PROPOLIS
COMMUNITY INDEX
FROM B2B MARKETING

Community Index Analysis Report

Research reveal: What unique challenges do marketers face in the healthcare space, and what are they doing about it?



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Community Index Analysis Report

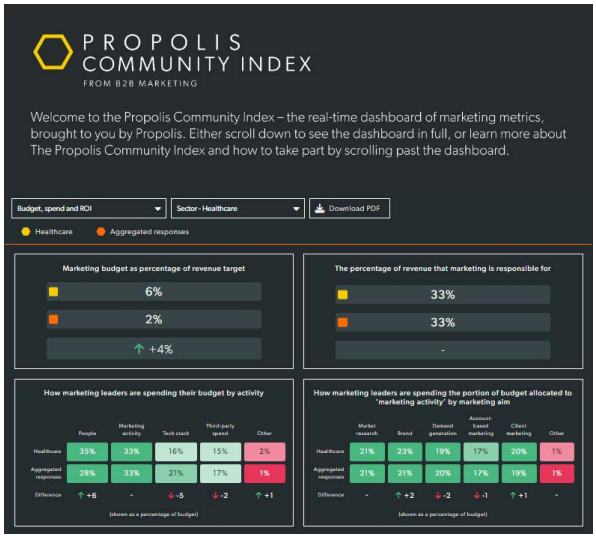
Research reveal: What unique challenges do marketers face in the healthcare space, and what are they doing about it?

Introduction to our Community Index

In August 2023, we launched The Propolis Community Index – the real-time dashboard of B2B marketing metrics, brought to you by Propolis. This dashboard was built to provide B2B marketers with reliable, up-to-date information about how marketers are spending their money, and how they're performing. Using the dashboard, our Propolis members can make recommendations to the board, assess their team's performance, and make any necessary adjustments.

Propolis is the global community for B2B marketers. Want to find out more about how you can join, and get access to the full Community Index, plus our suite of training and advisory services? Just click here.

Crucially, the data that is inputted into the index is provided exclusively from senior B2B marketing leaders (marketing directors, CMOs, etc) who manage a budget. All businesses that provide data for the index must generate at least £20 million in revenue each year, ensuring that only established, legitimate businesses are feeding into the overall dataset (no one-man-bands allowed!). The dashboard itself can then be filtered by UK or US responses, and by the following sectors, ensuring that members can access the data relevant to them:



- Technology and software
- Financial services
- Professional services
- Manufacturing, construction and industrial
- Healthcare

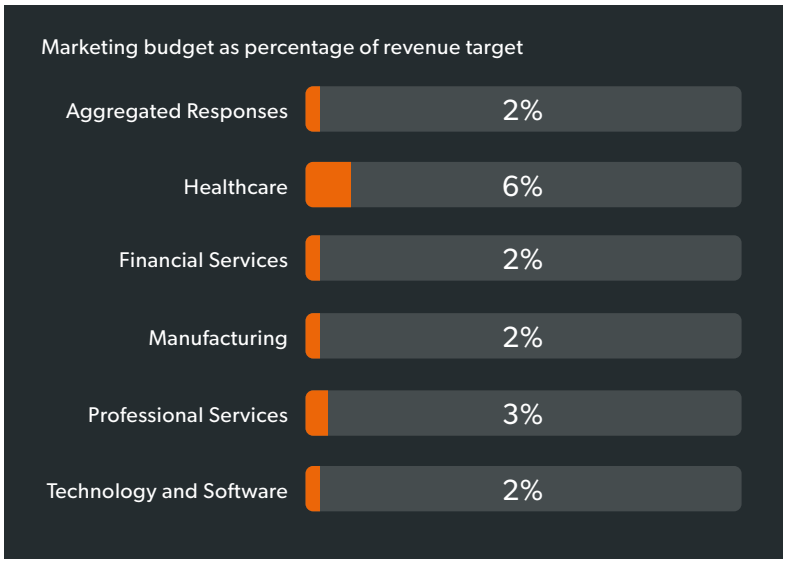
In this report, we'll be providing a breakdown of the data that we've seen since our first launch, and what this means for your marketing team. In order to make this report as helpful as possible, we've looked at the data from the healthcare sector specifically, ensuring that you're only seeing the data that's relevant to you. By looking at data from your sector, we can see where the opportunities lay, and what this means for you.

This report is based on data pulled from April 2024, and it's important to note that this data is constantly evolving as we collect more and more data. So, while this provides a helpful picture for marketers now, we expect to see changes in the months and years to come. Of course, if you'd like access to the live, evolving dashboard that is The Propolis Community Index, you can learn more about joining Propolis here.

