

RKM

RESEARCH AND
COMMUNICATIONS

Dig deeper.

CLIMB HIGHER.



Dig deeper.
CLIMB HIGHER.

Overview of this presentation

■ Building a Stronger Hospital Brand.

A hospital path of adoption framework to better understand and prioritize your brand strategy.

A definition of a patient-advocate and the role advocates play in promoting your hospital's brand.

Why hospitals should manage and message to advocacy (to strengthen a brand).

Show results from a national model of ER advocacy.

Show results from 2 hospitals (to strengthen emergency departments).

RKM

RESEARCH AND
COMMUNICATIONS



Dig deeper.

CLIMB HIGHER.

What is this presentation really about?

- **Where do patients come from?**
- **How can I attract more of them?**
- **How can I keep them using my hospital in the future once I get them to use my hospital for the first time?**

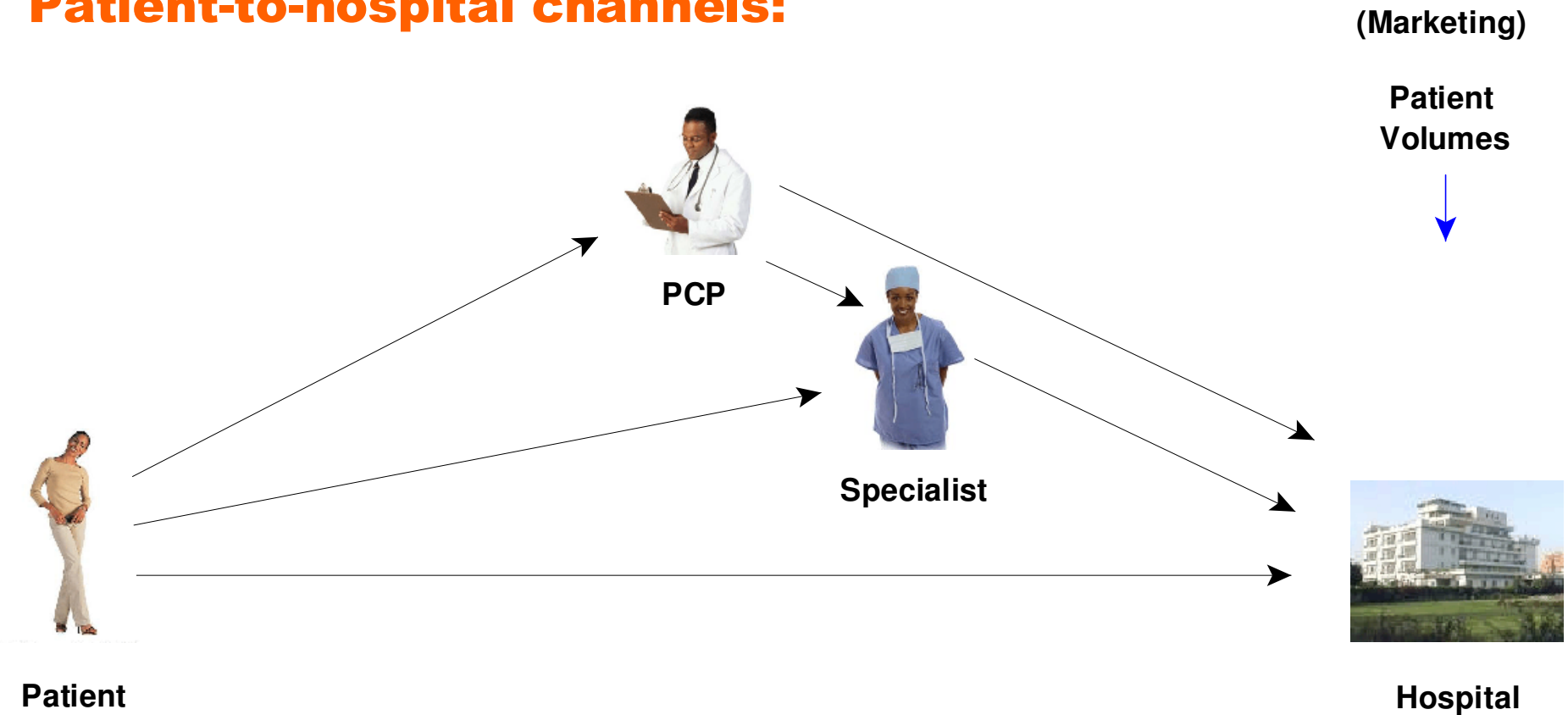
RKM

RESEARCH AND
COMMUNICATIONS



Dig deeper.
CLIMB HIGHER.

Patient-to-hospital channels:





Patient-to-hospital channels are driven by impressions:

■ Impressions are based on 3 primary sources of information and influence

Direct, first-hand experience:

What a consumer experiences when they see or use a hospital.

Indirect, second-hand word-of-mouth:

What others say about a hospital.

Mediated, third-party sources:

Controlled: Advertising, public relations, public affairs, marketing and other paid strategies.

Uncontrolled: HealthGrades.com, HospitalCompare.hhs.gov, US News and World Report.



1. Where do patients come from?

- **How do they choose a doctor (PCP)?**
- **How do they choose a specialist?**
- **How do they choose a hospital?**

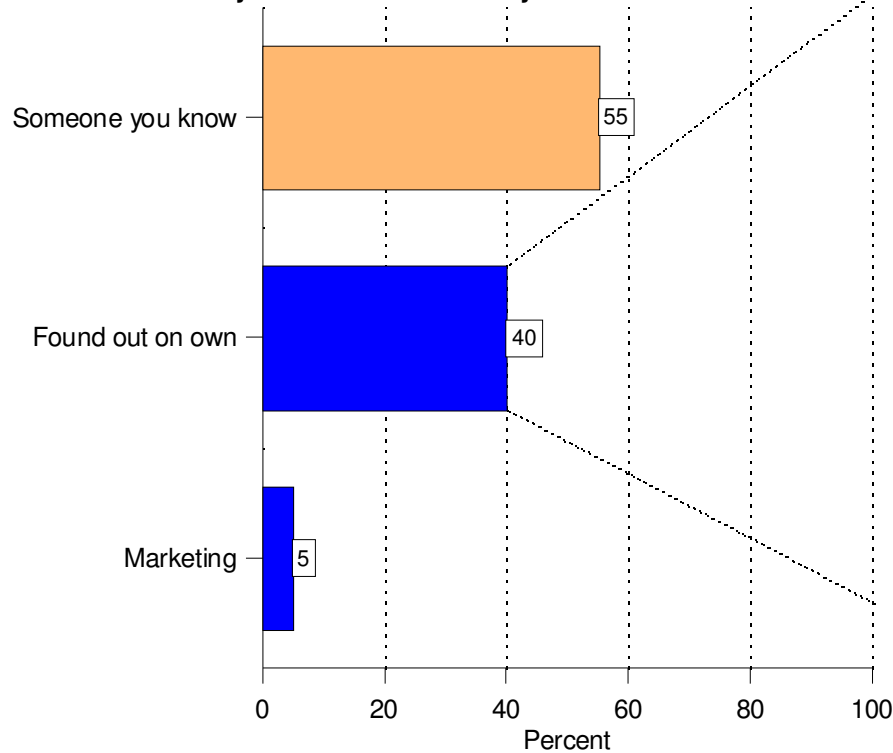


Dig deeper.
CLIMB HIGHER.

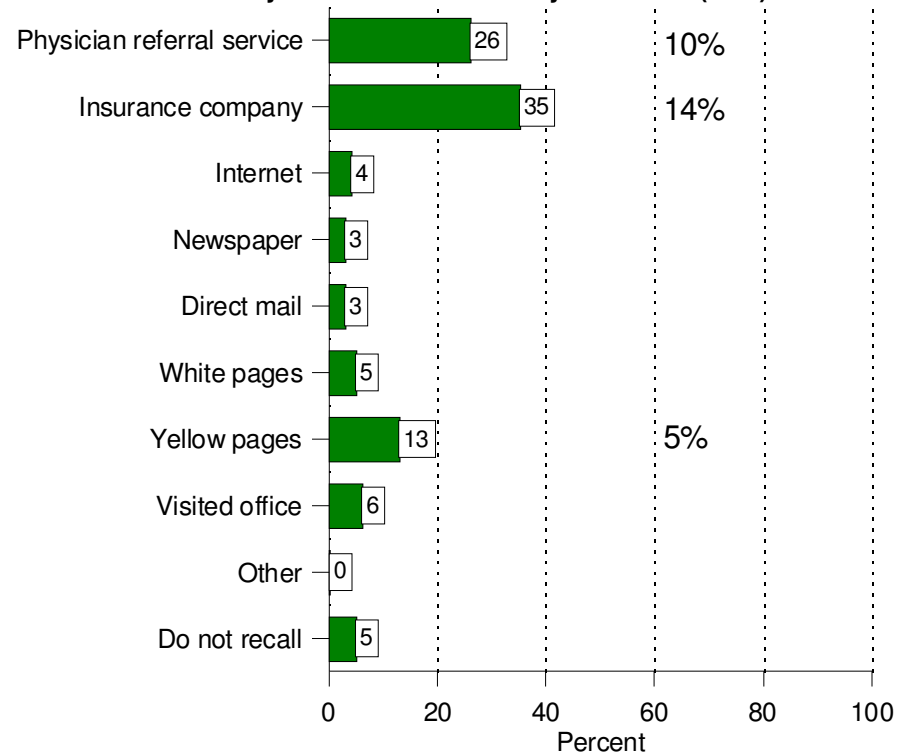
What drives patient traffic to doctors (PCPs)?

