

**A Work Project, presented as part of the requirements for the Award of a Masters  
Degree in Management from the NOVA – School of Business and Economics**

How to optimize the Business Model for ConsultaClick  
an innovative startup in the e-health Portuguese sector



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## Table of Contents

Abstract.....	3
Keywords.....	3
Literature Review.....	4
What is ConsultaClick?.....	5
Description of the firm.....	5
Mission and Vision.....	5
Services Offering.....	6
Main areas for B2C– Features and Benefits.....	6
Main areas for B2B– Features and Benefits.....	7
Correlation effect between B2C and B2B services.....	7
Strategic Objectives and KPI’s.....	8
Eternal Analysis.....	8
PEST Analysis.....	9
International Benchmark – The United States of America E- Health Market.....	11
The ZocDoc Case.....	11
Industry Mapping.....	12
Business Opportunity Validation: External Market Flows: Targets/Partnerships and Internal Business Flows:Services Design/P&Offering.....	13
Methodology.....	13
Main External Market Flows – Targets/ Partnerships.....	15
Main Internal Business Flows – Service Design/P&S Offering.....	15
The Results.....	18
Competitive Assessment.....	20
VRIO Analysis.....	20
Porter’s Five Forces Analysis.....	21
SWOT / TOWS Analysis.....	21
Final Remarks and Recommendations.....	22
Recommendation 1 – Invest in Offline Marketing Campaigns.....	22
Recommendation 2 – Physician’s Involvement: Merchandising and Referral.....	22
Recommendation 3- Claim Service Advantages to Patients.....	22
Recommendation 4 - Engaging Patients in ConsultaClick’ Community.....	23
Recommendation 5 – Reinforce Secondary Target in B2B Segment.....	23
Recommendation 7- Reinforce Points of Differentiation.....	24
Recommendation 8 – Develop a Mobile Application.....	24
Recommendation 9 – Develop Partnerships with B2B segment.....	24
Recommendation 10 – Create ConsultaClick’s own Software Development Team.....	25
Bibliographic References:.....	27

## Abstract

This work project is focused on the optimization of ConsultaClick Business Model. ConsultaClick is an innovative startup that plays in the e-health Portuguese sector, and is dedicated to the online medical consultation booking business. It offers for the first time choice, convenience and control of quality of healthcare service for patients as well as marketing and operational management tools for physicians.

The main research question of this work project is “Why isn’t ConsultaClick generating the expected booking and new patients’ registration results?”

In order to understand the low conversion rates achieved, business opportunities were analyzed considering both external and internal factors while identifying nexus causality explanation for such values.

The answer to the research question was sought through an issue tree method for the characterization of the problem, and the validation of different hypothesis through online surveys, semi-structured interviews and other complementary desk research, focusing the market, international benchmark and competitive assessment. Based on the results of such studies a set of strategies and recommendations were provided to improve the business model, fulfill customers’ needs and reach ConsultaClick’s growth.

## Keywords

E-health; ConsultaClick; Online Startup; Business Model

## Literature Review

The advent of technology has changed physician/patient relationship opening new communication channels among them. It has empowered individuals while giving capabilities for physicians to increase the quality of their clinical decisions. (Erdem and Harrison-Walker; 2006).

Patients are now seen as e-health consumers who have enough power to make choices regarding healthcare services, well-educated and over-worked individuals that can not afford to waste much time. By having access to comparative data among healthcare services they make their choice based on quality, patient's feedback and most convenient schedule available (Ball and Lillis; 2001).

Additionally e-patients have control over clinical decision complementing diagnosis and demanding answers for information which they have independently gathered. (Andreassen et al. 2007)

A growing organization's necessity to adapt to the new virtual market place has created advanced e-business models. Those are designed to increase industry's efficiency by providing symmetric and real time information linking former unconnected stakeholders' through new channels. They are bundling technologies and services while decreasing administrative, sales and marketing costs. Moreover e-companies have understood that the only way to create a sustainable loyalty strategy is by building interactive platforms where customers can have an active and integrated role (Amit and Zott; 2001).

The recent e-healthcare demand has generated new market opportunities whereas companies perceive the value that can be engendered by shifting towards an e-health business model which better exploits synergies among physicians and patients.

## What is ConsultaClick?

### **Description of the firm**

ConsultaClick (CCK henceforward) is an on-line startup founded in 2010 embraced by Startup Lisboa and consequently established its offices there. The company's CEO and founder is Duarte Champalimaud who runs a team of three people all of them dedicated to marketing and communication activities.

CCK offers an innovative service for a Business to Business (B2B) target with both marketing and operational tools for Physicians and an online consultation booking service for patients in a Business to Consumer (B2C) target. This service is improving the relationship between key stakeholders of the e-health market, providing synergies among them while decreasing operational costs and generating communication value.

The company has already expanded abroad to Romania, Spain, Brazil and Belgium, being those internationalization processes controlled autonomously by independent rules and adapted to specific market characteristics by the correspondent country managers, through licensing service agreement model to support the collaborative arrangements between CCK and its partners. Thus, the business model for those countries is based on technology, brand and patent licensing in return for 15% of annual profits. The business model implementation and internationalization are not in the scope of this work project.

