

Value and Return-on-Investment (ROI) from Social Media: What can Health-Sciences learn from Best Practices in Retail and Consumer Products?



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A Point-of-View (POV) by

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In my previous blogpost, '[Will Social Media find meaningful usage in a Healthcare context](#)', I have elucidated how **social media is being adopted and leveraged in a Healthcare context** and the new business and engagement models being rendered viable by social media, as well as best practices thereof.

However, the million dollar question that companies and organizations today find themselves challenged with is, "**What is the value and return on investment (ROI) from Social Media initiatives to justify continued and incremental investments**"? This blogpost will persevere to address this question using a '**7 Stage Social Media (and mobility) Value and ROI Life cycle Model**' (figure 1 and table 1 below) proposed by this author, enumerating best practices in retail and consumer products.

[Jane Sarasohn-Kahn](#) (noted healthcare economist, consultant and blogger – [HealthPopuli](#); [@healthythinker](#) on Twitter) in her presentation at the HIMSS 11 conference, asserted that in the emerging healthcare landscape, patients and consumers demand products and services that need to be '**SO-LO-MO**' (**SO**cial-**LO**cal-**MO**bile) for these to be useful and worthy of adoption and consumption. The notion of '**SO-LO-MO**' that was both tantalizing and provocative, sparked research, observation and modeling by this author to understand best practices in this arena in other industries, especially early adopters like retail and consumer products.

Few industries have brought '**SO-LO-MO**' to bear for their products and services as big box retailers and consumer products companies have, given their proximity to the consumer and their need to engage in dialogue with the consumer in ways not possible before, thanks to the advent of these newer forms of technology enabled engagement e.g. crowd sourcing as one instance. These visionary retailers and consumer products companies are leveraging social media (and mobility for greater reach) to "*differentiate the consumer shopping and buying experience*" and building loyalty thru dialog, listening and engagement with the consumer in whole new ways as is elucidated in the 7

stage life cycle below. It is this author’s assertion that these new forms of engagement with customers rendered possible by social media, mobility or a combo thereof, are delivering value and measurable ROI on these investments today, that healthcare and life sciences can indeed learn from and adapt, going forward, given the fascinating opportunities emerging and rendered possible by the ‘Renaissance in Healthcare’ happening in the US and around the world.

