

# One Size Does Not Fit All: Your Ambulatory Services Must Be Tailored to the Value Equation of Each Consumer Segment

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If your ambulatory network is the only provider in town, and it is providing high-quality services at reasonable rates that meet the community's needs, those characteristics will likely position your organization for success. But what happens when your organization is surrounded by competitors (including some of the new entrants) fighting for market share? How do you ensure that your ambulatory services meet the value sought by your consumers and sustain a competitive advantage?

To successfully address this challenge, a more fundamental question must first be answered: Who are the consumers you are trying to reach—and what is their value equation?

Healthcare consumers continue to use ambulatory services at an increasing rate. An American Hospital Association [analysis](#) shows the gap between outpatient and inpatient revenue is decreasing: Net outpatient revenue totaled \$472 billion in 2017, compared with \$498 billion on the inpatient side. It is a well-accepted conclusion that a high proportion of care will rapidly shift to community-based and home-based settings as technological development, payer pressure, and consumerism drive care to the most cost effective and convenient settings.



For organizations to succeed in the growing ambulatory marketplace, providing a broad portfolio of geographically-dispersed ambulatory services is necessary but no longer sufficient. In addition, the characteristics of the services offered must meet the value

sought by the targeted consumers. A significant challenge is that the consumer base is not monolithic; instead it is composed of many segments, each with its own unique health services value equation. One emerging approach that forward-thinking organizations are incorporating in their ambulatory service development plans is to begin by dividing the consumer base into discrete segments, not simply by demographic dimensions, but according to consumers' priorities, attitudes, personalities, and lifestyles (Commonly referred to as psychographic segmentation). This enables a deeper understanding of motivations, preferences, and needs and thus the value sought by the members of each segment. As a second step, that information is used to tailor the characteristics of the ambulatory services offered and how they are positioned to be a tight fit with the value equation.

## **DEFINING KEY CONSUMER SEGMENTS IN YOUR MARKET**

Many psychographic segments can be identified. The following descriptions briefly illustrate how ambulatory services can be customized to fit the current and emerging aspects of the value sought by five segments frequently targeted by hospitals and health systems.

**Weekend Warriors.** Weekend Warriors are consumers who seek to maintain their athletic performance by participating in strenuous physical activity on a part-time basis. They are generally healthy, but are also prone to injury. It's a group that [spans genders and ages](#).

Characteristics of ambulatory care services that are a strong "fit" with the value sought by this consumer segment include:

- Physical therapy and sports performance maximization centers co-located with orthopedists
- Same-day appointments with primary care physicians (Either in-person through providers such as One Medical or via an e-health resource such as American Well) and specialists
- Sports-focused annual wellness checks and individually-designed regimens to maintain peak performance
- Partnerships and discount opportunities with local gyms, athletic apparel companies, vitamin and supplement providers, and high-quality nutrition and meal solutions

**Chronic Care-Centric.** These individuals typically have one or more chronic condition, such as congestive heart failure, cancer, chronic obstructive pulmonary disease, diabetes, renal disease, asthma, and others. The nature of their health status requires frequent monitoring, diagnostic testing (lab, imaging, etc.) and visits to specialists. The process of scheduling those visits and the associated travel can be barriers to care. In turn, this makes access, care coordination and ease of communication with providers high-priorities

Characteristics of ambulatory care services that are a strong “fit” with the value sought by this consumer segment include:

- A “one-stop shop” ambulatory care center in which primary care and multiple medical specialties are co-located, often also including laboratory and imaging services, infusion, retail pharmacy, as well as dietary and exercise/fitness programs
- Availability of on-line scheduling (by the patient and care givers)
- Remote monitoring via desk top, wearable and implantable devices
- Clinics focused on chronic illness which also offer supporting education programs, exercise and related services (e.g., CVS’ Health Hub)
- Alliances with retail pharmacies that offer home delivery of regularly needed medications and other medication dispensing services (e.g., Amazon’s Pill Pak)
- Transportation services to/from healthcare providers (Uber, Lyft, etc.)
- Care coordinators who are in routine contact with consumers to help with medications, appointment scheduling, transportation to medical appointments, and more

**Millennials.** Millennials expect immediacy, low-cost, and convenience, with same-day appointments and the ability to book appointments through an app rather than calling for assistance. This consumer segment tends to be [less brand loyal](#) and more willing to shop for the provider that best meets their needs. When discussing their health with a provider, in advance of their visit, members of this segment often have conducted research regarding their condition through online resources or with the assistance of artificial intelligence enabled apps such as Babylon.

Characteristics of ambulatory care services that are a strong “fit” with the value sought by this consumer segment include:

- Same day access to providers in physical locations (e.g. One Medical) or via video conferencing (e.g., 98Point6, Maven)
- App-based appointment scheduling (e.g., ZOCDOC)

- App-based health assessments (Babylon, 1-800 Contacts, and others)
- Remote monitoring technologies such as MC10's Biostamp or Phillips wearable biosensors which track vital signs, sleep quality and other biometrics
- An emphasis on making health care convenient while fitting in seamlessly with other daily activities
- Tie-ins with other activities or services (e.g., work, fitness facilities, meal-delivery services)

**Wellness-Oriented Seniors.** As these seniors get older, they want to be healthy and stay healthy—especially those who are focused on their children and grandchildren. They tend to be frequent users of healthcare services and are eager to be guided and re-assured. As a result, they actively seek out healthcare services and ask many questions of the provider. Orthopedic, cardiac, and pulmonary services are increasingly important for this group. Consumers in this segment tend to be more brand loyal than their younger counterparts and value on-going relationships with physicians, care coordination, convenience, and low-cost care solutions (particularly those seniors living on fixed-income budgets).

Characteristics of ambulatory care services that are a strong “fit” with the value sought by this consumer segment include:

- A “one-stop shop” ambulatory care center in which primary care and multiple medical specialties are co-located, and that often also includes laboratory and imaging services, and retail pharmacies
- Enhanced access for annual check-ups
- Nutritional and exercise services
- Wellness coaching and support
- Easy access to and navigation of healthcare facilities

**Premium Service Seekers.** These consumers are often affluent, and willing to pay cash, even at “premium” levels for services they consider important. They desire care that accommodates their lifestyle and expect the best, with 24/7 access to physicians. This group is more likely to invest in concierge services to maximize their health and well-being. One example is Hudson Yards’ (a high-end real estate development located on Manhattan’s West Side) partnership with Mount Sinai Health System where Hudson Yards residents, employees, and their families have exclusive access to Mount Sinai’s new on-site healthcare facility.

Characteristics of ambulatory care services that are a strong “fit” with the value sought by this consumer segment include:

- Modern, sleek facilities that convey an exclusive care delivery environment
- On-call service—including in the home
- Convenient access to diagnostic and therapeutic services that fit their schedules

### **HIGHLY TARGETED. HIGHLY COMPETITIVE.**

Psychographics are a helpful way to identify consumer segments and the nature of the value each one seeks. Customizing and positioning your ambulatory services to have a strong fit with the value equation of each targeted psychographic segment is fundamental to a successful strategy. Organizations that engage in this work will markedly enhance their leverage in creating and protecting competitive advantage.

Conversely, organizations that ignore these concepts and instead rely on ambulatory care offerings that appear and function in a generic mode leave themselves vulnerable to market disruptors that will identify and capitalize on the gaps between the current state and the value sought by specific consumer segments with innovative services and solutions. ●