### **Mission and Vision**

- ConsultaClick's Mission is: To change the way Portuguese health system stakeholders relate to each other, bringing symmetric information to patients and value to healthcare institutions and the rest of key stakeholders, through the development of the most

sophisticated and efficient technologies.<sup>1</sup>

- Vision statement is: To be the most complete and reliable online consultations' booking system in Portugal within 5 years, bringing health and life-quality to everyone.<sup>2</sup>

### **Services Offering**

ConsultaClick develops services for both patients on a B2C focus and for physicians on a B2B perspective.<sup>3</sup>

### **Main areas for B2C– Features and Benefits**

#### *Access to information – Convenience; choice; control*

ConsultaClick has developed an online medical consultations booking service for patients, with a wide offer of medical specialties, and health insurance coverage, providing users with information regarding physician's *curriculum*, real time agenda and former patient's feedback. It empowers users who are able to choose the most convenient consultation adjusted to their needs while proposing a conscious and practical healthcare service choice based on doctor's achievements.

#### *Other Benefits*

ConsultaClick service, available 24 hours a day and 7 days a week, allows patients to book an appointment directly and for free without having to wait for an answer on the phone. Moreover it provides email confirmation and a SMS alert 24hours before the appointment. Every patient will also have a personnel area available to check and manage their appointments.

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<sup>1</sup> The actual CCK Mission is: "To bring healthcare and higher life-quality standards to everyone through the development of the most sophisticated and efficient technologies." Nevertheless throughout the work project one comes to the conclusion that it is a narrow statement and it should be adapted to better serve CCK value proposition.

<sup>2</sup> Company's actual vision "Health and life-quality to everyone" disregards the technology pillar in which CCK is based on.

<sup>3</sup> B2B segment targets physicians and clinics from a wide range of medical specialties and healthcare specialists such as nutritionists, therapists, nurses and physiotherapists. Regarding the B2C segment CCK is targeting patients and potential patients which obviously represent every individual who has access to the internet and actually needs to book a consultancy.

## **Main areas for B2B– Features and Benefits**

### ***Marketing and Communication***

Regarding the B2B market, the company provides physicians with a marketing tool, which increases visibility while promoting doctors' activity by filling up their personnel profiles with CV, information about achievements, agenda, location and former patient's feedback. ConsultaClick also designs customized GoogleAdwords campaigns and customer relationship management tools that increase communication value in the doctor's/patient relationship. When requested ConsultaClick also advises physician on how to improve their profile's content in order to optimize their agendas.

### ***Operations***

ConsultaClick service decreases the operational costs for both clinics and single physicians through an online agenda management system that allows physicians to achieve a full time-efficiency standard, since agendas are updated at real time whenever a consultation is booked or canceled, giving physicians the possibility to manage their schedules on 24/7 basis with a personnel back-office tool.

Furthermore this software is fully integrated with most clinical management softwares in the Portuguese market, being especially valuable to clinic managers since it has the capacity of controlling clinic's activity by aggregating data of every doctors, patients and agendas.

### **Correlation effect between B2C and B2B services**

ConsultaClick services are positively correlated since an increase in volume of the B2B service influences the volume of the B2C. Physicians will take most advantage of the marketing tool provided by CCK if the number of patients is enough to generate more appointments whereas patients will be able to choose more wisely as the number of physician's portfolios for each medical specialty grows.

## Strategic Objectives and KPI's<sup>4</sup>

To increase Business Volume in the B2C target <sup>5</sup>by:

- Unique visitors per trimester: increase from 44.424 to 50.000
- Rejection rate per trimester: decrease from 58,2% to 50%
- Key Performance Indicator's<sup>6</sup> per month: Increase conversion rates <sup>7</sup>
- Number of registered patients per month: Increase from 66 to 190
- Number of booked appointments per month: Increase from 91 to 206

As it will be described further, ConsultaClick is not being able to capture and retain the necessary amount of users in order to make its business grow. Consequently strategic objectives have a clear focus on this specific critical success factor: number of patients. Improvements in the company's business model must generate an impact in KPI's in order to decrease the process dropouts, increase conversion rates and reach the proposed values of registered patients and appointments booked.

## Eternal Analysis

In order to understand the environment in which ConsultaClick is operating and possibly identify macro factors that might represent an opportunity/constraint for the optimization of ConsultaClick business model the following External Analysis was conducted.

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<sup>4</sup> Values exposed are an analysis of Google Analytics data for CCK from 1/09/2012 until 27/11/2012 however the future numbers are a result of a sensitive analysis which compares an As-Is Business Model status with a proposed To-Be status that incorporates the recommendations proposed in this work project and for that reason it should generate higher conversion rates.

<sup>5</sup> Although it does not represent a strategic priority, at it will be shown further in this work project, B2B segment should not be completely disregarded since as seen before the growth of one segment is positively correlated with the other.

<sup>6</sup>ConsultaClick's KPI's are: New User Registration Process; Complete Registration with Consultation Booked; and Appointment Booked. These three KPI's monitor Patients and Consultations Volume and will be explored further in this work project.