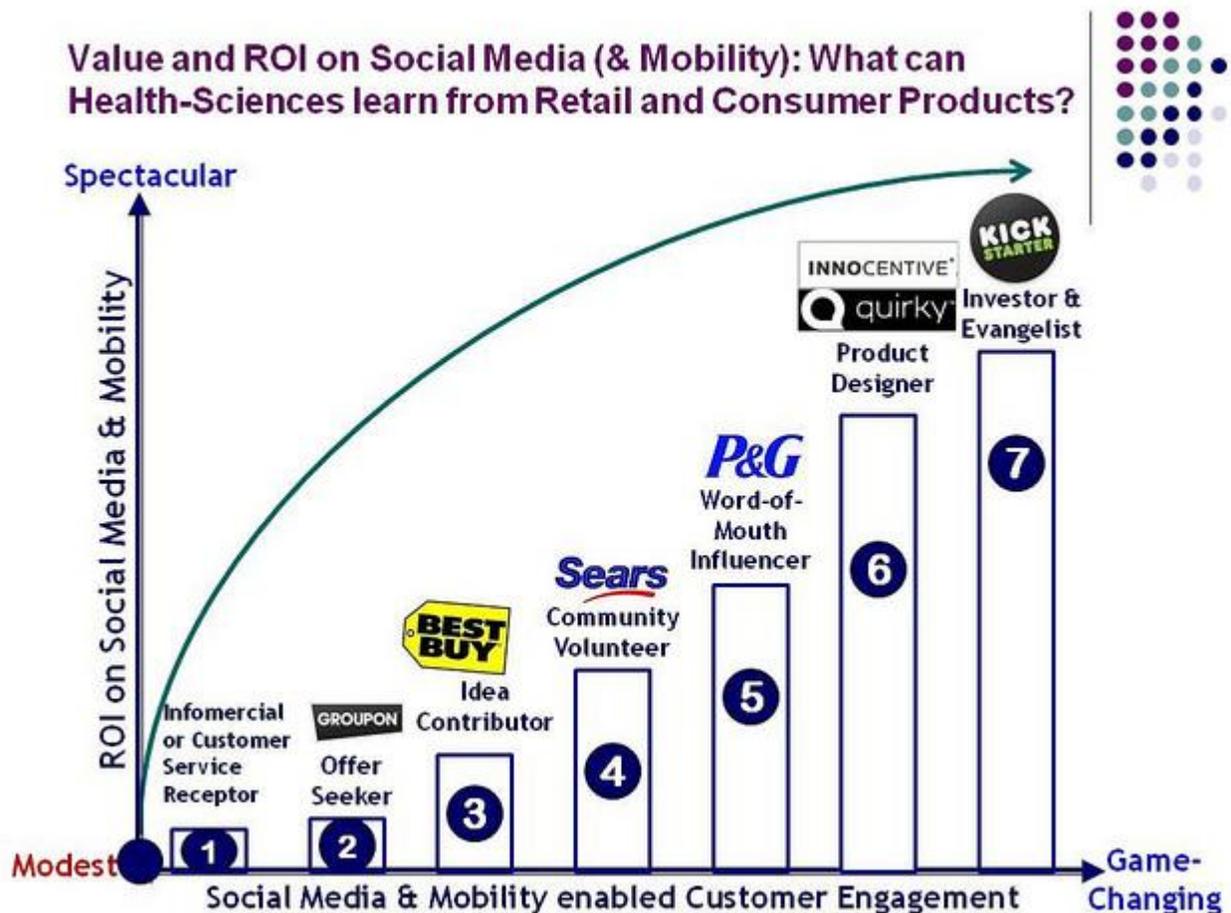


Figure 1. Value and ROI from Social Media (and Mobility) Initiatives in Retail and Consumer Packaged Goods. (copyright Andy De. All rights reserved).

How does one interpret the ‘7 Stage Social Media (and mobility) Value and ROI Life cycle Model’ illustrated in Figure 1 above? The X axis depicts progressive levels of customer engagement enabled by leveraging social media (and mobility where relevant) in ways not possible before, from the customer as a ‘Passive infomercial and customer service receptor’ (Stage 1) to the ‘Customer as

proactive investor and evangelist' in stage 7. The better companies and organizations progress along this 7 stage framework, the higher the value creation and return-on-investment (ROI) on their social media and mobility initiatives as shown on the Y-axis in this framework.

But how does one tangibly measure the value created and delivered with social media initiatives? As well, which Key Success Indicators (KSIs) should companies use to quantifiably measure their success? These bases for value creation, allocation and quantification as well as the metrics and KSIs are enumerated in detail against each of these seven stages in Table 1 below, and further elucidated for each stage in this life cycle in the sections following the table.

VALUE FROM SOCIAL MEDIA & MOBILITY: WHAT CAN HEALTH-SCIENCES LEARN FROM RETAIL						
Stage	Customer Engagement Model	Best Practice Exemplar	Enablement Model	Value (ROI) from Social Media+Mobility	Key Success Indicators	Relevance for Health-Sciences
1	Infomercial or Customer Service Receptor	Staples and Bloomingdales	Customer Service Reps on Twitter; Infomercials on FB & Twitter	Bolster Customer Loyalty; Lower Customer Service Costs; Lower cost of Infomercial Delivery	Annuity revenues; Cost of After-Sales Service; Cost of new customer acquisition	Education and brochureware by Healthcare Providers and Life Sciences companies
2	Offer Seeker	Groupon	Crowdsource and aggregate group buying power for discounted services and products to enable supply-demand matching - everyone wins!	Businesses get large numbers of new customers at a lower cost of customer acquisition; Customers get unbeatable deals at lower search costs	Incremental revenues; Cost of new Customer Acquisition; Lead to Deal Conversion; Search Costs	Currently being used by healthcare service providers like Dentists and Ophthalmologists to penetrate new customer segments.
3	Idea Contributor	Best Buy IdeaX	Crowdsourcing ideas and peer reviews via Social Media	Empowering customers as ideators assures high levels of success with service innovation	Cost of ideation and market research; Incremental revenues from new services; Cost of new Customer Acquisition; Customer Loyalty	Mayo Clinic today; mHealth apps vendors can potentially crowdsource service/product ideas from target customers
4	Community Volunteer	Sears and Target	Community Networking platform integrated with FB and Twitter that enables customers to share their buying and consumption experience for their peers.	Empowering customers to share their buying and consumption process creates "stickiness" and also serves as references for other prospects and customers.	Cost of orchestrating 'Brand Community'; Cost of Customer Reference Acquisition; Lead to Deal Conversion; Incremental Revenues; Brand Loyalty	Patients Like Me; GSK's myAlly.com; Sanofi Aventis DiscussDiabetes.com