[Among 93% of American adults who have a PCP]

How did you first find out about your current doctor?



Where did you look for info about your doctor (40%)



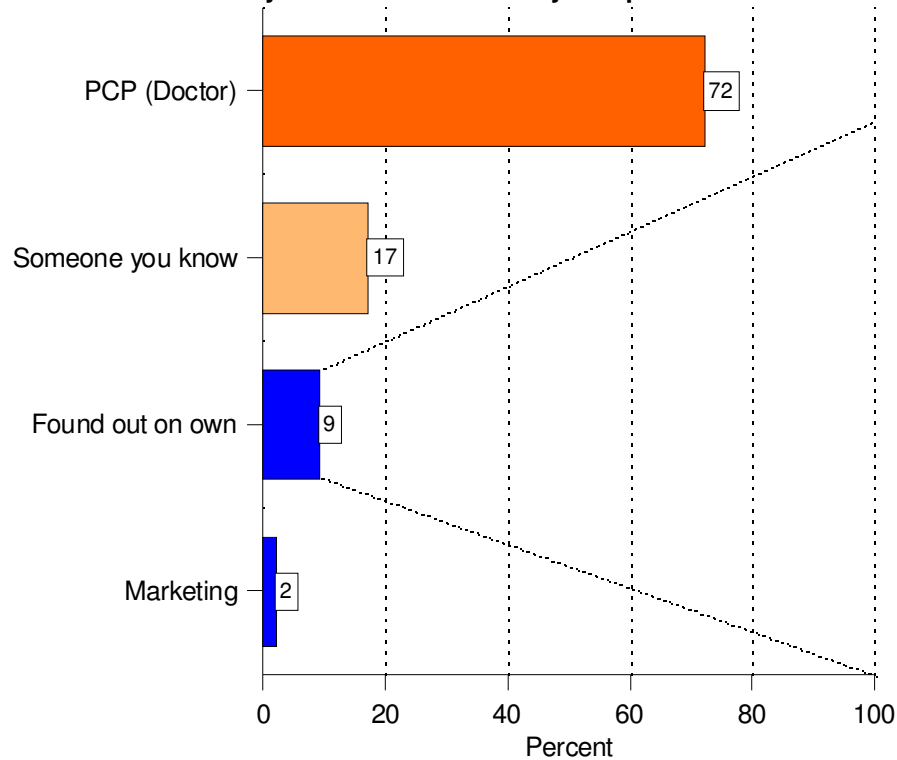


Dig deeper.
CLIMB HIGHER.

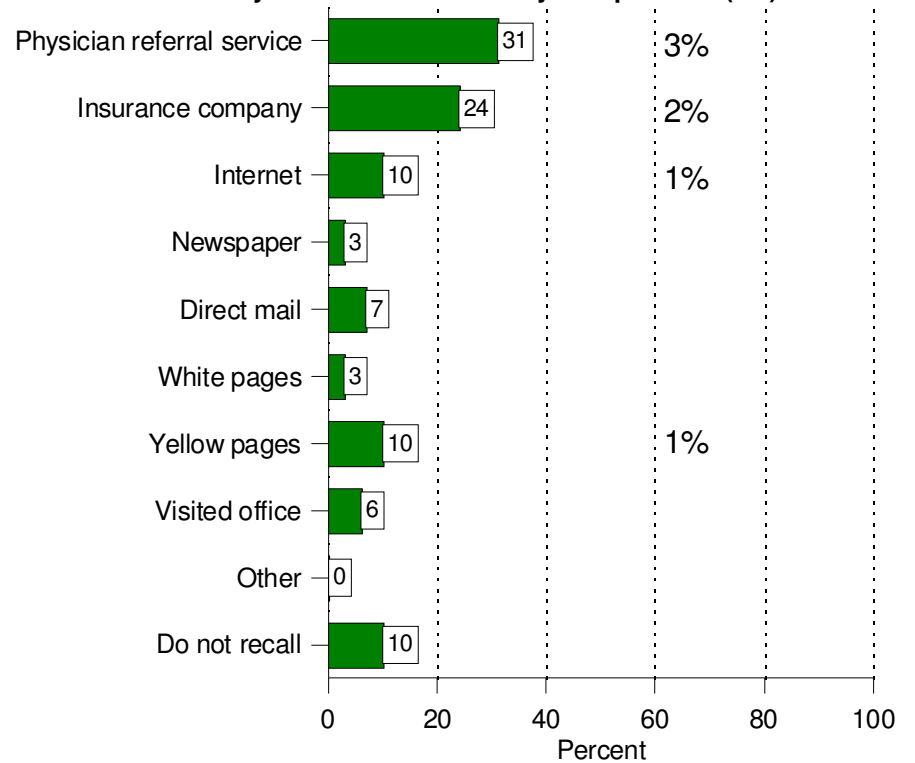
What drives patient traffic to specialists?

[Among 45% of American adults who have a specialist]

How did you first find out about your specialist?



Where did you look for info about your specialist (9%)

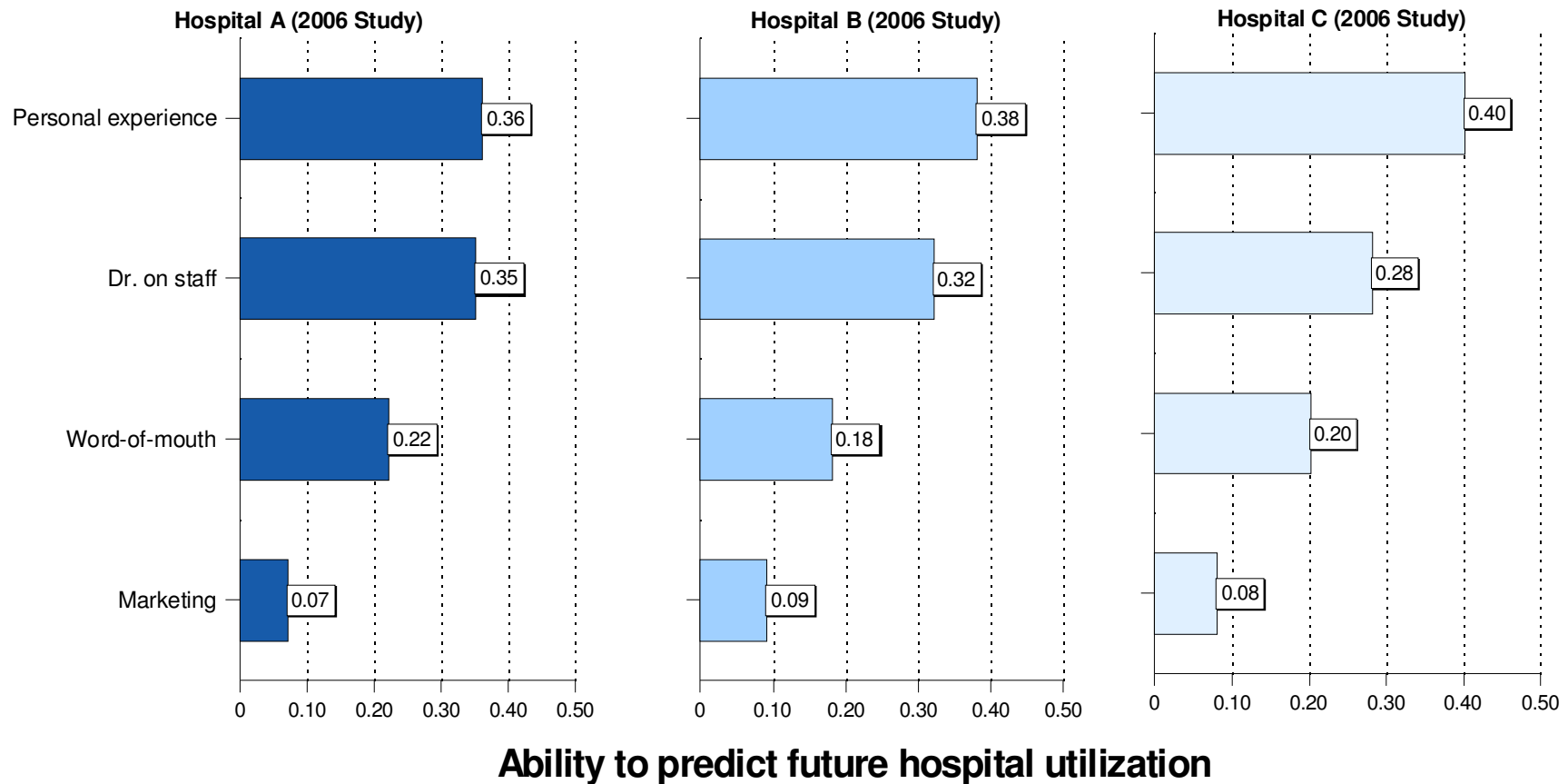




Dig deeper.
CLIMB HIGHER.

