

Healthcare Strategy **alert!**

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Marketing Powers Up and Pushes On

At the Thirteenth National Forum on Customer Based Marketing Strategies this past April, I was struck by the energy in the air. Healthcare marketers seem to have a new intensity as they not only tackle challenges related to increased consumerism but also seek to optimize the use of new versus traditional media.

At the same time, they're dead-set on demonstrating marketing's value to their organizations, and its role as more than a communications function. As a challenge that has confounded marketers for some 30 years, that's a tough one, but one for which marketers increasingly have the tools to address.

So the conference could not have come at a better time—and in this issue, we present some of the highlights. Along with insights from senior marketers on the role and charge of healthcare marketing, you'll find tips for conducting a marketing audit, integrating new media into your marketing mix, and understanding physicians—a key customer group for healthcare marketers.

Read on, and learn how to direct that new-found energy for maximum impact.

Judy Neiman, President
Forum for Healthcare Strategists



Opening Doors

The Path to Marketing Success

By **Darcie Cross**

After 30 years, where does healthcare marketing stand? Why aren't more healthcare marketers an integral part of the "C-suite," a position accorded marketing in other industries? In fact, why is marketing still defined as "promotion" in many healthcare organizations? And, what can marketers do to address these issues? These were the questions posed to a focus group of 11 senior-level marketing leaders at the Customer Based Marketing Strategies conference in Phoenix, AZ, in April 2008.

After two hours of lively discussion facilitated by **Sandy Rebitzer**, Principal, Sandy Rebitzer Marketing Associates, Chicago, IL, it was clear that healthcare marketers are faced with time worn challenges, as well as some critical new ones. Pointing to a new intensity and an undercurrent of fundamental change happening in healthcare marketing—spurred by consumerism, transparency, new media, new competition, and evolving physician relationships—the group expressed optimism that marketing can be a major contributor to hospitals' success in this changing environment.

But they also called attention to the need for healthcare marketers to overcome several challenges that continue to

confound them even after three decades of experience—namely, credibility with senior leadership, measuring return on investment (ROI), and proving marketing's value to the organization. Here are the panel's key insights.

About the patient experience

First and foremost, marketers can't hope to succeed if hospital services fall short of consumer expectations. While quality outcomes are assumed, it is the rest of the care experience that sets hospitals apart from their peers in the eyes of patients. Yet the industry's response to consumerism has been frustratingly slow, say panel members, and marketers are anxious to speed up the process. With their knowledge of consumer demands

Knowledge Link

New research from Thomson

Reuters can help marketers optimize their use of hospital ratings. To download *The Target Market for Top Hospital Ratings*, go to provider.thomsonhealthcare.com and click on Articles and Research.



and behaviors, marketers are uniquely valuable to hospitals when it comes to designing more consumer-centric service offerings—and they should be called upon to help. “That’s where the core marketing of an institution happens: in the service offering, not in brochures, websites, or newsletters, although these are all important communication tools,” asserts **Patricia Cluff**, Chief Marketing & Strategic Relations Officer, University of Virginia Health System, Charlottesville, VA.

Panelists agreed that responding to consumerism demands improving the patient experience. Yet, **Larry Margolis**, President and Chief Marketing Officer, SPM Marketing and Communications, LaGrange, IL, notes, “Even today, the approach that many hospital executives are taking toward consumerism is incredibly superficial. They know they have to improve service and create a better experience, but their actions suggest that they are not serious about doing it right.”

Suzanne Sawyer, Chief Marketing Officer, University of Pennsylvania Health System, Philadelphia, PA, adds, “Some hospitals are super-focused on quality but don’t really ‘get’ consumerism. They need to pay more than lip service to the patient experience, and recognize that it’s not an either/or situation. Marketers at organizations that focus on *just* quality or *just* the experience will find it difficult to compete.”

For the best results, hospitals need to align marketing with the operations of the

organization and bring marketing in early when retooling a process or service. “If marketers seek to successfully build business for something like a heart center,” continues Sawyer, “they should begin with a disciplined process of assessing the market readiness of the service line and suggesting process improvements that resonate with customers.”

And if hospitals fail to offer the kind of customer service that patients are seeking, new competitors will jump in to fill the gap. According to **Kent Seltman, PhD**, Senior Marketing Consultant, Mayo Clinic, Rochester, MN, “We are seeing significant changes in the way healthcare is delivered. As the bricks and mortar models evolve into something new, it’s critical that marketers play a key advisory role in the designs of new care delivery mechanisms.”