Table 1. Value and ROI from Social Media (and Mobility) Initiatives in Retail, best practice exemplars and Key Success Indicators. (copyright Andy De. All rights reserved).

The first four stages of the seven stage model elucidating value from Social Media (and mobility where relevant) with best practices from Retail, the measurable value and ROI and Key Success Indicators (KSIs) have been enumerated below. (refer Figure 1 & Table 1 above):

Level 1-engaging the consumer as ‘Infomercial or Customer Service Receptor’: A survey of the current literature reveals a disproportionate focus on Level 1 in this life cycle (figure 1 below) i.e. on the use of social media as an alternative channel for “push marketing” to consumers or for lowering customer service costs (assuming that the consumer is a passive “infomercial or customer service receptor”). Office supply retailer Staples has built a “Tweet Team,” five customer service agents that patrol the Twitterverse, push out promotional offers, answer customer questions and more. To minimize confusion for customers, each of the Tweeters uses a dedicated tag at the end of their posts to indicate who is talking.

Value from these initiatives *involve building customer loyalty at a lower cost of customer service delivery or acquiring new customers at a lower cost of message delivery* relative to other marketing media and campaigns.

Level 1- Implications and Opportunities for Health-Sciences: Most pharmaceuticals companies, physicians practices, and healthcare providers and payers are at this stage of adoption and value delivery today, leveraging social media as a channel for ‘brochureware’ and education, and stand to significantly learn and benefit from the six stages elucidated below.

Level 2 –engaging the Customer as ‘Offer Seeker’: The next level of value from social media and mobility begins leveraging the customer as an “offer seeker”, as exemplified by Groupon for instance. Groupon offers a limited basket of products and services from businesses at a significant discount off the retail price in the form of a redeemable “Groupon” that its subscribers can buy online. The Groupon is activated and becomes valid only if a stipulated number of subscribers buy and delivers volumes of customers to businesses while enabling these customers to try the product or service at a discounted rate, and potentially driving repeat business if they are delighted.

The value is seen in incremental revenues at a lower cost of customer adoption as well as higher lead-to-deal conversion while lowering search costs for customers. This potentially drives a win-win

for the business (*lower cost of new customer acquisition*) and possible loyalty from these new customers subject to their satisfaction with the product or service and has seen significant success though in recent times, businesses have also complained of these customers not offering repeat businesses unless offered these significant discounts over and over again that are often not sustainable.

Level 2- Implications and Opportunities for Health-Sciences: Groupon is being leveraged at this time by dentist, optometrists and even primary care physicians to drive new patients to their offices to potentially build loyalty and an annuity generating revenue relationship. The scalability and sustainability of this model needs to be further explored in a health-science context, going forward.