What drives patient traffic to hospitals?

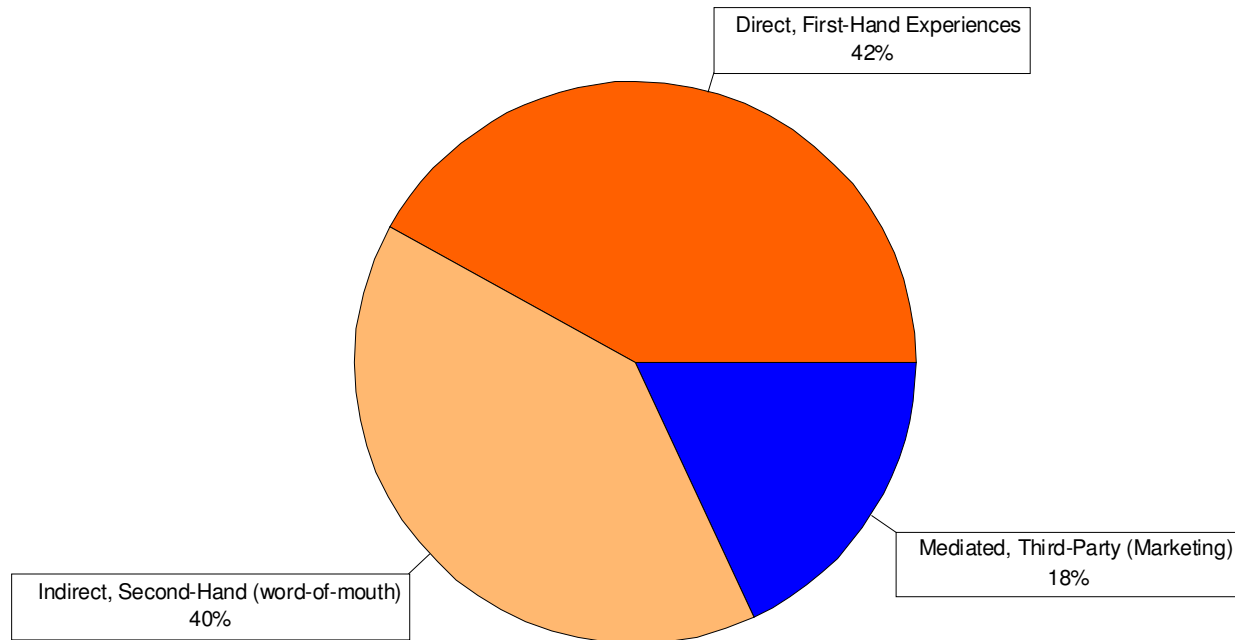
[Based on OLS multiple regression]





Dig deeper.
CLIMB HIGHER.

Which impression sources drive hospital utilization?





Consumers' healthcare decision-making

- **Formal and informal social networks drive most healthcare decision-making.**
- **The content of the conversations within those networks is critical to a hospital's brand.**
- **The dialogue between providers, hospital employees and patients will either enhance or erode the value of a hospital brand over time.**

Managing Word of Mouth for Leadership Success: Connecting Health Care Strategy and Reputation
(Foundation of the American College of Healthcare Executives, 2004).



Dig deeper.
CLIMB HIGHER.

What is marketing?

- **Marketing is Everything, and Everything is Marketing.**

Regis McKenna (Harvard Business Review, 1991)

Marketing is anything that contributes toward, or takes away from, the likelihood that patients will choose your hospital rather than your competitor.



Dig deeper.
CLIMB HIGHER.

Implications for marketing hospital services:

■ **Broaden your perspective:**

Marketing includes strategic planning.

Marketing includes physician / nursing staff recruitment.

Marketing includes physician relations.

Marketing includes facility maintenance.

Marketing includes human resources.

Marketing includes operational planning.

RKM

RESEARCH AND
COMMUNICATIONS



Dig deeper.
CLIMB HIGHER.

Hospital path of adoption

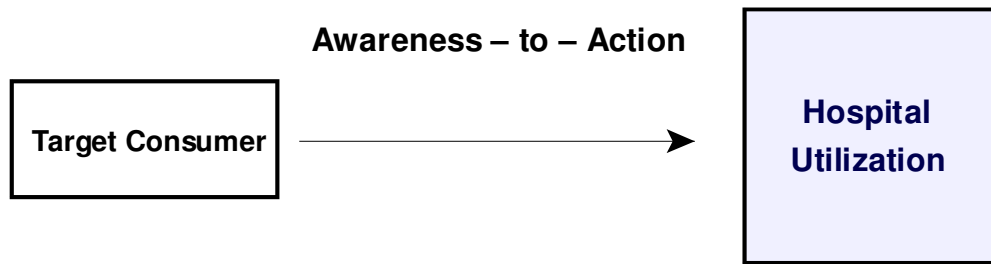
- **A framework for re-thinking your brand strategy.**

Variable of Interest



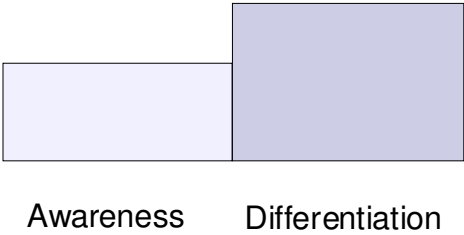
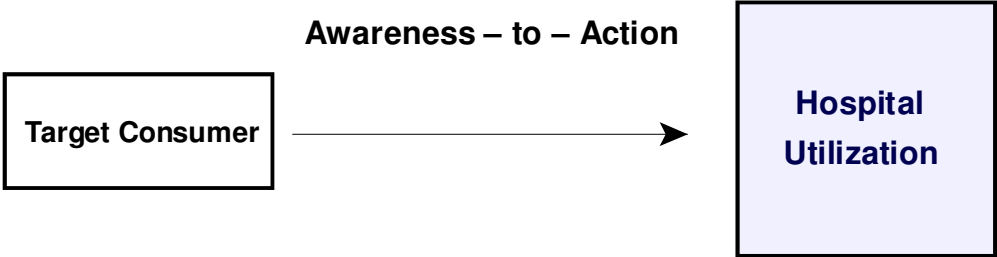
Patient Volumes

Path of Hospital Adoption

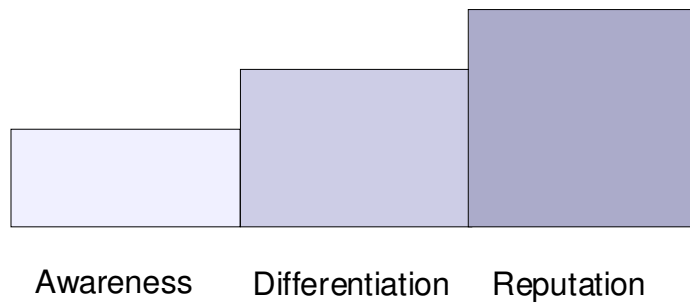
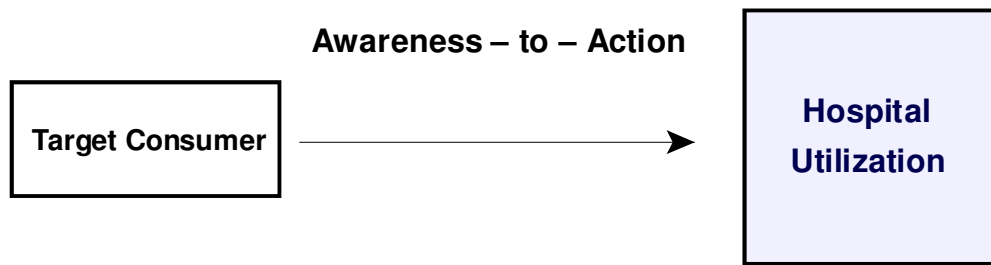


Awareness

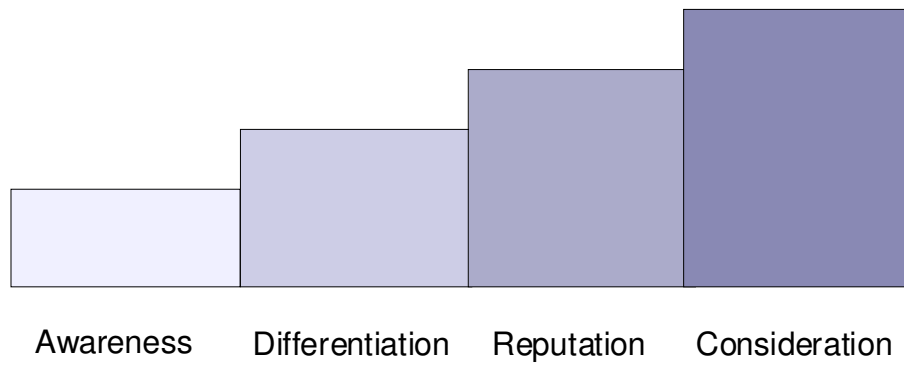
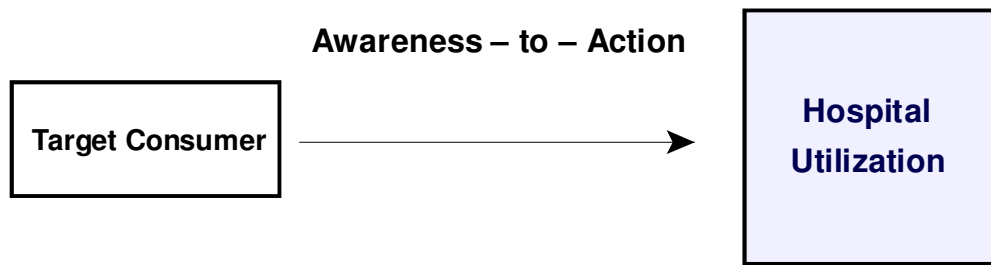
Path of Hospital Adoption



