Well-being Industry Trends 2018
SEARCH WITH CONFIDENCE
Consultant
Survey:
Well-being
Industry Trends
Profile of Respondents

With 9 of the 10 largest employee benefits consultants in the country using Shortlister, we’re in a unique position to objectively report industry trends and employer purchasing behaviors.

This year, we had 144 unique respondents, representing 51 benefits consulting firms.
After analyzing the volume of business placed by our responding broker/consultant partners in 2017, we estimated that more than 2,263 bid processes were conducted representing over 3,250,000 employee lives.

To segment out respondents, we decided to categorize them by the size of the clients they serve. The respondents were split into two groups of about the same size and used employers of 5,000 lives or more as the demarcation line:

49% work with the large employer market, where they represent clients with over 5,000 employees.

51% work with the small and mid-sized employer market, where they represent clients with less than 5,000 employees.

The large market group represented 80% of the bid volume vs. 20% for the small & mid-sized market.

- **Total Respondents**: 49% Large, 39% Mid, 12% Small
- **Employee Lives**: 80% Large, 19% Mid, 1% Small
**Impacting Future Success**

What trends or innovations in the market have you seen and believe will help improve the effectiveness of corporate well-being programs in the future?

- **64% Total Well-being & Engagement**
  - “Greater focus on the culture & environment and less on screenings & incentives”
  - “Create an environment that supports behavior change through healthy food options, leadership training for managers/supervisors and safety campaigns”

- **40% Addition of “Point Solutions”**
  - Financial Well-being
  - Mental Well-being (Mindfulness, Resilience, etc.)
  - Diabetes Prevention & Management Programs
  - Tobacco Cessation
  - Advocacy

*Some responses touched on multiple trends*
What trends or innovations in the market have you seen and believe will help improve the effectiveness of corporate well-being programs in the future?

**25% Mobile-first Solutions**

“A mobile app can improve program effectiveness by creating a central point where users can access all aspects of the wellness program”

“Improved ability to personalize communication to members and boost engagement”

**21% Agnostic “HUB” Platforms**

“Resource aggregators where niche vendors/employer resources can be “plugged in”

“Wanting a ‘one-stop shop’ platform”

“Consolidated dashboard and reporting on population utilization & engagement”

*Some responses touched on multiple trends*
Trending Priorities

Broadening the focus of traditional “physically focused” wellness programs to become more holistic (adding financial, social & mental well-being) has made agnostic “HUB” platforms a necessity to organize an ecosystem of targeted “point solutions”

This more holistic focus, along with an changing legal landscape, has led to a shift away from outcomes-based wellness programs.

A desire for a broader scope of services, and more sophisticated offerings, has accelerated the shift away from carrier-based wellness offerings.

<table>
<thead>
<tr>
<th>Client’s Approach</th>
<th>Less</th>
<th>Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shifting to a total “well-being” approach over physical health program</td>
<td>1%</td>
<td>15%</td>
<td>84%</td>
</tr>
<tr>
<td>Adding more niche “point solutions” (e.g., diabetes management, mental well-being, financial wellness, etc.)</td>
<td>1%</td>
<td>20%</td>
<td>79%</td>
</tr>
<tr>
<td>Desiring mobile-first or native mobile app programs for their employees</td>
<td>1%</td>
<td>26%</td>
<td>73%</td>
</tr>
<tr>
<td>Prioritizing wellness/well-being as a business objective</td>
<td>5%</td>
<td>30%</td>
<td>65%</td>
</tr>
<tr>
<td>Asking about a platform/hub to combine all of their benefit initiatives (transparency, telemedicine, etc.)</td>
<td>5%</td>
<td>32%</td>
<td>63%</td>
</tr>
<tr>
<td>Implementing a wellness program via a third party vendor</td>
<td>9%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Changing their wellness vendor</td>
<td>12%</td>
<td>53%</td>
<td>35%</td>
</tr>
<tr>
<td>Implementing outcomes-based wellness programs</td>
<td>47%</td>
<td>36%</td>
<td>18%</td>
</tr>
<tr>
<td>Opting for carrier wellness program over a third party vendor</td>
<td>48%</td>
<td>37%</td>
<td>15%</td>
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</table>
## Executive Summary of Market Trends

**Growing desire for solutions that are mobile-first or have a “native” app**

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Desire for programs that are mobile-first or have a native mobile app</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4%</td>
<td>34%</td>
<td>62%</td>
<td>1%</td>
<td>26%</td>
<td>73%</td>
<td>🔄</td>
</tr>
<tr>
<td>Shifting to a total “well-being” approach</td>
<td>3%</td>
<td>24%</td>
<td>73%</td>
<td>0%</td>
<td>10%</td>
<td>90%</td>
<td>1%</td>
<td>15%</td>
<td>84%</td>
<td>🔄</td>
</tr>
<tr>
<td>Adding more niche “point solutions” (e.g., diabetes management, mental well-being, financial wellness, etc.)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>19%</td>
<td>81%</td>
<td>1%</td>
<td>20%</td>
<td>79%</td>
<td>🔄</td>
</tr>
<tr>
<td>Asking about a platform/hub to combine all benefit initiatives</td>
<td>11%</td>
<td>40%</td>
<td>49%</td>
<td>4%</td>
<td>32%</td>
<td>64%</td>
<td>5%</td>
<td>32%</td>
<td>63%</td>
<td>🔄</td>
</tr>
<tr>
<td>Prioritizing wellness/well-being as a business objective</td>
<td>0%</td>
<td>26%</td>
<td>74%</td>
<td>1%</td>
<td>26%</td>
<td>73%</td>
<td>5%</td>
<td>30%</td>
<td>65%</td>
<td>🔄</td>
</tr>
<tr>
<td>Implementing outcomes-based wellness programs</td>
<td>25%</td>
<td>33%</td>
<td>42%</td>
<td>42%</td>
<td>43%</td>
<td>29%</td>
<td>47%</td>
<td>36%</td>
<td>18%</td>
<td>🔄</td>
</tr>
</tbody>
</table>
What are the Top 3 “Must Haves”?