<sup>7</sup> KPI's Objective will be calculated by analyzing the nexus causality factors and impacts for the performance of the Business Model



## PEST Analysis

### *Political/Legal and Economical*

Portugal has been facing serious challenges since the economic crisis of 2008. At the present time the country is under the regulation of IMF being controlled by strict economic and financial measures. Consumer's disposable income has been decreasing over the past few years and abruptly on current month which obviously creates serious constraints to the development of several industries, once individuals do not have much money to spend.

The health care market has not been proving this tendency right, since health expenses are normally one of individual's main priorities. Consumer expenditure in health goods and medical services registered an increase of 5,6% per capita from 2010 to 2011. However, consumer health market growth from 2005 to 2010 was only 3,17% one of the lowest percentages of European Union. Health expenditure as a share of GDP represents one of the highest percentages of the EU with a total of 10,1%, composed by 6% on expenditure with Public Health and 4,1% on expenditures with Private Health.

Regarding the e-health sector, Portugal is only giving the first steps in this groundbreaking market that is shaking the health care systems in the European Union. The Portuguese Ministry of Health has been developing an e-health strategy for the past four years that relies on a benchmark analysis of Europe's best practices and is co-financed by the European Union.<sup>8</sup>

Legally, this situation deals with sensitive matters such as the privacy and data protection for both doctors and patients.

Until this point one may conclude that although the political and economic perspectives are not bright, ConsultaClick may take advantage of the fact that there will always be a demand for consultations. Furthermore being e-health one of Portuguese government's health system

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<sup>8</sup> <http://www.ehealth-era.org>

priorities this start-up may capture some synergies from the future development in the public sector.

### *Social*

A golden rule that we can apply in this market is that people will always need doctors, medicines, and healthcare institutions. However society is changing and healthcare systems will have to adapt to it.

In the last decade fertility and mortality rates have dropped significantly whereas life expectancy has been growing fast reaching 80 years old on the last year. These improvements generate an elderly population which is shaping the healthcare demand requiring special care for specific diseases common of the elderly.<sup>9</sup>

Also there are 11,86 physicians graduating per 100.000 population representing 3,82 physicians for 1000 people and 4,1 consultations booked per capita, values that have been increasing over the last decade.<sup>10</sup> Portuguese health system is not being able to absorb all medical graduates and so physicians are starting to look for entrepreneurial alternatives to get more appointments, which represent a great opportunity for CCK.

Another social factor that CCK must take into account is that the number of households enabled with broadband internet is 53,1% in addition to wireless subscription per 100 inhabitants that stands by 39% which internationally are not quite significant numbers.<sup>11</sup> Furthermore being a great deal of patients elderly this can represent a challenge for the company since this group is not usually keen on using the internet.

### *Technology*<sup>12</sup>

Recent studies show that although Portugal is one of Europe's most developed country when it

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<sup>9</sup> Instituto Nacional de Estatística *Revista de Estudos Demográficos - N° 48 - 2.º Semestre de 2010*

<sup>10</sup> OECD Health Data 2012

<sup>11</sup> Euromonitor International (2012) World Consumer Lifestyle Databook

<sup>12</sup> <http://www.ehealth-strategies.eu>

comes to ERP<sup>13</sup> and PACS (Picture Archive and Communication System) it is still far behind in exchange of laboratory and radiology results with external facilities.<sup>14</sup>

The Portuguese ministry of health has launched E-agenda in 2010 a service that aims to increase the efficiency of medical consultation's booking systems in public health centers and hospitals, however this system has not proven to be fully capable of dealing with the demand.

Being ConsultaClick' business model highly dependent on technological advance, these strengths and weaknesses of the public sector should not be disregarded, and might even represent an opportunity for the company to save on consumer learning costs.

### **International Benchmark – The United States of America E- Health Market**<sup>15</sup>

An international benchmark was developed, focusing the US market, considered to be in a more advanced status, in order to validate macro factors influence, provide insights of best practices to the future and enrich the current external analysis.

The most important conclusion taken from benchmark analysis (See appendix 1) is that USA has indeed a much more detailed and monitored e-health strategy than the EU. This country has not only developed a specific legislation to set time and technology objectives but it also beneficiates from a social condition where the digital era is already embedded in people's minds which accelerates the full function of a national e-healthcare system.

### **The ZocDoc Case**<sup>16</sup>

The case of ZocDoc was analyzed in order to understand and compare the best practices of this

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<sup>13</sup> E-health technology is based in three main pillars: Electronic Medical Record (EMR); The electronic record of an individual in a physician's office or clinic. Electronic Patient Record (EPR); the electronic record of an individual in a healthcare facility; Electronic Health Record (EHR); the longitudinal electronic record of an individual that contains or virtually interlinks data in multiple EMRs and EPR.

<sup>14</sup> Deloitte *Ehealth Benchmarking III*, European Commission

<sup>15</sup> USA has approved the *Meaningful Law* which states that healthcare institutes may receive financing bonus if they complete the three stages of e-health strategy implementation that the US government has proposed. The first stage has started in 2011 and consists mainly in data capturing and sharing of patient electronic record. The second stage will start in 2014 and involves the implementation of advanced clinical processes such as e-prescribing and laboratory results content digitalization. Finally in 2016 the America e-health system should control a patient centered health information exchange system providing self-management tools for patients. USA has a total of 17,4% expenditure on health as a share of GDP, the highest amount of the OCDE study of 2009 and more 7,1 % when compared to the 10,1% of Portuguese health expenditure as a share of GDP .

