Operator approaches to consumer healthcare range from large platform plays to focusing on market niches

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Operators are interested in the consumer digital healthcare market because it could generate new revenue. Some operators are reluctant to enter this market because of a lack of experience in the sector. Nonetheless, a good number of operators are active participants already, and their different approaches could suggest paths for other operators to follow. One approach is for operators to build multi-service propositions that respond to various consumer healthcare-related needs; another is to focus on a single specific healthcare service area.

Operators are responding to the growing consumer digital healthcare opportunity

Conditions for consumer digital healthcare have significantly advanced since the start of the pandemic due to shifts in consumer demand, regulation and stakeholder acceptance. The consumer digital healthcare market worldwide is worth over USD100 billion and is expected to grow. Its revenue growth potential has encouraged operators from many different countries to launch service initiatives in this area.

In our recent report, *Consumer digital healthcare: the full range of opportunities for operators*, we have categorised consumer-facing digital healthcare into the following six service areas:

- **telehealth** (virtual consultations with medical professionals)
- **wellness** (virtual support for everyday physical and mental health needs)
- **health data management** (active storage of personal health data)
- **health e-commerce** (online sales of pharmaceuticals and wellness products)
- **health finance** (health-related financial products such as health insurance or dedicated platforms for the transfer of funds for healthcare-related services)
- **assisted living** (remote support via sensors for the elderly and chronically ill at home).

Operators are present in all these areas (Figure 1), and this is reflected in our recently published case studies report: *Consumer digital healthcare: case studies and analysis*.

Figure 1: Operator involvement in the consumer digital healthcare market by service area

Operator	Telehealth	Wellness	Health data management	Health e-commerce	Health finance	Assisted living
Globe Telecom	Yes	No	Yes	Yes	Yes	No
Jio Platforms	Yes	Yes	Yes	Yes	No	Yes
KDDI	Yes	Yes	Yes	Yes	Yes	No
Proximus	Yes	No	No	No	No	No
Safaricom	No	No	No	Yes	Yes	No
Telefónica	Yes	Yes	Yes	Yes	No	No

Operator	Telehealth	Wellness	Health data management	Health e-commerce	Health finance	Assisted living
Telekom Slovenije	No	No	No	No	No	Yes
Telstra	No	No	Yes	No	No	No

Source: Analysys Mason

Operators are following two main approaches.

Approach 1: multi-service healthcare plays

This approach consists of building all-in-one platforms that cater to multiple health- and wellness-related needs in order to encourage everyday usage and build customer loyalty. For example, Globe Telecom's all-in-one app, HealthNow, enables users to hold video consultations with doctors, order prescription medicines for delivery and store personal medical information. Several operators favour this approach and some, such as Globe Telecom and Jio Platforms, offer a broad range of services. Most operators that take this approach are building rich partner ecosystems to provide the various platform services.

Critical enablers for players taking this approach are scale and established reputations as digital economy players. Jio Platforms, because of the size of its subscriber base and its links with assets (such as hospitals) that are owned by its parentco, can attract many partners as tenants on its platform. Globe Telecom has used its strengths in mobile financial services (MFS) to move into health insurance, and its in-country scale and reputation as a digital innovator have probably helped it to acquire partners.

Approach 2: concentrated plays

This approach involves building a service proposition that targets a specific service area or market niche and is favoured by a smaller set of operators that we profiled. Operators in this group vary in terms of ambition.

- Safaricom provides a platform that is focused on paying for healthcare services. Consumers can pay health insurance premiums and pay hospitals and clinics for services rendered. The platform is targeted towards a specific area within consumer healthcare but is by no means lacking in ambition or in scale. Safaricom has expressed an interest in exporting the platform across Africa and a large network of partners support the platform.

- By contrast, Proximus in Belgium runs a service, doktr, focusing exclusively on telehealth. It is simple in design and format; users sign in, describe symptoms, get contacted by a doctor for a video consultation and receive a certificate from the doctor afterwards.

With the exception of Safaricom, operators taking this approach tend to be pursuing these services tactically rather than strategically (they are not linking these services to their core telecoms offering or other services), and they are leveraging a small set of partners.

The simplicity of their services and approach is a key strength. Proximus can treat its doktr service as a standalone experiment, at least until there is more clarity about regulation. Similarly, Telekom Slovenije, which offers an assisted living service for the elderly and the chronically ill at home, can focus on best serving its customer niche in a way that might not be possible if it were offering a multi-service proposition.

Operators can afford to experiment and have an option to develop concentrated offerings into multi-service ones

The opportunities for operators to seek involvement depend on local market structures and regulatory conditions, but those looking to play a role should think carefully about what their strategic priorities and aims are.

Multi-service propositions can offer a high degree of differentiation and will be hard for other players in the market to replicate. At the same time, this approach requires active partner-seeking and will be hard for operators without market scale.

Concentrated plays, by contrast, enable operators to focus on a small number of services and allow for experimentation. If they do not work out, operators can retire their services relatively easily. If successful, they can be built out into multi-service propositions, and operators following the multi-service route should be aware of this too. Concentrated plays are an effective way for operators to enter the market in countries where there remains some uncertainty around the development of digital healthcare regulation.

Operators should also think about what they are seeking to achieve with consumer digital healthcare plays. Most are currently seeking to generate revenue. Bundling consumer digital healthcare services with telecoms services seems prudent once operators have established demand for their product, and it may even work as a churn management tool. Operators should, however, avoid thinking about only selling to their own base at this point and focus instead on selling to wider audiences.