Healthcare marketers have significant budgets

Of course, we'll preface this by acknowledging that not every healthcare organization is going to have large budgets. However, according to data from the Propolis Community Index, healthcare marketing teams have a budget that equals 6% of their overall revenue target.

By comparison, technology and software, which one might assume would have even larger budgets, given their digitally native status, has an average budget of just 2% of their overall revenue target.



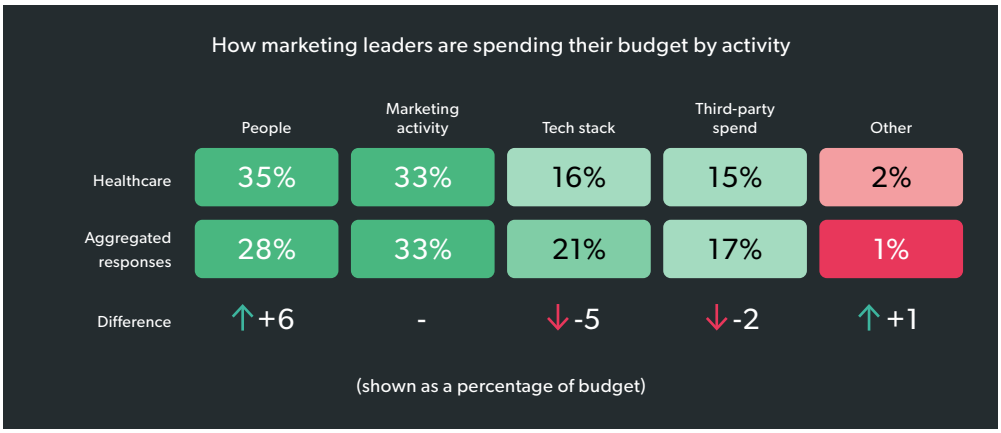
Taking this a step further, it appears that healthcare marketers also have larger budgets than marketers in professional services, financial services and manufacturing (with the overall average being just 2%).

So, why are healthcare marketing teams being blessed with such large budgets? Well, according to Becky Goplin, Senior Marketing Director, PlatformQ Health: "The healthcare industry is finally catching up to other industries in terms of investing in both people and technology to help them aggregate, mine, and analyze the large amounts of data coming in. Finally, the industry is recognizing that having a full understanding of patients is important to both retain existing patients and attract new ones, and this requires a certain level of investment. Also, the marketing mix for healthcare is shifting further away from traditional tactics and more toward digital channels to reach consumers where they are."

At this point, it's worth noting that healthcare marketers are responsible for at least 33% of their organization's overall revenue target. Of course, demonstrating an absolute connection between marketing work and revenue is a notoriously difficult thing to achieve, but what's interesting is that this 33% figure is the same as the average across all industries. What this tells us is that healthcare marketers not only have more budget to play with, but they're also aiming for the same level of impact. In other words, boards and CEOs are not necessarily expecting that extra budget to contribute to additional revenue.

The healthcare sector is spending more on people than anyone else, but less on marketing technology

Not only do healthcare marketing leaders have more to spend, it also appears that they spend more on people than anyone else, with 35% of their budget going towards this area. This compares to just 28% from the aggregated results. Whether that 35% is spent on getting *more* people, or just *more expensive* people, remains to be seen. Regardless, it's clear that healthcare marketing leaders aren't shy about investing in people. This might be something to consider if you are looking for that next role. In fact, looking forwards, it appears that 47% are spending more this year compared to last, 44% are spending the same, and only 9% are spending less.



Whilst healthcare marketers spend more on people, they spend an average amount (33%) when it comes to actual marketing activity. Perhaps more interestingly, it appears that healthcare marketers spend just 16% on their tech stacks – 5% less than the average, and the lowest of all five sectors we collect data on.

The exact reasons for this will, of course, depend on the specific organization in question. Could it be that those extra (or at least more expensive) staff members make technology purchases less of a priority? Alternatively, might it simply be that sectors like technology and software have a natural inclination towards buying more technology?