<sup>16</sup> <http://www.zocdoc.com>

American leader in online booking consultation's service and generate insights to CCK business model's optimization<sup>17</sup>.

Comparing the value proposition of ZocDoc with ConsultaClick one finds that there are no significant differences since both services offered and targets are the same. In fact the Portuguese Start-Up based its website wireframe on the American one.

However there are two main differences, despite the variance in the business volume, between the two services since the American one has a special webpage where patients can post questions to prestigious doctors registered in the platform thus increasing the interaction of key stakeholders with each other and with the company which ultimately creates a "ZocDoc community".

Moreover ZocDoc has also developed a mobile application that allows patients to book their consultations whenever and wherever is necessary.

Both these two good practices should be benchmarked into CCK business model in order to increase the reliability of the company and also stakeholder's involvement with the Q&A platform and escalating the accessibility of the website which is indeed one of the service advantages, with a mobile application.

### **Industry Mapping**

Succeeding an industry mapping was developed in order to identify the main market flows among Portuguese healthcare players attempting to recognize potential opportunities for CCK.

The e-health industry (see appendix 2) in Portugal is regulated as a whole by the Ministry of Health, which then delegates its authority to numerous identities that control several healthcare institutes such as Laboratories and Pharmacies.

The most active stakeholders at this point are physicians, clinics, patients and insurance

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<sup>17</sup> ZocDoc is the American leader in online booking medical consultations' service, founded in 2007 and placed in New York its investor are the same of Facebook, Twitter and Google. It has nowadays 19.000 million registered users and doctors subscribed trough all American States.

companies which by consequence of traditional health needs to generate a high concentration of market flows among them, being those already ensured by CCK's platform and business model. Regarding competition the fact is that the e-health market is giving its first steps in Portugal and for that reason ConsultaClick has only two direct competitors (startups) which do not represent a serious threat at this point as it will be shown in the competitive assessment.

As for Key Partners those are many and crucial for the company's business model developments, being established as incubators, distribution and sales channels and will be also object of study further one.

However there is an unexplored market flow among physicians and other healthcare institutions. In the following chapter an analysis of such external flows as well as internal flows will be conducted in order to identify disregarded opportunities and understand the causes of low conversion rates.

## **Business Opportunity Validation**

### **External Market Flows: Targets/Partnerships**

### **Internal Business Flows: Services Design/P&S Offering**

## **Methodology**

In order to identify the nexus causality factors and impacts for the CCK business model's optimization the following methodology was proposed.

### ***Online Survey***

An on-line survey was conducted to 100 people from 23 until 55 years old to reach a conclusion about:

- Internet usage : Percentage of those who had already bought online
- Appointments Demand: Number of consultations booked per year and in which specialties.

- Trust levels on online booking appointments' system: Percentage of those who would feel comfortable on booking appointments online and respective reasons; most valued information and sources to choose a physician.
- The effects of endorsement strategies on appointment booking.
- Company's awareness: Percentage of those who had already heard about ConsultaClick.

### *Semi-Structured Interview*

Twenty respondents simulate an appointment booking process, navigating through ConsultaClick webpage until they reach the final goal "Book Appointment". Throughout the process each one of the four e-quality dimensions supported were explored:

- Efficiency<sup>18</sup>: measured by user-friendliness, web design and content characteristics.
- System availability<sup>19</sup>: corresponds to the correct technical functioning of the website and for that reason is strongly connected with efficiency standards.
- Fulfillment<sup>20</sup>: relies on site's service delivering.
- Privacy: depends on the degree to which users perceive that their information is saved and protected; if users believed that appointments would be booked correctly and if the website in general is reliable.

Once respondents built an opinion on e-service-quality their willingness to subscribe was evaluated by their opinions on:

- Perceived Advantages;
- Improvement features;
- Reasons why they would or wouldn't subscribe.

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<sup>18</sup> Users evaluated if the system is simple, quick and if it is easy to reach the final goal, evaluating also the new user registration form.

<sup>19</sup> Respondents had to identify number of crashing and freezed pages and the speediness of website navigation.

<sup>20</sup> The main goal was to evaluate if the booking system steps are clear and simple to complete as well as if the offer of physicians and insurances is satisfactory.

Ultimately with this research a rationale linkage between e-service-quality and willingness to subscribe will be put in to test.<sup>21</sup>

### **Main External Market Flows – Targets/ Partnerships**

*Step 1 – Objective: Identify and understand the major flows among the different industry entities looking for synergies and opportunities.*

From the industry mapping analysis one may notice that there is a concentrated market flow among key stakeholders of this industry, namely insurance companies, patients, clinics and doctors. However synergies between healthcare institutes (pharmacies and diagnosis laboratories) and physicians are barely explored. So by potentiating partnerships among those institutes and physicians, the former would probably increase the value of their service capturing more patients by offering them a complete and reliable treatment after the diagnosis whereas CCK would broad its value proposition for both B2B and B2C segments.