Level 3 –engaging the Customer as ‘Idea Contributor’: involved proactively engaging with customers as “ideators” for ideas that can help improve the services offered as well as newer services, or the customer buying experience as a whole. **Best Buy** is one of the more innovative retailers when it comes to social media, using <http://bestbuyideax.com/>, a proprietary social platform that asks shoppers to suggest ideas for the retailer, then allows other shoppers to vote those ideas up or down, for Best Buy to adopt and potentially leverage the most popular ideas crowd sourced from customers. The success of IDeaX is predicated on authenticity and the need to be genuine, and perhaps most importantly listening, sensing and proactively responding to negative customer feedback, in the absence of which, this would be deemed hypocritical and lose credibility. The value from this level of crowd-sourced idea contribution from customers is a *lower cost of ideation and market research, as well as incremental revenues from new services potentially with a lower cost of customer acquisition*. Actively listening to customers and responding visibly to their ideas and suggestions is often a formula for *building brand and customer loyalty, while enabling incremental revenues*.

Level 3 Implications and Opportunities for Health-Sciences: While seeking service ideas from patients may be considered far-fetched by most providers and life sciences companies today, their potential for crowd-sourced ideation for mHealth and similar services is huge and stands to be explored by innovators who will win at the expense of their competitors in bring these short lifecycle services to market. As well, crowdsourcing ideas from chronically ill and multi-morbid patients, for

remote monitoring, telehealth and wellness and disease management services, could have significant potential, going forward.

Level 4 –engaging the Customer as ‘Community Volunteer’: usually involves developing a community networking platform integrated with social media tools like Facebook and Twitter that enable customers to share their buying, shopping and consumption experience to aid their peers.

Online reviews are a great way to generate search engine friendly content for e-commerce sites. Getting users to actively contribute and write reviews can be tricky, but Sears and Kmart have hit upon a successful formula with their interactive sites www.mysears.com and www.mymart.com. The sites launched in March 2009, and so far have more than 400,000 registered users.

And online reviews are increasingly important for e-tailers: According to Forrester, 64 percent of online buyers find user reviews important when making a purchase, and 47 percent of online users overall say that information provided by other consumers is more important to them than information provided by the company or its marketers.

The MySears community enables customers to share their insights, experiences and product reviews by creating a two-way dialogue through discussion forums, blog entries, ratings, reviews, polls and surveys, and new idea suggestion area and platform to leave comments.

Whether it's improving how customers shop online, in-store, through mobile applications, or finding ways to enhance Sears' offerings and learn more from customers, the key objective was to empower customers to shop how they want, when they want and where they want, and helping them better manage their lives. MySears.com receives more than 2 million visitors every month and has seen a measurable increase in revenues, repeat business and customer loyalty culminating from its social media enabled community initiatives.

The value here is *'building and orchestrating a community to enable trust in the buying process based on peer reviews of the product or service' which in turn, lowers the cost of new customer acquisition and potentially, higher lead-to-deal conversion and revenues while lowering search costs for prospects and consumers. Key success indicators are the cost of orchestrating a 'brand community', cost of customer reference acquisition, lead-to-deal conversion and incremental revenues and brand loyalty from the initiative.*

Level 4 Implications and Opportunities for Health-Sciences: Peer reviewed healthcare services from a community of customers are offered today by Angie's List for a fee based subscription. Angie's List extends its reviews to physicians and providers of healthcare services today and is a useful resource for patients seeking references. It will be interesting to see if Angie's List can potentially scale across geography and the depth and breadth of healthcare services that are offered today, as well as the newer wellness and disease management services that are emerging, where references by peers are key for new patients.

While the success of 'Patients Like Me' is well known in healthcare, the potency of the 'Community Volunteer' model has been demonstrated by Mayo Clinic with measurable efficacy and success. [Sharing Mayo Clinic \(RSS Feed\)](#) is a blog with stories, experiences and videos of employees and patients relating their experiences at the Mayo Clinic and what makes it so special, which is probably the most popular of all its blogs. For instance, a video of an impromptu performance by an octogenarian couple within the atrium of one of Mayo Clinic's buildings that was recorded by another patient and uploaded onto YouTube by her daughter went viral on the web with over 7.2 million views ([click here to read the story and watch the video](#))!

