Benefits Communication
Is So 1980s . . .

Market Your Benefits and Thrive!

by John Moses

Benefits communication, as we’ve known it over the past 30 years, is obsolete. To be effective, benefits communication must be more motivational and focused on helping people move to action, quickly. After comparing the benefits communication issues and approaches of the 1980s with those facing employers today, this article shows how four marketing principles offer new ways to think about and approach current benefits challenges. Although the principles are easy to implement, they require benefits professionals and employers to let go of habits and approaches they have used for 30 years and take a path better suited to today’s benefits communication goals and challenges.

It’s 2011. How effective is your benefits communication?

When we step back and look at how we approach benefits communication today, with few differences we’re still doing it in about the same way we did it in the 1980s. Of course, online is the default delivery approach now. And we’ve moved into an era where delivery can include things like blogs, text messaging, Twitter and other 21st century media. While the media is important, it isn’t everything. We need a new way to get the results we need today, not just new ways to deliver the messages.

For example, almost all major employers are trying to increase the “health engagement” of their employees. They won’t succeed by using the same approaches they’ve used for the past 20 to 30 years. Employers need approaches and techniques that will help motivate employees and their families to take a fresh look at health and benefits issues in ways that will lead to short-term action and long-term behavioral change.

If we look to other fields for examples where communication successfully influences behaviors, one that stands out is marketing. Marketing communication exists to influence behavior. Its principles have been used successfully to drive many types of behavior, from arousing people to make sure that they’ve “got milk,” to inspiring people to participate in smoking-cessation programs.

This article considers how four marketing principles offer us new ways to think about and approach our benefits challenges. Before we get to those, though, let’s take a look back at the 1980s and how we addressed the benefits issues that faced us then.

THE 1980S WERE A TIME OF CHANGE . . . SO IS NOW

Flash back to the 1980s. Culturally, politically, artistically and financially, that decade was a time of great change. Besides getting our first looks at Michael Jordan, Madonna and CNN, we watched Presi-
dent Reagan and Premier Gorbachev stare each other down over the Berlin Wall.

There were big changes in the benefits world, too. Employers began to ask their employees to take more responsibility for choosing and managing their health benefits and for saving for their retirement. Companies were rolling out flexible benefits plans for the first time. People were learning how flexible spending accounts (FSAs) could save them tax dollars. Companies introduced 401(k) plans as an additional way to save for retirement, since many employers fully funded defined benefit pension plans.

To introduce all these changes and to help people understand how to use these new benefits, there was lots of communication. It was detailed, thorough and educational. (See Figure 1.)

Flash forward to 2011. High-deductible health plans (HDHPs) are common, as employers require more health care cost sharing. Many companies offer HDHPs with health savings accounts (HSAs) so that employees can save for future health care expenses. Also, employers today demand greater accountability from employees in managing their health, whether that means staying healthy, avoiding health risks or actively managing chronic conditions. And on the retirement front, most employer-sponsored defined benefit pension plans are history. With the exception of a shaky Social Security benefit, employees are responsible for their own retirement funding now, too.

The problem we face is how to get people to take the right actions, whether to improve their health or to save for retirement. These problems have huge dollar figures attached. For example, the number of diagnosed diabetics in the United States stands at roughly 18 million, with another six million believed to be diabetic but undiagnosed. Add in a whopping 57 million Americans who are only a few cheeseburgers away—they’re “prediabetic.” The estimated direct cost for all these current and soon-to-be diabetics is $116 billion.¹

How can we convince people to take action or, to use the popular term, engage? Part of the answer depends on how we define the problem.

**WHAT PROBLEM ARE WE TRYING TO SOLVE?**

It’s safe to say that, for the past 30 years, we’ve viewed the problem of why people don’t take actions that would maximize the value of their employers’ benefit plans as an educational problem. Our reasoning has been something like this: *If only people un-

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**FIGURE 1**

THE OLD WAY TO THINK ABOUT BENEFITS COMMUNICATION

- **facilitate**
- **motivate**
- **educate**

**FIGURE 2**

THE NEW WAY TO THINK ABOUT BENEFITS COMMUNICATION

- **engage**
- **empower**

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**DERSTOOD THE ISSUES BETTER AND HAD A BETTER UNDERSTANDING OF HOW THE BENEFITS PLANS WORKED, THEY WOULD TAKE ACTION.**

Even though our educational efforts haven’t created as much behavioral change as we would like, evidence indicates that education over the past 20 years has helped people learn what the right answers are. In health and wellness, people know that making smart choices in their daily lives will lead to good health.² Most employees definitely could pass a quiz on the right foods to eat, the need to exercise and when to get certain health screenings. It’s the same for retirement savings. People know they need to save more, but few who say that actually do that.³

Part of the solution is education, but providing lots of education year after year hasn’t solved our problems. That means that simply turning up the volume on education hasn’t worked. It means that benefits communication as we’ve known it over the past 30 years is obsolete.