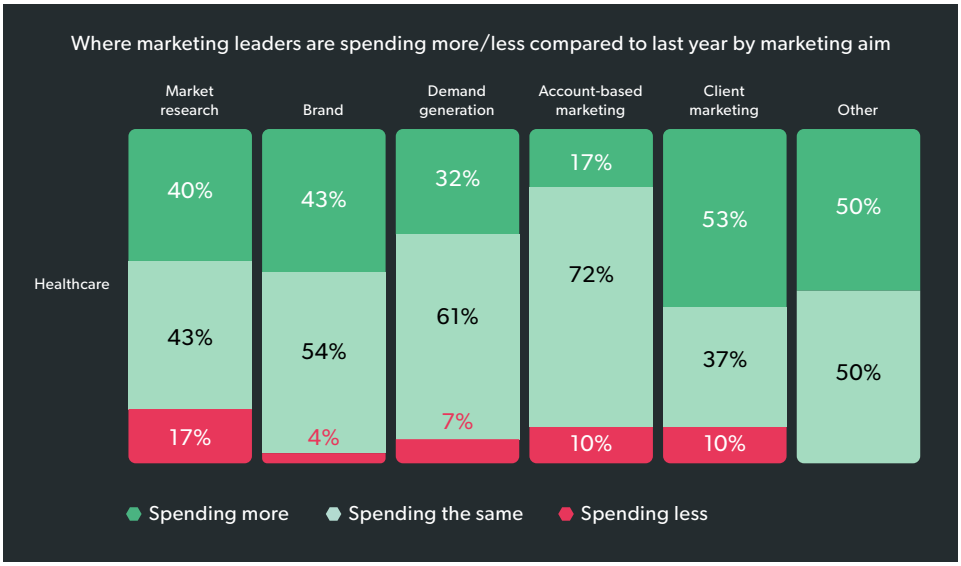
Becky answered saying: "Even though technology is constantly changing and improving at a rapid pace, and AI is becoming increasingly more dynamic, AI can't think like a strategist. It can't care for a patient with compassion. Healthcare organizations are aware that a well-defined strategy leads to higher quality, and higher quality leads to stronger retention rates and more new patients. Healthcare marketers know investing in the right people can positively affect all areas of the organization from program development, to care access, to patient experience, to outcomes, and beyond."

Regardless, nearly a quarter of healthcare marketers do report that they are spending more on marketing technology this year compared to last, so maybe this is a trend that we may start to see change over the coming years.

Healthcare marketers using third-party support for... almost everything

In one question in the Propolis Community Index, we ask survey respondents to select the tasks they use agencies and third-party support for, providing a list of nine broad areas to choose from: demand generation; ABM; branding and brand awareness; content marketing and creation; digital advertising; events and conferences; market research and analysis; marketing technology and tools; social media marketing; and other.





In every one of these options, except for ABM, healthcare marketers reportedly use agency services more than the aggregated dataset (although marketing technology and tools seemed to be the same for both).

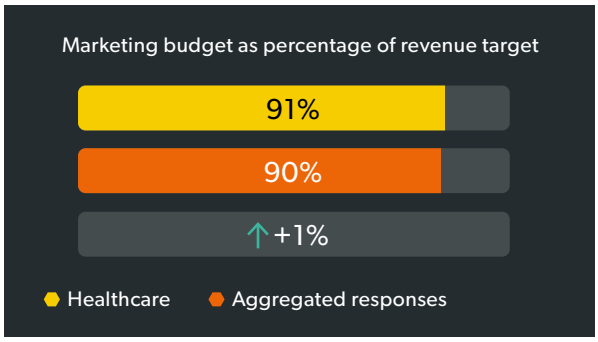
Perhaps this shouldn't be surprising. As we can see in another datapoint in the index, only 17% of healthcare marketing leaders are spending more on ABM this year compared to last, with 72% spending the same, and 10% spending less.

More broadly, perhaps the additional budget that healthcare marketers have to work with is finding its way into the hands of agencies and third-party support.

Kate Rodgers, Global Brand Media Director at GE HealthCare, explained: "Working closely with outside agencies gives marketing teams the edge they need to keep up with changes in the market, technology, and customer needs. We get access to specialized skills and advanced analytics, which helps us move quickly and make data-fueled decisions. Plus, teaming up with agencies frees our own team to get creative. With new technologies on the horizon like AI, generative search engines, and cookieless online tracking, agencies can help us try out new strategies faster than if we tested changes ourselves. By partnering with agencies, we not only get fresh ideas but also help our team grow while expanding our reach quickly."

Retention is important, but perhaps not top of the agenda

On average, healthcare marketers are looking to retain 91% of their customers this financial year – just 1% more than the average. However, it appears that they've only increased their fees to customers this year by around 17%, compared to 22% across all industries.



If retention is one your biggest goals this year, why not check out this best practice briefing by our Propolis Expert in all things CX, Barbara Stewart? In this on-demand Propolis event, Barbara walks you through how you can create a seamless omnichannel customer experience, which drives retention.



