

NEW PARENT PROGRAM CASE STUDY

Converting Prospects Into Customers *Response Rates and Utilization of Services*

Situation Analysis

The client is a children's hospital interested in increasing new patient acquisitions and raising brand awareness within primary market new parent households not currently affiliated with the client owned pediatric/physician practices. New parent households include those currently expecting a child or that had recently had a child.

Health System Profile

- Moderately competitive healthcare environment for children's services.
- Only children's hospital in market.
- 13 clinics and over 40 pediatric physicians owned within a 100 mile radius.
- Located in the Midwest region of the United States (population 700,000+).

Program Overview

The initial objectives of the program were to increase awareness among new parents in the community and introduce them to the products and services of the health system. The first contact was an envelope package containing a personalized letter, tri-fold brochure, location specific inserts, magnet and Business Reply Card (BRC). The BRC was designed to encourage a relationship with the respondent, either through a request for additional information or a request for a physician referral. Separate letter versions were sent to patient versus non-patient households.

The initial program was tested before roll-out with an A/B split test. The offer, a free first aid kit (FAK) or two free AMC movie tickets, was the only changing variable. Every other name on the list received the FAK offer and the balance received the movie ticket offer to ensure an accurate test. The A/B split test results indicated that the FAK had more success in utilization, so the movie ticket offer was dropped. The program is ongoing.

Possible Follow Up Communications*

- An email confirmation went to respondents that provided an email address.
- A physician referral representative called respondents that requested a phone call.
- A fulfillment package went to respondents with a personalized letter and requested items.
- 1:1 personalized communications were sent based on indicated areas of interest. However, no more than two letters went to each respondent. A decision tree was used to prioritize letters based on the potential return on investment and the likelihood that the consumer was able to control the decision/outcome.

* Number of follow up communications varies based on each interaction.

Target Audience

Lists of both prenatal and postnatal births within the client's market area were purchased and mailed out monthly. The physician/clinic billing database was used to determine patient versus non-patient household letter versions. An extensive suppression file that included both inpatient and death data was maintained for exclusion from the monthly mailing program.

Response

A/B Split Test	Mailed	Response	% Response
First aid kit	5,814	1,605	27.61%
AMC movie tickets	5,809	1,748	30.09%

17.51% of movie ticket respondents requested a physician referral counselor phone call versus 11.15% of first aid kit respondents. The movie ticket respondent request rate was 57% higher than the first aid kit respondent rate.

Of the 3,353 total responses received from the BRC, 2,970 (88.58%) requested additional healthcare information beyond the free offer.

Data Management for Tracking and Measurement

Monthly physician office billing files were compiled, coded, cleansed and stored in the marketing database. The average monthly import was 33,000 records.

Matching criteria included both exact and probable matches. Exact matches were based on guarantor name and address, with a mail date at least seven days before first visit date.

Probable matches were based on address only; MFDU addresses were limited to those that contained apartment numbers. Mail date had to be least seven days (and no more than six months) before first visit date. Only 50% of the probable matches were included in the reporting data.

Utilization Analysis

Cost per household mailed	\$6.31*
Cost per patient	\$19.12
Average revenue per patient	\$2,234.63
Average collection rate 55%	\$1,229.05
Ten year lifetime value of newborns for a pediatrician in this market	\$3,818.65
ROI for every dollar invested based on 12 months from mail date	\$64.287

This analysis does not include revenue from urgent care clinics, emergency room visits or inpatient/outpatient services. Respondents were twice as likely to show up in utilization as non-respondents were. Respondents that received the first aid kit offer were almost 5.2% more likely than movie ticket respondents to become patients. This was surprising since physician referral requests from the movie ticket respondents were almost 57% higher. Even first aid kit non-respondents appeared in utilization at a rate 4.3% higher than the movie ticket group. The first aid kit remains our best offer for this client in consumer promotions.

**Cost includes print production, list acquisition, monthly processing, fulfillment processing, first aid kits, AMC movie tickets and postage.*

Plans

Given the ongoing success of the program, the client continues communication with this audience and has expanded contact. New parent respondents are included in 1:1 and customer relationship management efforts. Non-respondents are included in several ongoing product line promotions.

*This study is not intended for general distribution beyond your organization.
Creative Marketing Programs considers this proprietary information.*

*For more information, please contact us.
Creative Marketing Programs
412 Oak Street, Kansas City, MO 64106
(800) 373-6843*