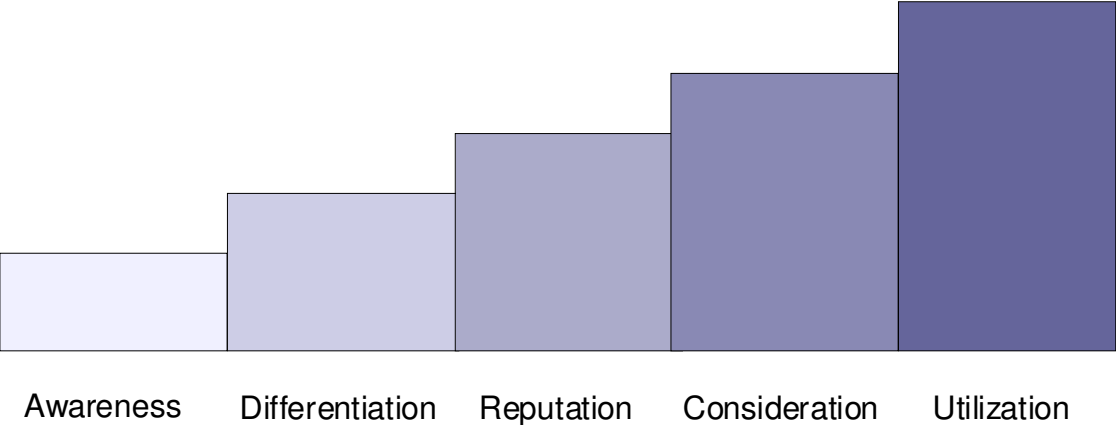
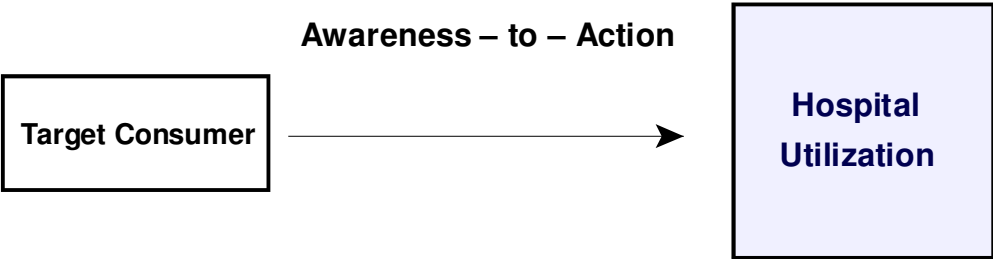
Path of Hospital Adoption



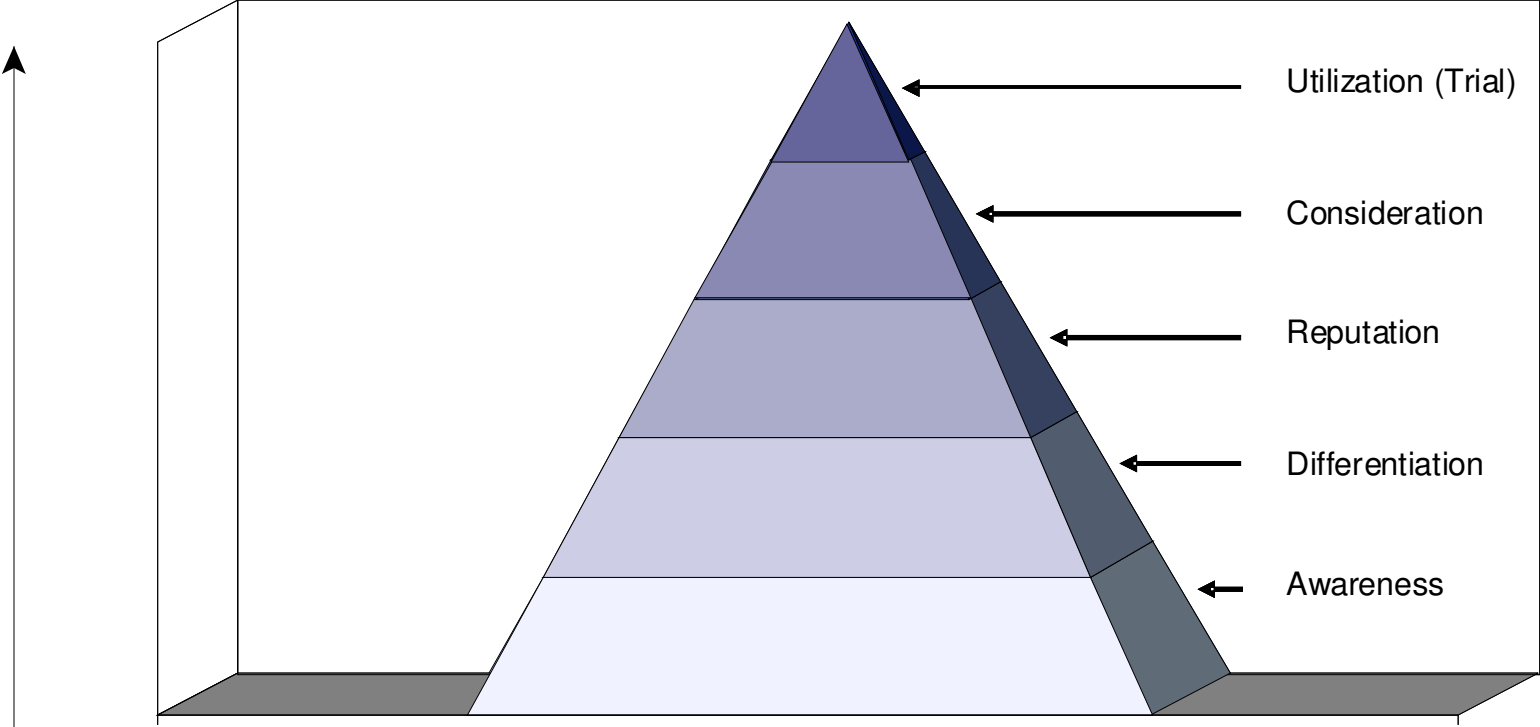
Path of Hospital Adoption



Path of Hospital Adoption

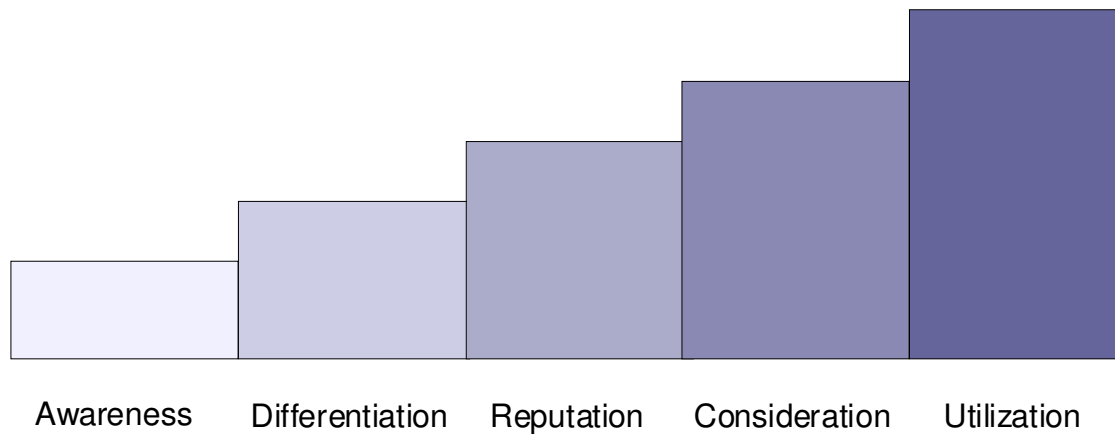
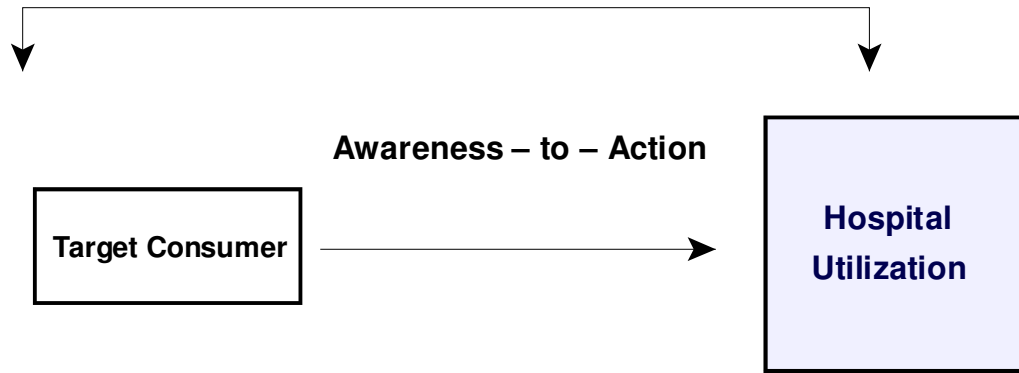