*Step 2 - Objective: Validation of those flows based on customer perspective and feedback through the online survey.*

The online survey results have shown (Appendix 3):

- Low perceived value of partnerships with other healthcare institutes: only 20 % of respondents stated that they would be influenced by such partnerships.
- These results inputs given by ConsultaClick are enough to build a sustainable value proposition for physicians.

### **Main Internal Business Flows – Service Design/P&S Offering**

*Step1 - Objective: Understand the most relevant flows between Customers and ConsultaClick.*

High rejection rates may be a consequence of ConsultaClick inefficiency in addressing its

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<sup>21</sup> When analyzing the semi-structured interviews the results were only considered when 10 or more respondents shared the same option.

target, and even if it is not the case the site content may not be relevant nor motivating enough to retain and engage costumers so that they might go further on the website. Another possible reason for such values is lack of awareness of CCK service and advantages.

Going further on conversion paths the following processes results are based on the numbers originated on the first steps of the conversion funnel demonstrated in table below.<sup>22</sup>

<b>From 1.09.2012 To 27.11.2012</b>	<b>Values</b>
Unique Visitor	44,424
Unique Visitor with no Rejection Rate	18,549
Rejection Rate	58,3%
% New Visitors	56,1%
New Unique Visitor with no Rejection Rate	10,397
Returning Unique Visitors with no Rejection Rate	8.152

Table 1 – ConsultaClick’ Conversion Funnel

#### ***New User Registration Process***

New User Registration process (See Appendix 4) is one of ConsultaClick strategic top priorities since it indicates how many visitors do actually register as new users. After following the first funnel steps 2,8% of users click in ”new patient” and only 19,5% click on “continue” after filling data on the registration form, resulting on a process drop out of 80,5%. From that step one there are no dropouts resulting in a New User Registration conversion rate of 0,6%<sup>23</sup>

#### ***Complete Registration with Booked Consultation***

This process represents the number of visitors who enter the website and begin by looking for a consultation registering as new patients only after. It is an important metric since it not only controls the number of new patients but it also monitors the number of booked consultations. (See Appendix 5)

There were 2% of unique visitors after rejection rate that entered the website and choose immediately a consultation without being yet registered. After selecting the physician and

<sup>22</sup>CCK’s conversion funnel from 1/09/2012 until 22/11/2012 data extracted from Google Analytics: Every online business has a conversion funnel that initiates with total unique visitors – single IP who simply enter the website- moves to the ones who start to interact with the website and ends up with converted users being those the ones who subscribe to the service offered.

<sup>23</sup> New User Registration Process from 1/09/2012 until 22/11/2012 data extracted from GoogleAnalytics



consultancy, users are directed to a webpage where they have to make a user registration which represents another obstacle to CCK since this step has a 29,5% drop out showing that users do not want to complete the new user registration form.

The percentage of converted visitors in this objective is 1,4% and although it is higher than the former one it's still not converting enough users.<sup>24</sup>

*Step2 - Objective: Understanding those flows through assumptions built on literature review.*

In order to understand which factors are triggering high rejection rates, drop outs and low conversion rates two assumptions (appendix 6) were built based on literature (appendix 7).

1- First assumption: Visitors do not register as new patients due to:

- Lack of trust in the online appointment system driven by low technology readiness and/or technology aversion.<sup>25</sup>

2- Second assumption: Visitors do not register as new patients due to:

- Lack of Trust in ConsultaClick triggered by low perceived quality and/or low Service Awareness.<sup>26</sup>

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<sup>24</sup>Complete Registration with Booked Consultation Process from 1/09/2012 until 22/11/2012 data extracted from GoogleAnalytics

<sup>25</sup> See Appendix 7: Trust in the online system is driven by user's positive or negative attitude towards the internet since one's control over technology methodologies and past internet purchase experiences will strongly influence online buying process' perceived risk. Also peer's opinion and web-site information content are factors that have influence over online trust.

<sup>26</sup> See Appendix 7: The strongest determinant of individual trust on an online company is perceived e-service-quality. At this point authors agree on four pillars of e-service-quality: efficiency, fulfillment, system availability and privacy which were already described former. Other determinants triggers of website trust are awareness and reputation.

## The Results

First Assumption Not Verified: There is not a significant lack of trust in the online appointment system nor an Internet Aversion/ Technology Readiness.

Criteria	Results
Internet usage – Internet aversion	<ul style="list-style-type: none"> <li>• Not Verified more than 60% of total respondents had already purchase online.</li> </ul>
Trust in online appointment’s booking system	<ul style="list-style-type: none"> <li>• Verified - Higher percentage of willingness to book appointments online.</li> <li>• Clear certainty that such system will not be an option: only 16% of total respondents.</li> </ul>
Rejection factors	<ul style="list-style-type: none"> <li>• Preference on speaking to assistants directly.</li> <li>• Lack of security in the system.</li> </ul>
Most valued features	<ul style="list-style-type: none"> <li>• Information disposed on the website:               <ol style="list-style-type: none"> <li>1. Former patients’ feedback.</li> <li>2. Access to physician’s agenda.</li> <li>3. Access to physician’s CV.</li> </ol> </li> </ul>
Preferred sources to look for a physician	<ul style="list-style-type: none"> <li>• Peer advice: 80% first choice.</li> <li>• Insurance agreement: 50% second choice.</li> </ul>

Table 2 – First assumption conclusions based on online survey results.