Richard Keck, President, StratEx, LLC, Seattle, WA, concurs. “Disintermediation of hospital providers is almost upon us. Patients are asking: could I get care somewhere else, and would it be less expensive and more convenient? Often doctors and niche providers are showing us that the answer is absolutely ‘yes!’ So marketers at small and mid-sized community hospitals most threatened by new entrants need to prove their reason to exist—and to drive growth in spite of the competition—or they could become an endangered species.”

And as new competitors continually enter the healthcare arena, offering consumer-friendly options and shaking up traditional market dynamics, the panel noted that the job of marketers has become far more complex. Hospitals, and their marketers, must work harder than ever to find sustainable points of differentiation, and convey these in a way that consumers will value.

About protecting the brand

Judy Neiman, President, Forum for Healthcare Strategists, Chicago, IL, commented on influencing the brand using new media. “Historically, the portfolio of methodologies that marketers used to promote the brand didn’t change a lot,” Neiman notes. “Not so today. Hospitals still use traditional media, but now there’s an

explosion of new marketing channels and multimedia tools with amazing possibilities to expand marketing’s reach.”

While the Internet enables marketers to convey brand information to consumers through websites and electronic communication, it also allows consumers to talk with each other, and these conversations typically take place off of the organization’s website. Today, anyone with access to a computer can post ratings, opinions, blogs, videos, and e-mails in real time, anytime and anywhere, even from a hospital bed. What they post can be either positive or negative, so it’s essential that marketers know just what is being said about the organization, participate in web forums, and be prepared to respond quickly if the brand is threatened.

Seltman adds, “New media bring new risks to brand image. If someone posts an incendiary video about an institution, it could be very damaging. It’s true that marketers have never been able to control word of mouth, but with the opportunities afforded by the web, word of mouth becomes unlimited. Marketers must monitor new media to know what the public is saying about their brand and be prepared to react if a crisis occurs.”

In addition, although marketers can’t control every touch point of patient care, they should know whether or not clinical caregivers are supporting the brand promise. Says **Marilyn Wilker**, Senior Director, Communications, Cleveland Clinic, Cleveland, OH, “It’s getting more difficult for marketers to act as stewards of the brand as healthcare becomes more commoditized. So it’s more critical than ever for clinical leadership to buy-in to the brand promise at the point of patient care. And while physicians are trained to fix medical problems, they may need marketers to help them understand the importance of influencing the ‘emotional end benefit’ of the patient interaction.”

Frontline employee support is also critical for brand credibility. Senior leadership needs to

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make sure that the brand image marketers are asked to convey is genuine and that employees are upholding the brand promise, every day, with every patient. If the entire hospital team isn't passionate about the brand, marketers may have an impossible task. "Employees can hijack the brand image if they are unhappy and untrained," notes Cluff. "No amount of marketing money thrown at the brand image can undo the damage if an organization's culture doesn't promote excellent frontline interactions with patients."

Linda MacCracken, Vice President, Business Development, Healthcare, Thomson Reuters, Evanston, IL, suggests a solution: "Given the increasing focus on employee training for safety and corporate policies and practices, would that venue enable marketing to more broadly deploy brand training to all employees as well?"

About physician relationships

One of the greatest challenges for

marketers is the complexity of building and executing a marketing strategy in light of the mixed models for physician alignment with the organization.

Kriss Barlow, Principal, Barlow/McCarthy, Hudson, WI, reflected on today's continuum of different physician integration models. "It's a challenge for marketing to function when we have a spectrum of concurrent, different types of physician alignment structures, ranging from independent private practice physicians to employment models," Barlow explains. "Marketers must develop appropriate and productive relationships with physicians, within legal limitations, and deal with issues of morale, physician shortages, and other 'hot buttons' that can characterize physician relations."

Wilker adds, "Physician alignment challenges are enormous. For example, the Cleveland Clinic, at its core, was an employed physician model, but has grown to include independent physicians, hospitals, and other entities. Marketing success in our

organization depends on creating alliances and common goals and objectives."

Regardless of the physician models, the group agreed that driving growth through marketing works best when the incentives of administration and those of physicians are aligned. Cluff suggests, "There needs to be a shared value system at the executive table between administration, staff, physicians, and, at academic medical centers, faculty before you can expect marketing success. If you are not solid in what you want to accomplish as a team, it sets you up for poor performance."

One way marketers can help improve the way hospitals interact with their physicians is by providing doctors with valuable marketing and business skills training. Barlow says, "We've made little progress over the years in developing physicians' business savvy. Marketing has an obligation to teach physicians better, and especially to embrace new physicians just beginning their careers to help them manage the business aspects of their jobs."