We’ve provided communication that is chock-full of knowledge and logical arguments for why people should take action. The problem is that we haven’t presented a compelling, relevant case to people. Not all behavior (in fact, probably very little of it) is driven by logic. If it were, everyone would have
stopped smoking long ago, been leaner and healthier, and had much larger balances in their 401(k)s.

What is missing are two vital pieces of the puzzle—motivation and facilitation.

In Figure 2, we turn that around. We should be spending more time making our benefits communication more motivational and focused on helping people move to action, quickly.

A message becomes relevant when it combines knowledge and emotional reaction. It’s not uncommon to hear a benefits professional say that motivating employees to take action isn’t her job. She might believe that her job is to provide detailed information on health or retirement, and it’s up to employees to find their own reasons to take action. Unfortunately, that approach hasn’t led to the behavior changes that employers need to help them control their health care costs or to better prepare employees for retirement.

Facilitation is, quite simply, making things easier for people to do. How can we make it easier for people to take action by removing “road blocks”? Common road blocks that people run into are costs, red tape, too many steps in a process, scheduling hassles and inflexible work policies, to name a few. For example, if we want employees to get flu shots so they’ll stay healthy and be more productive, we’ll find ways to make it easy. Over the past few years, I’ve seen employers offer flu shots for free, on site, on a “stop by when it’s convenient” basis. That’s great, but it’s just one action. Employers need to look at other actions they want employees to take and ask themselves how they can make those easier, too.

If our guiding principle for benefits communication isn’t simply “education,” then what is?

Here are four principles that we can take from our friends in the marketing world and apply them to help solve our problems today.

FOUR MARKETING PRINCIPLES THAT WILL HELP DRIVE ACTION

Benefits Marketing Principle #1:
People get distracted and forget; repetition, across time, is vital.

How frustrating is it when we tell people something and it seems they don’t hear us? To be fair, we’re all inundated with messages coming at us from all angles, all day, every day. Amid the chaos of information, it’s likely that there are messages we won’t remember seeing or hearing.

We need to repeat key messages over time to have any chance of people seeing or processing them.

For example, it’s safe to say that most employers probably use the bulk of their benefits communication budgets on annual enrollment. It’s the Super Bowl of the U.S. benefits world. The reality is that employees and their families are making decisions all year long that will affect their health, their costs and their employers’ health care costs.
Considering the nature of preventable, lifestyle-related illnesses like diabetes, decisions about getting biometric screenings, completing health risk questionnaires (HRQs), exercise and diet are big. When you consider costs, “in-the-moment decisions” such as whether to go to an emergency room or an urgent care center when you have the flu loom large.

If we want our people to focus on diabetes prevention and management, then, over the course of the year, we need to provide a series of messages designed to motivate and facilitate the actions that people need to take. For example, the Centers for Disease Control and Prevention (CDC) says that diabetics are six times more likely to be hospitalized if they get the flu and three times more likely to die from the flu than nondiabetics. It would seem critical, then, that employers should do everything possible to motivate diabetics, in particular, to get flu shots.

If you were determined to get your people with diabetes healthier, would you really mention it only during annual enrollment and, maybe, American Diabetes Month®? Fun fact: American Diabetes Month is November—right in the middle of most employers’ annual benefits enrollments.

Benefits Marketing Principle #2: Targeting fuels motivation and improves outcomes.

If you want people to take action, the messaging has to be relevant to them. Targeting helps create relevance. It speaks to who individuals are and what motivates them. Think about how marketers target their ads. Who’s shown in the ads? How are they shown? What are they doing? What are they experiencing emotionally?

Benefits communication has historically used a peanut butter approach. We spread messages evenly to try to address the whole audience’s needs and concerns. Often, though, trying to address everyone ends up motivating no one.

One targeting method that marketers have used for over 30 years is segmentation analysis. Through this process, they statistically group people together based on their demographics, their behaviors and—most importantly—their attitudes. Once marketers know what tends to motivate people in these groups, they can then create programs, incentives and messages that will be most relevant to the key segments and will lead to the desired action, like using or buying the marketers’ products.

Occasionally, benefits and human resource (HR) professionals express concerns that segmentation will lead to more expensive communication because they’ll need to create different campaigns for different segments. On the contrary, segmentation leads to greater focus on the target groups that employers need to reach and, if done right, will lead to more of the desired employee actions and greater payback on communication dollars.

Importantly, segmentation data can also be combined with health claims and health risk data to create tremendously valuable targeting profiles. Using these profiles, employers can determine, for example, which attitudinal segments their diabetics and prediabetics are in. Then they can create messages and outreaches that will directly address what the majority in those groups want and need the most to motivate them.