Path of Hospital Adoption



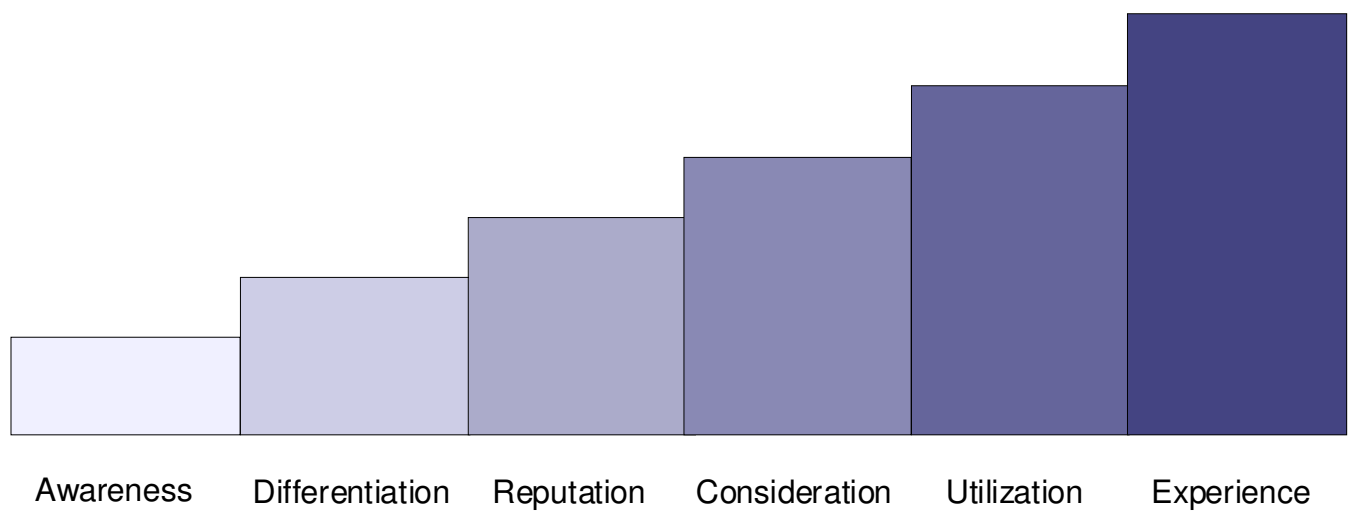
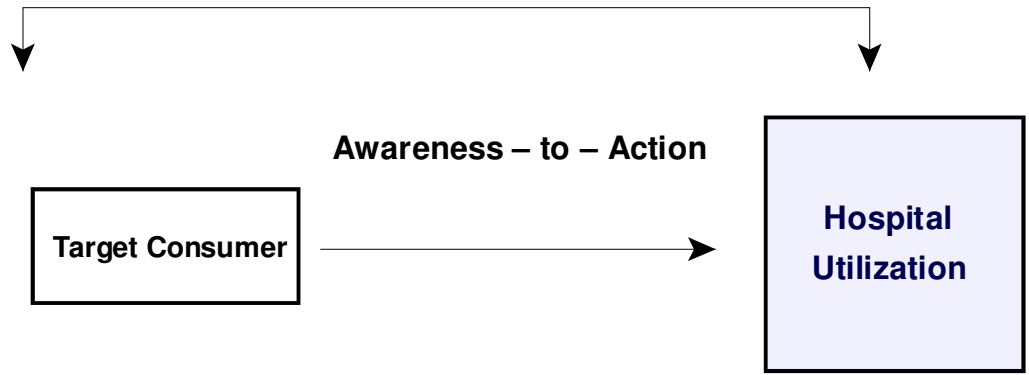
Traditional Marketing

“Making the promise” (1/2 of equation)



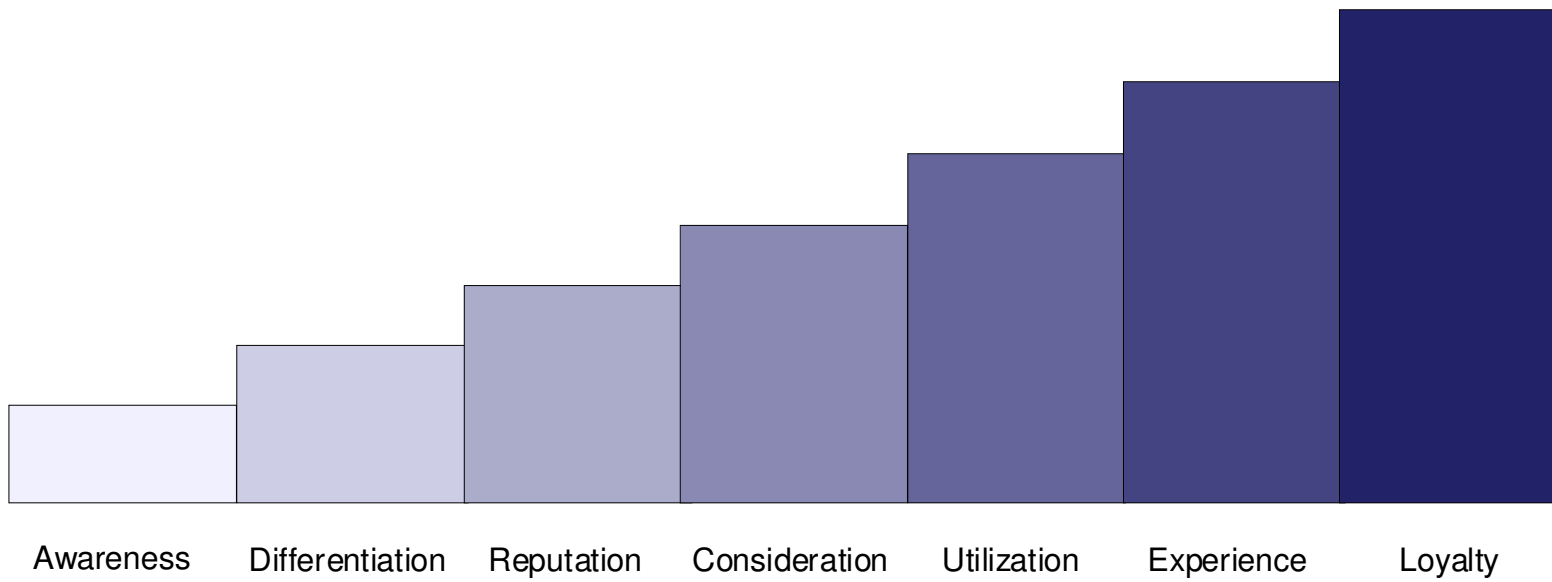
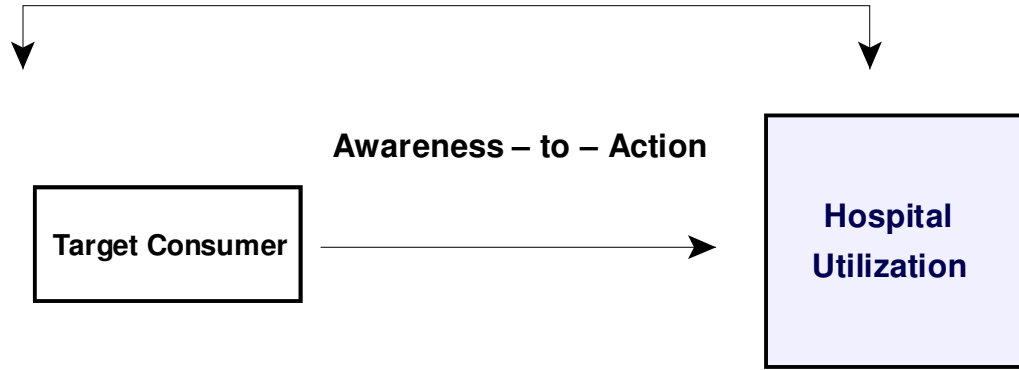
Traditional Marketing

“Making the promise” (1/2 of equation)



