Marketing
Health Insurance Marketplaces
Keith Heckel | VP, Consumer Marketing
The Evolving Individual Marketplace
Challenges: Noise & Confusion

Consumers will be overwhelmed by the significant amount of advertising “noise” in the market.

Consumers will be confused by all the options available as carriers attempt to differentiate a commoditized product.

2013 TV ad spend could top $2.5B*

*Pivotal Research

New consumers with little experience making health insurance purchases
Individual Market Summary

Are you aware of the new law requiring you to have health insurance or pay a penalty beginning in 2014?

- Yes, I am aware of it but don’t understand the implications.
- Yes, I am aware of it and understand the implications for me.
- No, I am not aware of it.

<table>
<thead>
<tr>
<th></th>
<th>FPL &gt;300</th>
<th>FPL &lt;300</th>
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<tr>
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<tr>
<td>Yes</td>
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<tr>
<td>Yes</td>
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<td>42</td>
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<tr>
<td>No</td>
<td>40</td>
<td>32</td>
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</table>

% uninsured consumers

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Consumer Attitudes Toward Health Insurance
WellPoint States, 2011

<table>
<thead>
<tr>
<th>Opinion</th>
<th>FPL &gt;300</th>
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<tbody>
<tr>
<td>Agree1</td>
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<td>I have a good understanding of how health insurance works.</td>
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<tr>
<td>Health insurance plans are so complicated that it is difficult to understand what's covered and what it will cost me.</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>If I had to shop for health insurance today, I would not know where to begin.</td>
<td>39</td>
<td>39</td>
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</tbody>
</table>

% of uninsured and insured consumers (N=4435)

- 40% of all consumers state they have a “good understanding of how health insurance works”.
- 50% of all consumers state they are confident making the best decision for themselves.

consumers “very” or “somewhat” familiar with health care reform.

30% “not at all familiar”
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Price will likely drive the decision unless consumers start the purchase process with an affinity for a specific brand.

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New consumers with little experience making health insurance purchases

Subsidies create a significant incentive to purchase through a marketplace

*Pivotal Research
Key Findings: Marketplace Simulation

- Beyond price – focus was on the product design features of networks, ancillary, and wellness.

- ~30% Subsidized and unsubsidized respondents chose to remain uninsured, citing financial reasons as the leading factor.

- Of those who chose to purchase, price was the most important factor.

- Beyond price – focus was on the product design features of networks, ancillary, and wellness.
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Certain segments of the target market will be difficult to reach through traditional sales channels.  
Many of our new consumers access information and make purchases differently than our traditional individual customer.
Implications on Consumer Experience

Pre-Membership
- Building Awareness & Perception
- Investigating Options

Becoming a Member
- Evaluating & Selecting Options
- Completing Application
- Receiving & Reviewing On Boarding Communications
- Ongoing Communications

Today
- Family & Friends
- Employers
- 80% of Individual purchases today

Future
- Social Media
- Govt. Agencies
- Direct Online
- Navigators
- Digital
- Marketplaces
- Retail
- Welcome to Anthem
Implications on Marketing Strategy

**Simple Message**
Be a source of simple and relevant information about how to receive coverage under the new ACA law

**Brand Recognition**
Ensure consumers have a basic level of affinity for the brand to drive initial purchase intent

**Action Oriented**
Deliver a compelling call-to-action through clear messaging that rises above the noise and confusion

**Channel Optimization**
Utilize the most relevant and efficient channels for the target segment to maximize the marketing spend

**Centralized Strategy & Local Delivery**
Leverage local resources where broad market reach is difficult
Exchange Marketing Framework
All marketing functions focus together to drive consumers through the “purchase funnel.”

Awareness
- Broad Based Marketing
  - Brand advertising
  - Brand messaging
  - Social media
  - Online tools
  - Education tools and campaigns

Consideration
- Targeted Marketing
  - Retention
  - Acquisition
  - Hispanic/Ethnic

Purchase
- Sales Channels
  - Marketplaces
  - Navigators
  - Telesales
  - Web
  - Brokers
Together we build strong roots.

Avoid consumer confusion

- Consistent messaging.
- Avoid same messages from different sources.

Continually optimize costs

- Don’t duplicate work.
- Avoid lengthy and complicated review/approval processes.
- Utilize industry knowledge on outreach and media mix results.

Enrollment assistance

- Consumers are intrigued by the concept of Exchanges, but currently lack the understanding or confidence to make decisions