The challenge for ConsultaClick, as the online survey demonstrated (appendix 8) relies, though, in the searching source for physicians in a first appointment perspective.

Second Assumption: Low Perceived e-service-quality Not Verified; Low Service Awareness Verified<sup>27</sup>. Lack of trust in ConsultaClick due to low awareness is possibly triggering low willingness to subscribe levels.

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<sup>27</sup> Service Awareness verified trough online surveys

Considering Perceived e-service-quality the semi-structured interview demonstrated the following (See Appendix 9):

<b>Criteria</b>	<b>Results – More than 50% of respondents</b>
Efficiency	<ul style="list-style-type: none"> <li>• The web design is appealing and well structured.</li> <li>• The front page is simple, professional and straight to the point.</li> <li>• Many appreciated the fact that there is not too much information throughout the web site.</li> <li>• Respondents find web content very complete and useful especially regarding physician’s profile.</li> <li>• The new patient registration form it is recognizable at the front page being short and easy in.</li> </ul>
System Availability	<ul style="list-style-type: none"> <li>• There are no pages crashing or freezing</li> <li>• The website is fast and simple to navigate.</li> </ul>
Fulfillment	<ul style="list-style-type: none"> <li>• The booking process is simple and intuitive even when participants have to register in the middle of booking process - which justifies the low % of drop outs in the objective “Complete Registration with Appointment Booked”.</li> <li>• The offer of physicians, insurance and information was perceived as being useful and complete.</li> </ul>
Privacy	<ul style="list-style-type: none"> <li>• ConsultaClick website is trustworthy due to two main reasons:               <ol style="list-style-type: none"> <li>1. The complete and detailed information exposed on physicians’ profiles</li> <li>2. The web design which is perceived as professional and health related as the color blue and white are the most dominant.</li> </ol> </li> <li>• There is no discomfort about sharing information in the patient form.</li> <li>• There is trust that appointments would be booked with the correct physicians at the right <u>time</u>.</li> </ul>

Table 3 – Second assumption conclusions based on semi-structured interviews results

Considering willingness to subscribe and service awareness, results were the following:

<b>Criteria</b>	<b>Results – More than 50% of respondents</b>
Service advantages	<ul style="list-style-type: none"> <li>• Being free of charge, simple, fast, avoiding long phone calls and having access to privileged and detailed information</li> </ul>
Improvement Needs	<ul style="list-style-type: none"> <li>• Patients show no conscious of the services designed to patients, such as the warning and confirmation SMS as well as the personal patient area.</li> <li>• Many asked if they needed to register every time they booked a consultancy.</li> <li>• Many stated that they wanted to search for a specific physicians or clinic from the front page.</li> </ul>
Service Awareness	<ul style="list-style-type: none"> <li>• There is no awareness among consumers since no one had already heard about ConsultaClick.</li> </ul>
Willingness to Subscribe	<ul style="list-style-type: none"> <li>• In the Semi-structured interview many mentioned that they would never search for ConsultaClick for the obvious reason that they have never heard about it, and even if they reach it through Google Organic search they would hesitate to subscribe in an e-health online services that was never referred before.</li> <li>• There is no direct connection found between a positive perceived e-service-quality and willingness to subscribe since in this case respondents find ConsultaClick service useful and trustworthy but they are not willing to subscribe just for quality sake.</li> </ul>

Table 4 – Second assumption conclusions based on semi-structured interviews results

The challenge for ConsultaClick relies in:

- Service awareness; Physician's referral; Perceived Advantages for patients. These three key success factors may explain low conversion rates and high rejection rates.

### Competitive Assessment

ConsultaClick has two main direct competitors Medqualy<sup>28</sup> and Medipedia<sup>29</sup>.

When comparing business models CCK has three main points of differentiation (Appendix 10): the complete disposable information for patients on physician's profile; the marketing tools designed for physicians; the Software Integration, as CCK possesses the only system that is fully integrated with clinic softwares. The only competitive threat at this point relies on Medqualy developed level of refined search which, as proved by the semi-structured interviews, is a feature that costumers value.

### VRIO Analysis

ConsultaClick has powerful resources which might represent sustainable advantages and support their business model in a leadership position. At this point ConsultaClick has a differentiated advantage since service perceived quality and innovative features are the only capabilities which, at the time, are representing sustainable advantage filling the VRIO criteria of the resource based approached (Appendix 11). In fact trough this work project it has been showed that company's value proposition is mostly based upon this resource.

“Why isn't ConsultaClick generating the expected booking and new patients' registration results?” ConsultaClick has still important resources such as partnerships; CCK lean structure; brand value and technology which do not represent yet a sustainable advantaged mainly

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<sup>28</sup> [www.medqualy.com](http://www.medqualy.com) : provides online consultations booking service, with a significantly good offer of medical specialties, insurances and locations as it also offers back office tools both for patients and physicians. The main point of differentiation from ConsultaClick is the web content which allows patients, physicians and users to get information and understand the service advantages in a simple and direct way.