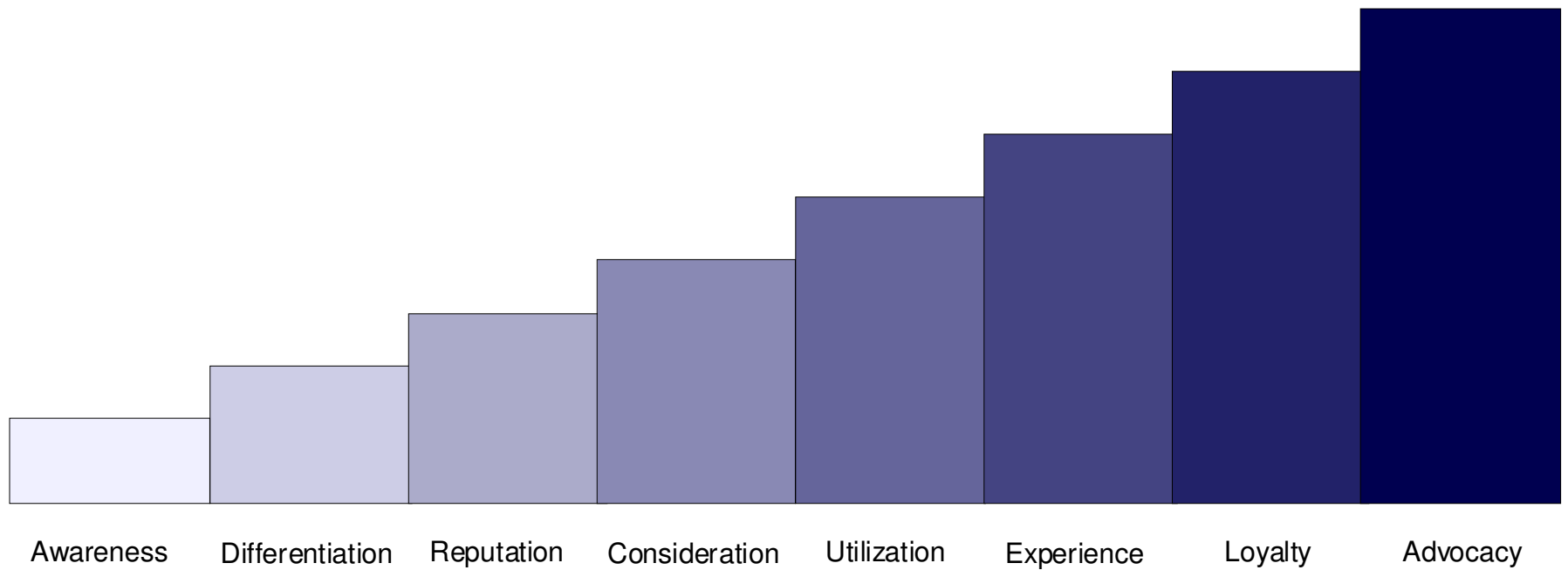
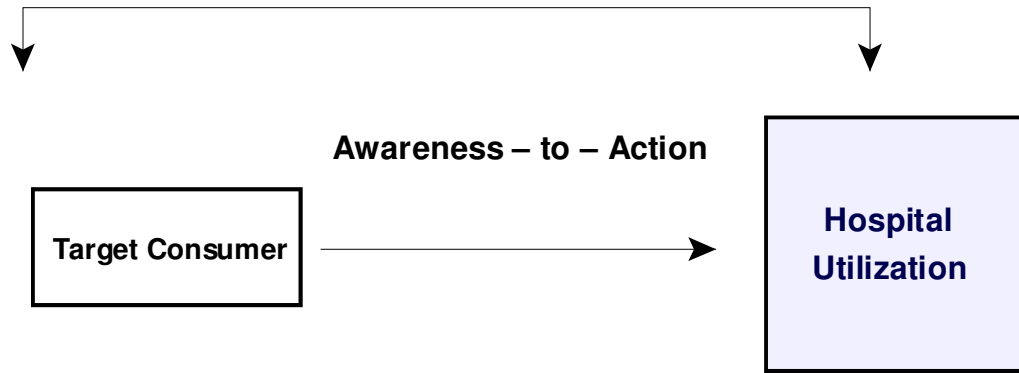
Traditional Marketing

“Making the promise” (1/2 of equation)



Traditional Marketing

“Making the promise” (1/2 of equation)

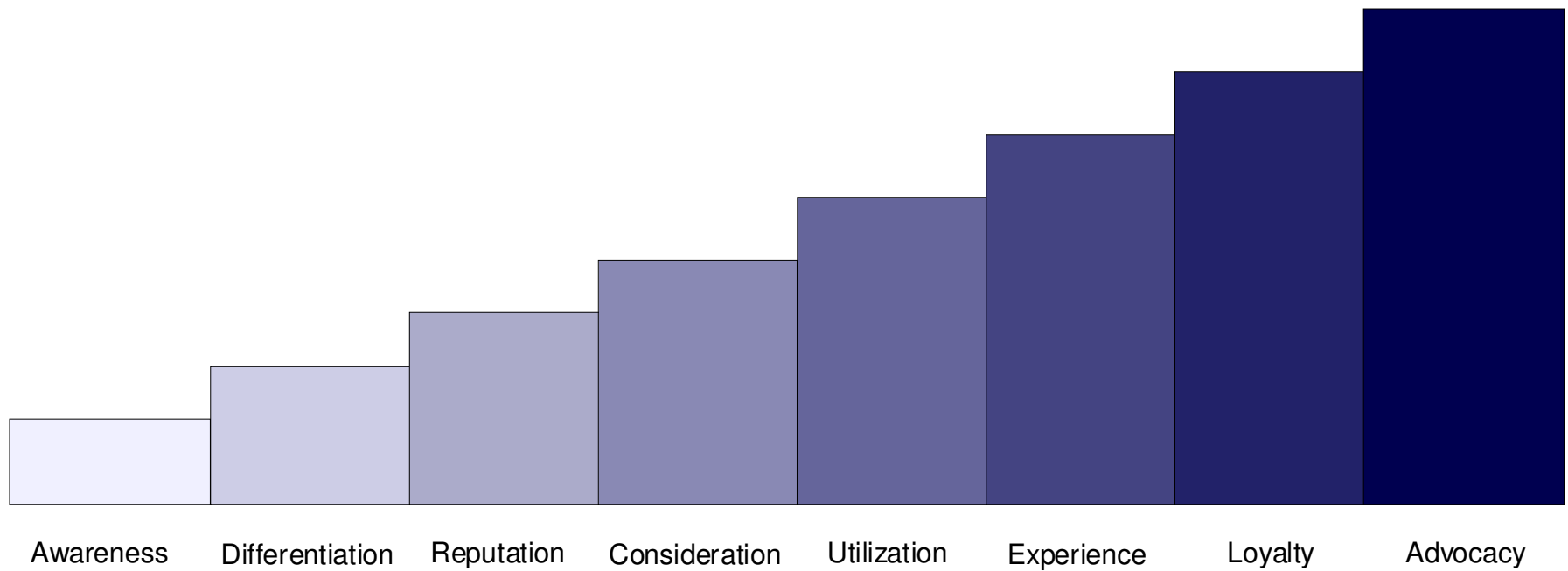
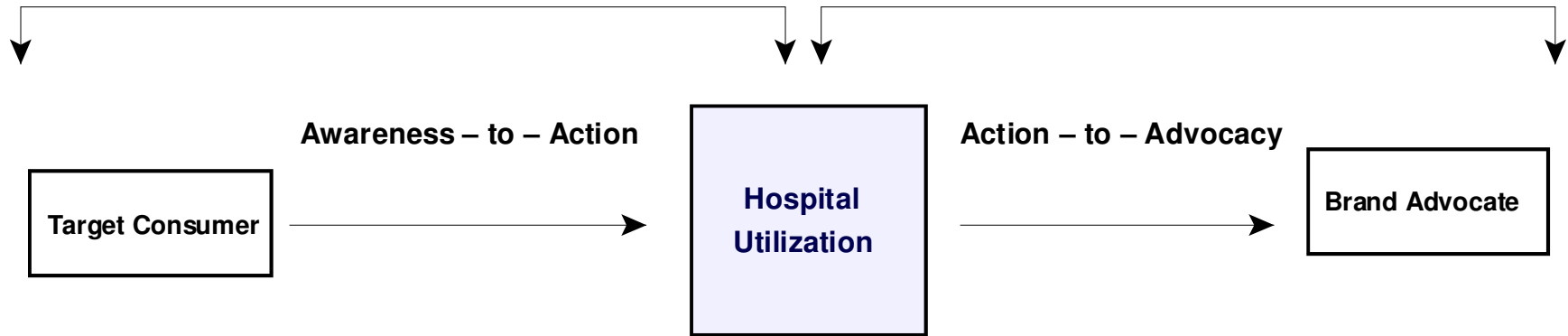


