You have to put in the time and walk them through it.

On the audiences that have proved most elusive: The mobile-only population is tough because they're hard to reach through multiple touchpoints. You're competing with a bunch of other things and they've only got that one device. That makes them harder to educate. The other is the rural population. For them, the majority of transactions are face to face. We get a lot of, "This sounds great, but I want to meet with someone across a desk. I'm not going to do this without a face-to-face meeting."