1. Challenges 42% (61/144)
2. Biometrics 39% (56/144)
3. Health Assessment 25.5% (37/144)

Top 5 “Must Have’s”

1) Challenges
2) Biometrics
3) Health Assessment
4) EAP
5) Health Coaching

23 Total Categories were Ranked
What are the Top 3 “Declining in Demand”?

1. Health Assessment 46% (66/144)
2. Biometrics 39% (56/144)
3. Onsite Exercise 31% (45/144)

Top 5 “Declining”
1) Health Assessment
2) Biometrics
3) Onsite Exercise
4) Health Coaching
5) Wearables

23 Total Categories were Ranked
What are the Top 3 “Growing Demands”? 

1. Financial Wellness  
   - 73% (105/144) 

2. Mental Well-being  
   - 50% (72/144) 

3. Clinic  
   - 25% (36/144) 

Top 5 “Growing Demand”:

1) Financial Wellness 
2) Mental Well-being 
3) Clinics 
4) Diabetes 
5) Telemedicine 

23 Total Categories were Ranked
What are your thoughts on the Financial Wellness solutions available in today’s market?

“I have yet to come across one really great solution, for a reasonable price, that can easily be plugged into an existing program. In theory, it’s great. In practice, I struggle to find great partners to do this.”

“If financial wellness is not part of an existing vendor’s solution, then the client needs to secure yet another vendor to provide that solution. The client often does not have the appetite or budget for that approach.”

“Clients are interested, but many are kicking the tires and not proceeding with a vendor selection.”

“It is a topic most clients are asking about. I think that it is important to include in a total wellbeing approach.”

“I think the industry has a long way to go. Financial wellness tools are in their infancy.”

4% Can’t justify the budget
7% Not sure what to make of it
43% We see value but vendors and programs need to improve
35% They are important and will continue to grow in popularity
12% I see little value thus far

“Clients are interested, but many are kicking the tires and not proceeding with a vendor selection.”

“It is a topic most clients are asking about. I think that it is important to include in a total wellbeing approach.”

“I think the industry has a long way to go. Financial wellness tools are in their infancy.”
What “point solutions” do you expect to get the most traction with your clients in 2018?

1. Stress, Resilience & Mindfulness
   54% (78/144)

2. Diabetes Management & Prevention
   42% (60/144)

3. Sleep
   19% (28/144)

Next 5 “Point Solutions”

1) Financial Wellness
2) Tobacco Cessation
3) Weight Management
4) Disease Management
5) Nutrition

18 Total Categories were Ranked
What products or services does HR most commonly focus its budget & attention on instead of wellness?

1. HRIS
   28% (17/60)

2. Benefits Administration
   23% (14/60)

3. Recruitment
   10% (6/60)

Next 5 Products/Services

1) Payroll
2) Learning & Development
3) Rewards & Recognition
4) Point Solutions
5) Employee Assistance Programs (EAP)

12 Total Categories were Ranked
Key Factors When Selecting a Vendor

What are the key factors when an employer does select a vendor partner?

<table>
<thead>
<tr>
<th>Component</th>
<th>Mid-Market</th>
<th>Large Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing</td>
<td>44%</td>
<td>30%</td>
</tr>
<tr>
<td>Demo of portal / participant experience</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Vendor’s RFP response (capability detail)</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Finalist presentation</td>
<td>7%</td>
<td>16%</td>
</tr>
<tr>
<td>Vendor’s RFI response (capability detail)</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Sales Representative</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Reference checks</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Besides pricing, select the top three features that most often end up as the deciding factor for your clients when selecting a well-being vendor:

<table>
<thead>
<tr>
<th>Answer</th>
<th>All %</th>
<th>Mid-Market %</th>
<th>Large Market %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to customize to employer needs</td>
<td>78%</td>
<td>76%</td>
<td>80%</td>
</tr>
<tr>
<td>Product/technology capabilities</td>
<td>67%</td>
<td>64%</td>
<td>70%</td>
</tr>
<tr>
<td>Ease of integration with other program components</td>
<td>34%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Innovation potential / road map</td>
<td>23%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>Confidence in account service team</td>
<td>26%</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Evidence of results (ROI, VOI, etc.)</td>
<td>26%</td>
<td>26%</td>
<td>27%</td>
</tr>
<tr>
<td>Communication/promotional support</td>
<td>25%</td>
<td>36%</td>
<td>13%</td>
</tr>
<tr>
<td>Reporting</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Closing Thoughts

SUMMARY OF KEY TRENDS

1) Evolution from “Wellness” to “Well-being”

Employers are broadening their focus beyond traditional, “physically focused” wellness to take a more holistic approach and drive employee engagement.

2) Growing interest in a diverse array of “Point Solutions”

A more holistic focus is driving interest in diverse “point solutions” (financial wellness, diabetes management, mental well-being, etc.) in an effort to provide desirable resources for all employees.

3) Agnostic “HUB” platforms to aggregate the myriad of solutions

Platforms centralize resources for employees, while providing “Admin Dashboards” for the employer to report on member activity in real-time.

4) “Mobile-first” solutions that improve access and personalization to the member, resulting in improved engagement

Demand for mobile-first solutions increases as employers view “apps” as a way to personalize communications & content to an individual member’s needs.