Traditional Marketing

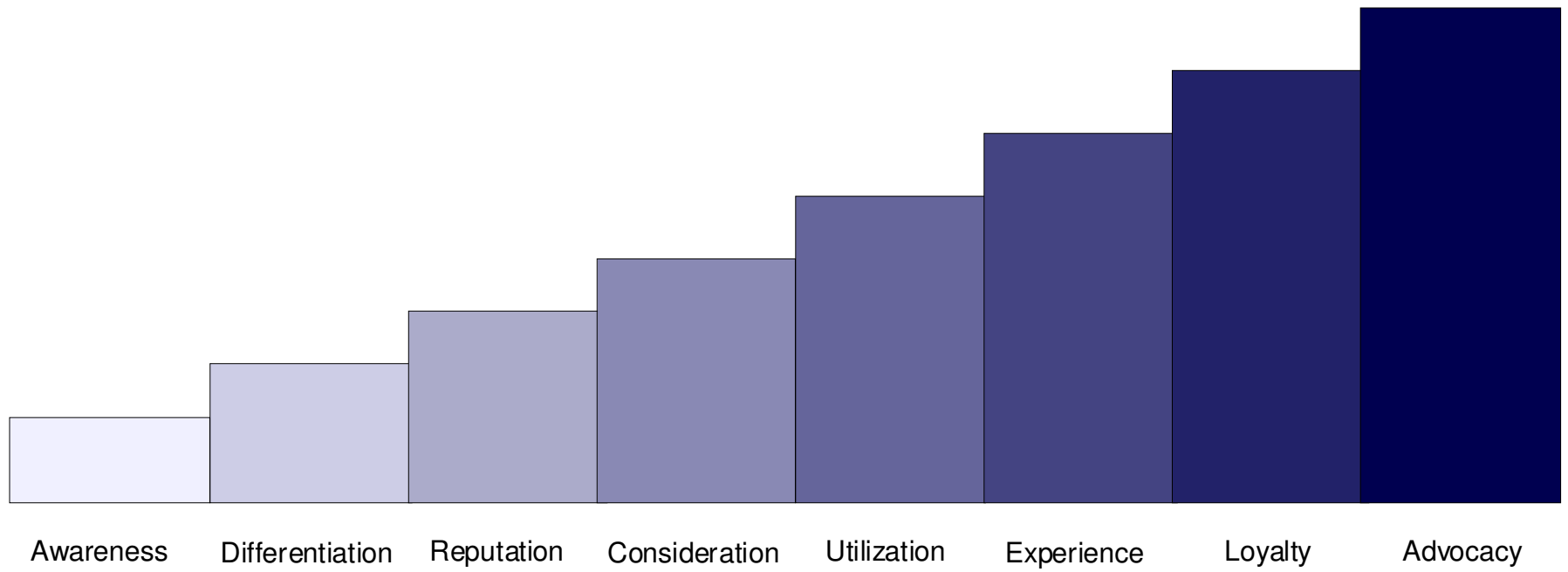
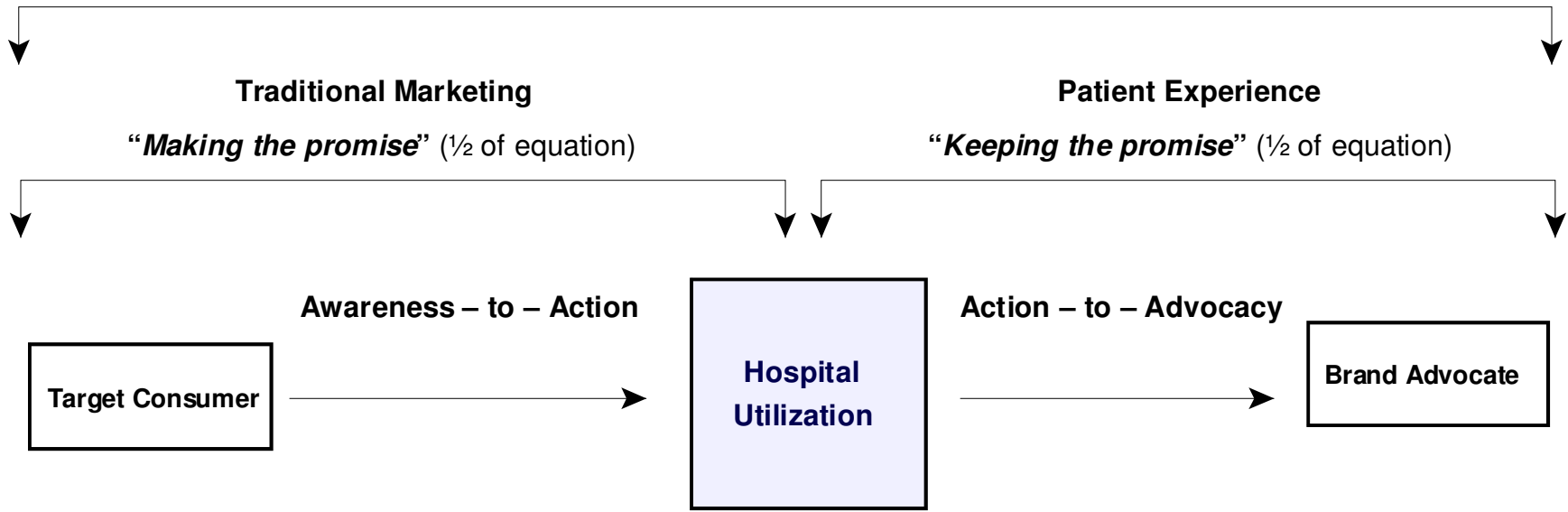
“Making the promise” (1/2 of equation)

Patient Experience

“Keeping the promise” (1/2 of equation)



“Your Branding - and the Success of Your Branding - is Based on What You Say AND What You Do .”





What are the important indicators of an Advocate?

■ Advocate

1. Patient would use hospital again for the same type of care (behavioral loyalty).
2. Patient would use hospital again for other types of care (cross-sell service lines).
3. Patient feels a sense of loyalty to hospital (emotional connection).
4. Likely to recommend hospital to friends or family.
5. Has said positive things about the hospital to others (family, friends and acquaintances).
6. Has NOT said negative things about the hospital to others (family, friends and acquaintances).

RKM

RESEARCH AND
COMMUNICATIONS

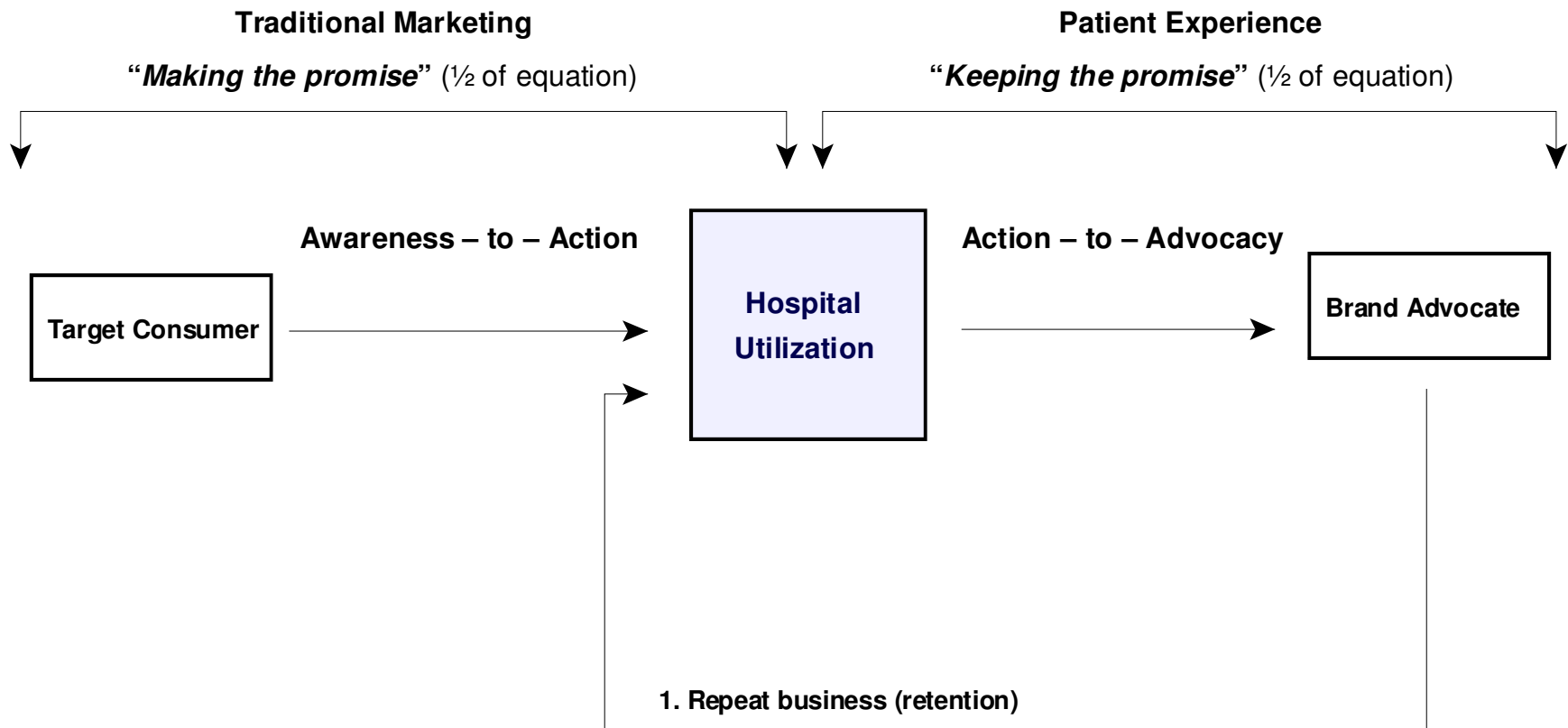


Dig deeper.