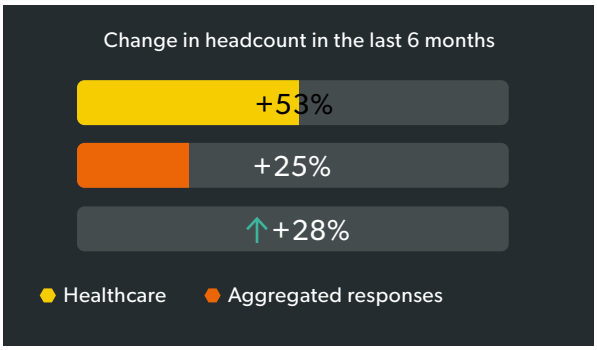
Additionally, only 6% of healthcare marketers claim that they are aiming to retain 'significantly more' of their customers compared to the last financial year. This is compared to 16% on average. When you consider that 59% of healthcare marketers are still aiming to retain simply 'more' of their customers (compared to 47% on average), this suggests that retention is still top of the agenda. It suggests a subtle difference in mindset however, with large increases in retention clearly not top of mind right now. So why is that?

Kate said: "Healthcare is facing unique market dynamics with rapid growth, significant talent and efficiency challenges, and evolving consumer expectations. For marketers operating in this environment, it's a delicate interplay influenced by market dynamics and business priorities. While retention may not always be the top priority in a growing healthcare market, it remains a powerful metric that marketing can actively nurture and influence. Retention should not be overlooked, especially for healthcare companies with large product portfolios, as it can serve as a lever to deepen relationships and expand business with existing customers. We're uniquely positioned to not only retain customers but also unlock opportunities for mutual growth and collaboration."

Healthcare marketing teams growing rapidly

As we've seen, healthcare marketers have more budget and spend more on people. It shouldn't be surprising then, that, on average, healthcare marketing teams have seen a 53% increase in their marketing team headcount over the last six months.

On average (i.e. across the five sectors we collect data on), marketing teams have seen just a 25% increase in headcount this past six months, so this shouldn't be taken lightly.



Whether or not this growth phase is coming to an end, or just getting started, remains to be seen, but it's clear that healthcare is taking marketing seriously.

According to Becky this huge increase in marketing teams – on average, we hasten to add – might be down to the pandemic which brought to light a big issue – burnout.

She said: "For years prior to the pandemic, healthcare marketing teams were running lean. Small teams were expected to do it all, and well. The pandemic taught many sectors - but especially healthcare - that burnout is real and a high level of turnover only negatively affects the bottom line. Teams today are seeking more work life balance, flexibility, and growth, and they are encouraging employers to deepen the bench. More team members result in higher productivity, specialization across areas, and more success for both the team and the organization as a whole."

Final thoughts? It's a great time to be in healthcare

Make no mistake: every company has different challenges, different priorities and a different niche. Data can only tell us so much, and it can't speak for every organization.

However, what the Propolis Community Index is telling us is that, right now, in April 2024, it looks like a good time to be a B2B healthcare marketer.

Budgets are, on average, much higher than other major B2B industries. Additionally, this industry appears to be hiring talent at a rapid rate and investing money into that most important of assets – people. It's also an industry that isn't afraid to use agencies and third-party support to create some of the best work it can.

With the new financial year underway, it will be exciting to see how this story develops.

If you'd like to access the full, live Propolis Community Index, you can find out more by clicking here, and learning how you can get access to Propolis. While The Propolis Community Index acts as your reliable source of B2B marketing data, it's just one part of Propolis itself. Propolis members have access to a panel of marketing experts, who can help you through your biggest (or smallest) challenges. Our training courses and events also provide your team with the practical hands-on knowledge they need to meet these challenges and opportunities head on. So, what are you waiting for?

Learn more about Propolis today.



PROPOLIS

FROM B2B MARKETING

The Global Community for B2B Marketing Leaders

Intelligence

Unlock crucial marketing performance data with the Community Index

Access exclusive CMO and marketing leader insights and opinion

Assess your team's capabilities with the Marketing Maturity Diagnostic

Expertise

Access a team of Propolis marketing experts for 1:1 support

Ask the community a question and get ideas from your peers in an instant

Gain support on your marketing challenges with expert Power Hours

Professional Development

Expand your knowledge with 100s of technical models and blogs

Develop your knowledge with multi-level B2B training courses

Build on team skill sets with actionable on-demand Best Practice Briefings



Learn how to join the community

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