

DRIVING ENGAGEMENT IN DIGITAL HEALTH



We live in an increasingly digital and connected world. With nearly 90% of American adults accessing the internet and 77% owning smartphones, it's no surprise that digital tools pervade nearly every industry from transportation to banking to food delivery¹. However, one industry, health, is lagging behind.

DIGITAL HEALTH

Though the digital health market is saturated with over 165,000 apps and was financed with \$3.5 billion dollars of funding in 2017 alone, most digital health products are challenged to attract and retain users^{2,3}. The average app, for instance, loses 77% of users after three days and 90+% within a month⁴.

This lack of engagement is especially surprising given that consumers now shoulder more of their healthcare costs, as evidenced by the more than 7x increase in HDHP-adoption in the last decade⁵. This cost-sharing shift should lead consumers to take a more active role in maintaining and improving their health. Yet, we consistently see wearables taking up residence in dresser drawers, smart scales and glucometers never getting connected, and patients skipping virtual coaching appointments.

BEHAVIORAL ECONOMICS

Behavioral economics can counteract this illogical decision-making. Unlike conventional behavior change approaches that presume people always act in their best interests, behavioral economics recognizes that people are often irrational, yet in predictable ways. In understanding why we make unwise decisions, behavioral economists design solutions that account for and course correct our decision errors.

Three overarching behavioral economics tenets are used to nudge behaviors: choice architecture, framing, and financial incentives. Effective application of these concepts yields significant impacts on consumer engagement.

For example, the order in which choices are presented alters our selections. Similarly, too many options overwhelm people and may even prevent decision-making altogether. The language used in messaging is also important. Communications that emphasize losses over gains or call attention to social norms are both shown to affect consumer behavior. Lastly, strategically designed financial incentives that are salient and focused on the present can have substantial payoffs when it comes to consumer engagement.

BEHAVIORAL ECONOMICS TENETS



CHOICE
ARCHITECTURE



FRAMING



FINANCIAL
INCENTIVES

Digital health companies that embed these concepts directly into their core successfully motivate consumers to get started, stick with, and reach their health goals. In doing so, they not only capture and retain their user base, but also nudge desired behaviors and outperform the competition.

SPOTLIGHT EXAMPLE // Solutions to increase registration and engagement



WEB PORTAL

Framed email and SMS messages with social proof
Tailored choice architecture to nudge desired activities



MOBILE APP

Prioritized user activities
Optimized user flow
Enhanced presentation of choices in wireframes using layouts and buttons



MARKETING & INCENTIVES

Simplified marketing content with key phrases
Implemented VAL Health Rewards financial incentives

SPOTLIGHT EXAMPLE

A digital population health management company sought to increase registration and engagement in their established web-based portal and newly launched app. To support their efforts, VAL Health designed customized engagement solutions and launched VAL Health Rewards, our proprietary behavioral economics-based financial incentive program.

VAL Health applied behavioral economics principles to online and offline communications to drive registrations, support new user onboarding, and recapture unengaged users. Additionally, VAL Health improved the user journey, focusing on initial engagement and the completion of targeted health actions.

VAL Health's evidence-based financial incentives program, VAL Health Rewards, was used to accelerate app downloads. Grounded in behavioral economics, VAL Health Rewards is the leading incentives program for driving engagement in health behavior change and controlling costs. Drawing on regret aversion, VAL Health Rewards uses weekly contests to offer participants multiple chances to win rewards.

Using VAL Health's behavioral economics-based messaging, the company achieved a 5x higher email open rate. With VAL Health Rewards, 66% of targeted users downloaded and registered for the app within one week.

SPOTLIGHT RESULTS

5x email open rates

66% 1st week app download rate

ABOUT VAL HEALTH

VAL Health is the leading behavioral economics firm focused on health. VAL Health delivers improved health engagement and lower costs for digital health platforms, payers, employers, and pharmaceutical companies through its consulting practice and its flagship behavioral economics based incentives program, VAL Health Rewards.

➤ [Contact info@valhealth.com](mailto:info@valhealth.com) to learn more

SOURCES

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- 4 <http://andrewchen.co/new-data-shows-why-losing-80-of-your-mobile-users-is-normal-and-that-the-best-apps-do-much-better/>
- 5 The Henry J. Kaiser Family Foundation. 2016 Employer Health Benefits Survey. 2016.