Additionally, knowing what tends to motivate key segments allows employers to apply particular behavioral economics techniques to drive action. For example, in The Futures Company’s Living Well™ health segmentation model, there are segments that tend to be more socially motivated, like the “In It for Fun” folks, and there are some segments that are less so, like the “Value Independence” folks. Using a social norms behavioral approach to messaging would tend to have a greater relevance, and more influence, for the “In It for Fun” people.

Benefits Marketing Principle #3: Wants are more important than needs.

Which would you like right now for a snack—chocolate or fruit? If you’re like most people, you chose chocolate. If the question is posed as what people prefer a week from now, they tend to choose fruit.² The problem is that tomorrow never comes. The desires of the present overwhelm the needs of the future.
“Needs” are what benefits, health care and retirement professionals tend to talk about. “Needs” are rational and future-oriented. “Wants” drive consumers. “Wants” are emotional and today-focused. This distinction is important in our instant gratification society.

If we want to affect peoples’ behavior—right now—then we need to address “wants” and “needs.”

For example, many “needs” have been identified for employees in the health area. These were part of the educational campaigns employers have done for the past 30 years. One of the reasons why people haven’t acted upon those “needs” is because a relevant, motivational “want” hasn’t been presented.

The challenge is to identify shorter term “wants” that address the longer term “needs.” For example, women might need a mammogram, but why would they want to have one? One answer could be because they wouldn’t want to worry about what might happen to their families without them. (A Mid-Atlantic region hospital used this powerful, loss-framed approach to drive its mammogram marketing efforts, with great success.)

Another example is that people might need to lose weight, but why start now? One answer could be that there’s a monetary reward for weight loss offered now that they want. Or some people might not care about losing weight, as measured by their bathroom scales, but what they really want is to fit into their once-favorite jeans and to look good.

For people who are already active and healthy, the need to stay healthy could be much less motivating than wanting to win a challenge or post a better time in a race.

Lastly, “wants” are particularly important for things that seem optional, such as health risk questionnaires (HRQs). Many employees may not see the value in completing an HRQ, so there needs to be messaging or incentives provided that would help create the “want.”

Benefits Marketing Principle #4: Your “hero” is the customer, not the plan or program.

Every story has a hero. Who’s the hero of the benefits stories that you tell?

Sometimes we become so enamored of our plans, or we’re so concerned about explaining the ins and outs of our programs, that we forget that the heroes of our stories are actually our employees and their families. The details are important, but their wants, needs and concerns should be front and center.

First, where are we starting from? Are we starting with our plans and programs and then working our way to the employees and their families? Or are we starting with the employees and their families and then working our way to our plans and programs?

If we begin with the end users in mind, then we will be focusing on how to make it easier for people to do the right things:

• What do they need to know or do to be successful?
• What barriers to success stand in their way?
• What could we do to make the desired action or outcome more likely?
• How can we guide people to do the right things, as specifically and precisely as possible?

One example of making your customer the hero is to provide relevant information and tools as conveniently as possible. People want just-in-time, point-of-need-based information that will allow them to take action quickly. This is the 2011 version of education.

Case in point: Can people find the process and steps required for getting a colonoscopy? Is that information readily available, or is it buried three levels down on a Web site?

Another example is making benefits documents as easy as possible to read. USA Today is written at an eighth grade reading level. Many benefits materials are written at a 12th grade reading level. Since most word processing programs have built-in tools that assess readability and reading grade level, with a little bit of effort, we can take our benefits documents, Web site postings, etc., down to a more accessible level. And you won’t insult your better readers, either. Because they tend to skim anyway, better read-
ers are able to process materials faster when they’re written at a lower grade level. It’s a win-win all around.

You can use technology to help your heroes too. Using text messaging and technology for mobile phones is a great way to make things more convenient for people. Cell phones and smartphones are making it easier than ever for people to have information at their fingertips—at their points of need.

Weight Watchers™ created smartphone applications that allow people to determine how many points a particular food “costs.” Armed with that information, people can more easily and confidently stick with their weight-loss programs when they’re on the road or eating out.

In addition, providing an opt-in way for people to receive text messages about key topics opens up lots of opportunities for benefits managers to keep particular topics top of mind for their employees and their families (see Benefits Marketing Principle #1 on repetition above).

APPLYING THESE PRINCIPLES

You can bring these four principles to life by applying them in your upcoming benefits communication. The principles are easy to implement. The hard part is letting go of habits and approaches that you’ve used for 30 years and taking a different path. We’re taking different paths with our benefits plan designs, and we’re asking employees to take broader responsibilities for their health and retirement. It makes sense that we would need to take a different approach to motivating and simplifying behavioral change, too.

Think about your benefits communication goals and challenges like a marketer would. It will help bring immediacy and focus to your communications that might well have been missing. Also, you’ll be able to use your communication budgets more effectively, with greater return.

And, you’ll deliver benefits communication that won’t bore your people senseless.

Endnotes

1. ADA, National Center for Health Statistics, Rush University Medical Center.