Given lack of clear FDA guidelines for social media in Life Sciences that has significantly inhibited adoption and proliferation, an early success story in pharmaceuticals centers around [Alli, the obesity drug from GlaxoSmithKline \(GSK\)](#). GSK developed www.myalli.com as its online community to educate and connect with patients re: the efficacy of its new obesity drug. GSK also offers its consumers a weight reduction and wellness plan ([myalli plan](#)) on-site as well as the tools to monitor, measure, analyze and improve wellness. Also offered is access to [Allicircles](#) -its community of patients on the myalli plan, to help new plan entrants learn, discuss and see real-life successes from people like them to encourage them to follow the plan and see results for themselves.

As of this blogpost, it has been estimated that GSK has purportedly seen over 30,000 members sign up for myalli.com, which is fairly significant and points to similar opportunities for other pharma companies to engage with patients leveraging social media and the web as potent channels to complement their sales and marketing and physicians who write their scripts. A similar initiative to engage Diabetes patients (www.discussdiabetes.com) has been unveiled by Sanofi-Aventis and has seen early success.

Let us now dwell on the best practices in Social Media from Consumer Products illustrated in the seven stage model (figure 1 above) as stages 5, 6 and 7 in detail in Table 2 and the following sections below.

VALUE FROM SOCIAL MEDIA & MOBILITY: WHAT CAN HEALTH-SCIENCES LEARN FROM CONSUMER PRODUCTS?						
Stage	Customer Engagement Model	Best Practice Exemplar	Enablement Model	Value (ROI) from Social Media+Mobility Investment	Key Success Indicators	Relevance for Health-Sciences
5	Word-of Mouth Influencer	P&G Tremor and Vocalpoint	Leverages cognitive science to orchestrate electronic "Word-of-Mouth"-peer-to-peer conversations to build awareness and demand for new products, leveraging Vocalpoint - a community and e-focus group of mothers.	Lower cost of conducting market research via focus groups and surveys while building brand awareness; Lower costs of customer acquisition; Accelerate time-to-market with innovation	Cost of Market Research; Cost of Brand Awareness and PR; Cost of Customer Reference Acquisition; New Product Revenues; Lead to Deal Conversion	Mayo Clinic's leverage of reference patients on its web-site and Social Media channels
6	Product Designer	Quirky and Fiat Mio	"Social Product Development"- Design, vote or buy new products (under \$ 150) reviewed and vetted by peers - make money if the product is developed.	Lower cost and time for new product development; secure focus groups, early buyers and references; Deliver products to pre-committed buyers at a lower cost.	Cost of Market Research; Cost of product design, development and commercialization; time-to-market; cost of new customer acquisition; New Product Revenues	Great model for building out small yet innovative mHealth and HIT apps and services
7	Investor & Evangelist	Kickstarter	Present product/service prototype and secure micro-investments from target customers and then have them evangelize	Secure investors, customers and evangelists using one business model without losing equity to VCs	Angel investments (\$); Number of early adopter customers and new revenues; Cost of Customer Acquisition and Product Development; Equity ownership in company	Great model for building out small yet innovative mHealth and HIT apps and services

Table 2. Value and ROI from Social Media (and Mobility) Initiatives in Consumer Products, best practice exemplars and Key Success Indicators. (copyright Andy De. All rights reserved).

Level 5 –engaging the Customer as ‘Word-of-Mouth Influencer’: involves using social and other online media including community platforms to trigger discussions, exchanges and drive to product or prototype trials and eventual adoption.

Perhaps, the best known exemplar of this model is Proctor on Gamble and its in-house initiatives [Tremor](#) and [Vocalpoint](#).

Tremor is P&G's in-house word-of-mouth (WOM) marketing organization that brings together P&G's legendary marketing expertise with cognitive science to orchestrate electronic "Word-of-Mouth"-peer-to-peer conversations to build awareness and demand for new products, and consumer advocacy, on a national scale, leveraging [Vocalpoint](#) – a community and e-focus group of women who are active online. Tremor provides a combination of consumer market research, message development and campaign execution to enable consumer advocacy leveraging Vocalpoint's network of more than 500,000 highly connected moms.