<sup>29</sup> [www.medipedia.pt](http://www.medipedia.pt): although it also provides an online booking service; it is positioned as a healthcare directory since patients may search not only for physicians/clinics but also for pharmacies, diagnosis laboratories, health clubs and more. Physicians can make their registration for free allowing them the right to post only agenda without any further information.

because they are not aligned with the business main priorities such as raising awareness and getting physician's support.

### Porter's Five Forces Analysis

From the Five Forces Analysis (see appendix 12) one concludes that e-health industry might be attractive since there are low barriers to entry and almost no competition. However while companies are not able to achieve a sustainable reputation it will be hard to strive in this market since they will have no bargaining power against technological suppliers of which they highly depend on, nor against the power of buyers who do not perceive the advantages and utility of such services and simply choose on making use of powerful substitute products such as the telephone.

### SWOT / TOWS Analysis

The SWOT/TOWS analysis (see appendix 13 and 14) reached the following conclusions regarding Key Success Factors and strategies to leverage on those:

Key Success Factors	Implications	How it was identified	Strategies	Changes in Business Model	KPI's
Service Awareness	Lack of Trust in CCK	Online Survey/Semi-Structured Interview	Offline Marketing Campaign	Value Chain – Offline Marketing activities	Rejection Rate Drop outs Conversion Rate
Physician's Referral		Semi-structured Interview	Merchandising in clinics. Physician's involvement in the process	Value Chain – Offline Marketing Activities	
Perceived Advantages		Semi-structured Interview/ Benchmark ZocDoc	Claiming the advantages in the Front Page: "Your Advantages" webpage: Convenience/Control/Choice  Creating direct search for clinics/physicians  Creating "ConsultaClick Answers" Creating specific strategies for non-establish entrepreneurial physicians Reinforce POD	Changes in Product and Services: B2C service and Web Design. Reinforcing secondary targets in the B2B segment	
Technological control	Competition might copy CCK business model	VRIO/ Porter	Contracting CCK own developers. Creating Mobile App	Organizational design Reinforce competitive advantage	Website performance and n° of software updates.

Table 5 – ConsultaClick Strategic Planning

## Final Remarks and Recommendations

### **Recommendation 1 – Invest in Offline Marketing Campaigns**

Since ConsultaClick is not being able to cover enough audience with online marketing, an offline promotion campaign must be taken into consideration to reach a greater number of people through mass media channels. This strategy should be able to increase service awareness which is considered to be a critical success factor of CCK business model. Offline campaigns should not only trigger the registration process increasing conversion rates but they should also reinforce a reliable brand image since people still seem to trust more in traditional media channels.

Moreover once there's a higher number of ConsultaClick patients the word of mouth process should be accelerated and its market position reinforced.

### **Recommendation 2 – Physician's Involvement: Merchandising and Referral**

In order to conquer consumer's trust and increase conversion rates it is imperative that physician's recommend ConsultaClick to its patients. Consequently the company should invest in merchandising strategies on clinics using posters in waiting rooms and leaflets for physicians to distribute at the end of the appointment.

Also to incentivize physicians to participate CCK should create a discount system where clinics/physicians who convert more patients will get a discount fee. This system will be monitored by adding a field on the new registration form asking if the application is followed by a referral of a specific clinic/physicians and which one.<sup>30</sup>

### **Recommendation 3- Claim Service Advantages to Patients**

For the Business to Consumer target ConsultaClick provides convenience, choice and control over the decision making process of choosing an adequate physician and schedule. However as

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<sup>30</sup> The company should take into consideration that in this initial point clinics and physicians would not be willing to spend any money with ConsultaClick besides the subscription fee; in this case the company will have to support alone the cost of such material.

this work project has shown, costumers are not aware of such service advantages being imperative to clearly and loudly claim them in order to increase conversion rates.

Hence a link at CCK's landing page stating "Your Advantages" should be designed to directly sent visitors to a page where they understand what exactly would be offered<sup>31</sup>. The words "convenience", "choice" and "decision making control" should be highlighted in order to reinforce the perceived value.

#### **Recommendation 4 - Engaging Patients in ConsultaClick' Community**

ConsultaClick should not only boost the activity of its existing social network pages but also invest in a community and interaction strategy creating an internal network called "ConsultaClick Answers" where patients could share their questions on health subjects that would be then answered by registered physicians. In a later stage patients might even be able to contact directly with physicians, through an online chat.

Engaging patients in a community such as "ConsultaClick Answers" would enhance a trustful brand image among consumers and increase service perceived value since users would be able to book appointments and also get reliable information on health subjects with physicians directly on CCK website. Furthermore "ConsultaClick Answers" goes along the premise that search for information intent leads to a conversion intent creating even room for a new conversion channel.

#### **Recommendation 5 – Reinforce Secondary Target in B2B Segment**

Considering the Business to Business target CCK should not disregard young doctors with an entrepreneurial spirit since those are the ones who are in more need for marketing and operational tools.