10 Steps for Effective Marketing

- 1 Align marketing with strategy.** Prioritize all activities in alignment with the organization's strategic plan, and involve marketing staff from the beginning in all business planning and service line development.
- 2 Demonstrate results.** Measure and communicate metrics that quantify marketing results, and convey those results regularly to the Board, senior management, physicians, and staff.
- 3 Cultivate working relationships** and act as a resource for physicians, regardless of alignment model (within legal limitations).
- 4 Produce better marketing plans.** They should be strategic and comprehensive, not merely communication and promotion tactical plans.
- 5 Collaborate with human resources** to offer customer service and brand training to all employees.
- 6 Be a lifelong learner and teacher.** Study and apply the principles of service marketing, network and cross-pollinate ideas and best practices through professional marketing associations, and mentor young marketers.
- 7 Monitor quality.** Ensure that the patient experience supports the brand promise, know your institution's ratings on external report cards, and be prepared to respond when necessary.
- 8 Explore new media channels** and tactics—and implement those that align with strategic goals.
- 9 Monitor social media** and facilitate consumer conversations about your offerings.
- 10 Initiate an audit** of your marketing department—and implement changes that improve the function.

About the role of healthcare marketers

One message came through loud and clear. After 30 years as a discipline, healthcare marketing is still struggling to find its voice in the organizations it serves. **Richard Slack**, Principal, Slack & Associates, Inc., Phoenix, AZ, said it succinctly, “When budgets are cut, marketing and planning are hit first. Why? Because they haven’t been established yet as vital functions.”

Part of the problem is the difficulty in measuring marketing ROI. Slack continues, “We need accurate, complete service line-specific market share and outcomes data, especially for outpatients, in order to prove marketing’s impact. It’s hard for marketers to track results and establish credibility with senior leadership when market share data bases are incomplete.”

Another problem occurs when marketers fail to take a strategic approach. “Marketers have to take some of the blame for their difficulties in getting a seat at the executive table because they tend to be tactical, and not strategic,” notes Margolis. “Not nearly enough hospitals develop a detailed marketing plan, and when they do, it is often merely a communications plan. And marketers should never have to ask which service lines they should be marketing—this should be obvious from the strategic plan, as it is for organizations in other industry sectors.”

MacCracken agrees, “Alignment of the marketing department with planning and operations is essential. The chance to target business focus on growth or engaging target customers is a shared business activity, and partnered activity.”

The group suggested that marketers might improve their value proposition to their organizations if they adopted some marketing philosophies common in other sectors. Seltman advises, “Many healthcare marketers are not aware of the discipline of service marketing, which teaches broader marketing concepts through decades of research and study. Marketers should reconnect with the wealth of academic knowledge in books, journals, and publications to inform a more strategic approach.” Sawyer adds, “Marketers should partner with business schools to help with

training and education. Academic medical centers in particular have access to a rich source of opportunities and resources to tap into for business skill training.”

Closing the meeting, Rebitzer noted that these challenges fall into two buckets: things that marketers can directly control (such as drafting strategic marketing plans that align with overall organizational strategy) and things they can influence but not control (overall demand, word of mouth). “The key to success,” concludes Rebitzer, “is to engage in a dialogue with a variety of constituencies—from consumers to physicians to employees—and then focus marketing efforts on strategies that can yield the most positive results.”

Given the rapid pace of change in healthcare today, the opportunities for marketers to take action and contribute to organizational growth are many and varied. Marketers who combine solid action with diligence in sharing their expertise and measuring and communicating marketing’s effectiveness stand an excellent chance of getting the CEO’s attention and raising the department’s profile. In turn, both the organization and its customers will benefit from marketing’s leadership in designing and implementing customer-focused strategies. ○

Sources

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Quick Quotes

Workforce

“Recruitment and retention are huge issues, and marketing can help. At our facility, the average age of an OR nurse is 55 and that’s not a sustainable model. Planning and executing long- and short-term workforce strategies is vital, and marketing’s expertise offers nice synergies for aiding in this effort.”

Patricia Cluff, Chief Marketing & Strategic Relations Officer, University of Virginia Health System

Demand

“Baby boomers are going to fuel volumes no matter what, so if marketing’s function is limited only to driving demand, marketing could become irrelevant.”

Kent Seltman, PhD, Senior Marketing Consultant, Mayo Clinic

Academic Medical Centers

“An AMC that is full, yet still looking to build profitable growth, should consider affiliation and partnership strategies with community hospitals to expand the subspecialty network. These affiliations help each group focus on what they do best.”

Suzanne Sawyer, Chief Marketing Officer, University of Pennsylvania Health System

Metrics

“The most successful marketing departments internally manage their visibility and reputation against quantitative outcomes.”

Richard Slack, Principal, Slack & Associates, Inc.

Accountability

“Marketers need respect, power, authority—and results—to prove their contribution to the bottom line.”

Richard Keck, President, StratEx, LLC

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