Tremor's successes range from [Olay Professional-Pro-X for skincare](#) to [Dinner Tool, a new recipe web-site](#) that enables busy mom's decide "what's for dinner", and is a best practice model worthy of emulation across other industries as well.

The value enabled by Tremor+Vocalpoint is lowering cost of conducting market research via focus groups and surveys while building brand awareness, accelerating time-to-market with innovation potentially at a lower cost of customer acquisition.

Key Success Indicators are cost of market research, cost of brand awareness and PR, cost of customer reference acquisition and savings thereof, as well as new product revenues.

Level 5 Implications and Opportunities for Health-Sciences: P&G's Tremor and Vocalpoint and their social media enabled market research, focus groups and product trials to scale consumer advocacy offer a compelling model for healthcare and life sciences. The only comparable model in a healthcare context today, perhaps, is [Patients Like Me](#). Patients Like Me provides patients with chronic or uncommon conditions an interactive platform to share their real-world health experiences in order to help themselves, other patients like them and organizations that focus on their conditions. Over time, it would seem feasible for Patients Like Me to develop its own "Tremor and Vocalpoint like" capabilities to better address the needs of its patient communities and further advocacy.

If not happening already, it may not be infeasible to imagine wellness and disease management services, mhealth apps and devices providers leveraging communities of patients on Patients Like Me or Facebook, as well as physician communities like [Medscape \(owned by Web MD\)](#) for focus groups, market research and potential recruitment for clinical trials.

In this context it is indeed relevant to refer to [Pfizer's recent remote "virtual" clinical trial for its overactive bladder drug Detrol LA](#). For the 16-week study, which will assess the safety and efficacy of Detrol LA, Pfizer will screen potential patients online, ship them medicines to their homes and monitor the results remotely. Patients will enter their results using a patient portal or their smart phones without physician supervision, unless needed – a first in the pharmaceutical industry.

The study, which will include 600 patients from 10 states across the U.S., will compare results with a previously completed phase IV trial on the same drug in the hope of validating the "virtual" clinical approach to research. If successful, this model could hold significant potential for the Life Sciences industry in lowering costs of clinical trials, at least for certain disorders that do not need intensive trial monitoring by physicians.

Level 6 –engaging the Customer as 'Product Designer': leverages "crowd-sourcing" from individuals to drive "Social Product Development" and is perhaps best exemplified by **Quirky**.

[Quirky, launched in 2009, is a pioneer in 'social product development'](#) has simplified the complexity pertaining to financing, engineering, distribution, and legalities that have often been barriers for inventors, designers and product or concept ideators in bringing their products to market commercially. Quirky, which has mastered the art of lowering time-to-market, brings *two brand new consumer products (usually priced under \$ 150) to market each week*, by enabling a fluid conversation between a global community and its expert product design staff. Participants on the Quirky community influence the business in real-time by submitting, rating, and voting for product ideas, product designs, names, and other elements of the product's development. As well, Quirky participants can browse and buy products, promote Quirky products to friends and family and earn a share of the profits through 'social sales'. Participants can also collaborate, communicate and share with other participants using Facebook and Twitter.

A similar open innovation model/crowd-sourcing platform to enabling innovation in an enterprise B2B context is enabled by [Innocentive](#). Innocentive is being leveraged by many large corporations to crowd source innovation ideas from its employees, customers and partners, and connect with the largest virtual 'problem solving marketplace' to slash time-to-market with innovation.

Innocentive's [challenge driven innovation](#) methodology, community of millions of problem solvers, and cloud-based technology platform combine to fundamentally *transform the economics of innovation and R&D through rapid solution delivery and the development of sustainable open innovation programs.*

Leading commercial, government, and nonprofit organizations such as *Eli Lilly, Life Technologies, NASA, nature.com, Popular Science, Procter & Gamble, Roche, Rockefeller Foundation, and The Economist* partner with **InnoCentive** to *solve problems and innovate faster and more cost effectively* relative to traditional models.