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<sup>31</sup> Besides the three main advantages: Convenience; Choice and Control it should be clear that the service is free of charge, that confirmation/warning SMS and emails will be sent and that registered patients may use a personnel page that records their appointments

The company should take advantage of key market drivers<sup>32</sup>, focusing its marketing and selling strategy on entrepreneur physicians and clinics which are just starting their activity and will most certainly make a great use of a service that will both promote them and provide cost advantages.

### **Recommendation 7- Reinforce Points of Differentiation**

ConsultaClick has already strong points of differentiation and a sustainable advantage focused on the quality and innovations of its service, however there's a need for reinforcing these capabilities and invest in technological resources. Consequently, besides being clearer on claiming service advantages, CCK landing page should offer an option to search for a specific physician or clinic in a central position. This feature was valued not only in the semi-structured interviews but also in the competitive assessment.

### **Recommendation 8 – Develop a Mobile Application**

ConsultaClick should follow the mobile application trend developing one of its own so that patients would be able to book appointments whenever and wherever they might want. Such capabilities would reinforce service advantages to both segments and also support CCK competitive advantage since competition is not yet offering such services.

### **Recommendation 9 – Develop Partnerships with B2B segment**

ConsultaClick has developed crucial partnerships for both its establishment and development. Firstly due to CCK's growing potential and internationalization prospects the startup is establish in StartUp Lisboa' offices beneficiating from the influencing networking and mentors of this institution.

The company has also developed partnerships with clinical software management companies which act like important distributing channel of CCK's platform. Also .by the time they work at

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<sup>32</sup> The health sector has been facing an increasing market concentration and so physicians are experiencing and increasing difficulty in finding a suitable job. Plus the e-health market has been growing fast which means that very soon every physician would have to be familiar with such technologies.



their full potential, agreements with selling channels like Medis, Sapo Saúde and health blogs would be valuable for this startup and should represent an important percentage of CCK's total sales.<sup>33</sup>

Furthermore ConsultaClick has a technological partnership with RIS2084 a software development company that has been working with the startup in an outsourcing regime since the very beginning.

As mentioned before ConsultaClick should focus also on partnerships with B2B segment in order to raise awareness and conquer patients trust.<sup>34</sup>

### **Recommendation 10 – Create ConsultaClick's own Software Development Team**

Regarding organizational design, there are only three people working full time<sup>35</sup> but none of them is focused on technology. The fact is that, as mentioned in the VRIO analysis, ConsultaClick should focus on technological capabilities in order to gain more control over this process allowing quick software developments. Hence it is crucial for CCK to contract and retain their own team of software developers so that a temporary advantage should turn into a sustainable one by creating the most advanced platform in the market which would be often updating new features keeping competition behind.

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<sup>33</sup> Selling channels are represented by canals that lead to booked consultations. The mentioned partners are viewed as Referral channels in Google Analytics since they direct their own visitors to CCK webpage. At this point the most representative selling channel is direct searching that converts 40, 85% of total visitors, followed by organic search and finally referral. This Google Analytics data is another proof that CCK is not being able to convert new users since for a startup with no significant awareness in the market these numbers show that most of this 40, 85% of consultations are booked by returning subscribed patients.

<sup>34</sup> Since the online surveys demonstrated that consumers are not quite sensitive to endorsement strategies with establish insurance and/or healthcare companies it is important to reinforce that such partnerships need to be done with subscribed physicians/clinics in order to have a direct impact on patients.

<sup>35</sup> There is a strategy department where Duarte Champalimaud is the CEO and José Carlos Gomes the part-time CFO. There is also a marketing and communication department where two people work in full time and other, responsible for SEM activities works in part-time.

### ***Final Remarks***

After the extensive internal and external analysis one may finally dare to answer the research question “Why isn’t ConsultaClick generating the expected booking and new patients’ registration results?” (Appendix 15)

Firstly there is a possibility that ConsultaClick has been walking ahead Portuguese market trends since consumers still have to switch their habits to adapt to the e-health era. However this work project proved that the most powerful reasons are intensively focused on the patient’s target that shows lack of trust in ConsultaClick’s website particularly due to low awareness of the brand; service functioning and main advantages and not in the online appointment booking system specifically.

If one takes into consideration that ConsultaClick is able to overcome these barriers in a short/medium term and conquer a significant volume of patients it still probably need to invest in the operational processes, mainly in the technological one, in order to sustain its advantages in the market and keep a leadership position.

Once all strategies are successfully completed and key success factors are aligned with company’s business model the KPIs should show meet the strategic objectives and demonstrate the following developments, due to a decrease of rejection rates and an increase of registered patients which should trigger ConsultaClick’s business flow.

<b>Values from GoogleAnalytics</b>	<b>Those who start the process</b>	<b>% of users that dropout in the middle of the process</b>	<b>Conversion Rate</b>
New User Registration Process	2,9%	80,5%	0,6%
Complete Registration with Appointment Booked	2%	29,5%	1,4%

Table 6 – ConsultaClick actual KPI’s performance

<b>Values from GoogleAnalytics</b>	<b>Those who start the process</b>	<b>% of users that dropout in the middle of the process</b>	<b>Conversion Rate</b>
New User Registration Process	2,8%	24,6%	2,1%
Complete Registration with Appointment Booked	3%	10,0%	2,2%

Table 7 – ConsultaClick future KPI’s performance

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