The value enabled here using this 'social product development platform' is *significantly lowering the cost and time for new product development, securing eager focus groups, early buyers and references and delivering products to pre-committed buyers at a lower cost.*

Key Success Indicators or metrics to measure success include *cost of market research; cost of product design, development and commercialization; time-to-market; cost of new customer acquisition; new product revenues.*

Level 6 Implications and Opportunities for Health-Sciences: 'Social Product Development' potentially offers a compelling model for Life Sciences companies and Healthcare technology vendors to slash time to market with innovation and lower costs. Innocentive's platform is already being adopted by leading Pharma companies like Eli Lilly and Roche, and holds significant potential for healthcare IT products and services as well.

In fact, given the recent demise of Google Health and the relatively modest success with Personal Health Records (PHRs) by Microsoft and Dossia, using open, crowd-sourced innovation platforms like Innocentive may be a viable option. Besides the concerns pertaining to security and ownership of a patient's health information, one of the key challenges is the "one size fits all" model provided by current vendors.

Leveraging a crowd-sourcing platform like Innocentive to aggregate product design, feature, functionality, mobility capabilities and apps to meet the specific needs of core target segments (chronic diabetes patients on Medicaid, seniors recuperating from congestive heart failure or stroke et al) would be well advised. Transforming these specific requirements into a PHR on a familiar

platform like a Smart Card that is usable at the doctor's office, the pharmacy or with the payer may well be the winning solution that patients and the healthcare market is waiting for.

Level 7 –engaging the Customer as ‘Investor and Evangelist: involves presenting a product/service, project or idea and securing ‘micro-investments’ or pledges (as low as \$ 25-50) virtually from interested investors/target customers to fund the development. If the funding is successful and the product or service is developed, then early adopters (who have also invested) evangelize to their peers and friends to further scale investment and adoption.

Perhaps, the best exemplar of this model that extends ‘social product development’ to ‘social product funding’ is [Kickstarter](#), with its unique “all-or-nothing” funding model for innovation.

Kickstarter is a new way to fund creative projects predicted on the notion that a good idea, communicated well, can spread fast and wide and draw investments from a large group of people. Kickstarter is powered by a unique all-or-nothing funding method where projects must be fully-funded or no money changes hands. Kickstarter projects are efforts by real people to do something they love, something fun, or at least something of note. These stories unfold through blog posts, pics, and videos as people bring their ideas to life.

Kickstarter is focused on creative projects. It provides a forum and a great way for artists, filmmakers, musicians, designers, writers, illustrators, explorers, curators, performers, and others to bring their projects, events, and dreams to life.

Here is an example of an [innovative new watch strap \(Tik-Tok and Luna-Tik\)](#) promoted on Kickstarter that transforms the iPod Nano into arguably, the funkier watch you have seen. I am personally proud to have invested in and purchased. My evangelism also influenced a number of my “early adopter” buddies to invest in this product line that has become a runaway success!

The key value enabled by this unique micro-funding model is for *entrepreneurs to secure investors, customers and evangelists using one business model without losing equity to VCs.*

Key Success Indicators are *angel investments (\$), number of early adopter customers and new revenues; cost of customer acquisition and product/service development; marketing and advertising costs, equity ownership in the venture.*

Level 7 Implications and Opportunities for Health-Sciences: The ‘social funding and product development model’ instantiated by Kickstarter is game changing and potentially provides significant opportunities for small entrepreneurs in the healthcare arena to bring lower priced mhealth apps and devices/instruments to market. [Companies like NervCell](#) that aspire to provide an open connectivity platform for doctors and patients to exchange patient data, as well as an apps platform for apps developers are being spawned on Kickstarter as we speak. It will indeed be interesting to observe the success of Nerv Cell and similar companies to bring healthcare innovation to market.

Summary

In conclusion, this blogpost has presented a new and innovative model for engaging customers leveraging social media and mobility platforms and tools that are being deployed by leaders in retail and consumer products. *These models show enormous promise, value, return-on-investment (ROI) potential and present new and novel opportunities for life sciences and healthcare technology companies to engage patients, physicians, clinicians, nurses and other healthcare stakeholders and also bring health-sciences innovation to market.*

Your comments, feedback and pointers to best practices in health-sciences that I may have missed, are welcome.