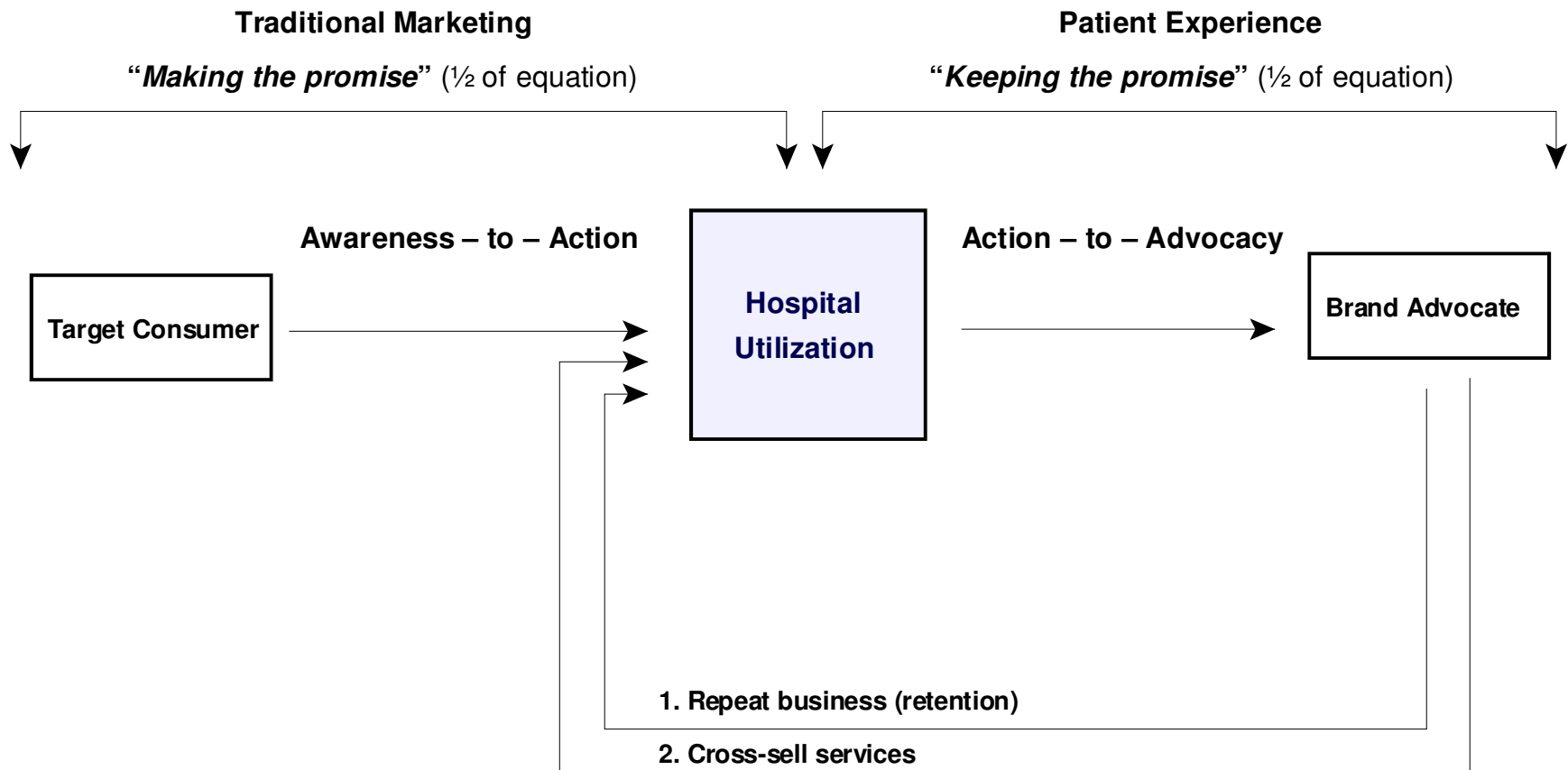
CLIMB HIGHER.

2. How do I attract more patients?

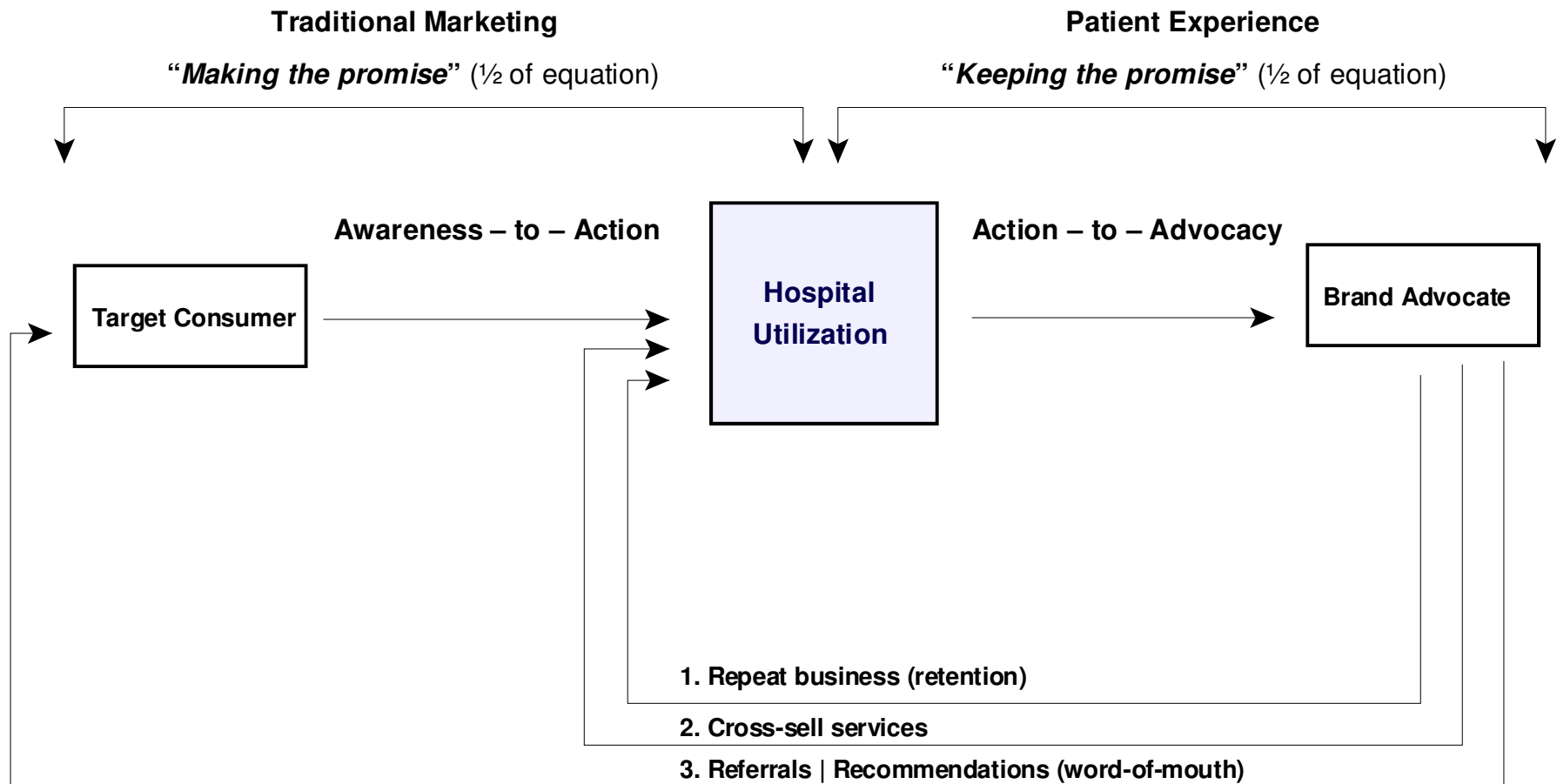
3. How do I keep the patients I have?



1. Advocates are behaviorally loyal.



1. Advocates are behaviorally loyal.
2. Advocates use multiple services.



1. Advocates are behaviorally loyal.
2. Advocates use multiple services.
3. Advocates refer new patients to the hospital.



Dig deeper.
CLIMB HIGHER.

What are the important indicators of an Advocate?

■ Advocate

1. Patient would use hospital again for the same type of care (behavioral loyalty).
2. Patient would use hospital again for other types of care (cross-sell service lines).
3. Patient feels a sense of loyalty to hospital (emotional connection).

Repeat use contributes to profitable growth.

Reducing defections by 5% can increase profits by nearly 50% (Reichheld and Sasser, Harvard Business Review: 1990).

Loyalty increases sustained profitability by 25-50% (Reichheld, Harvard Business School Press: 2001).

Emotional loyalty reduces the risk of defection (Reinartz and Kumar, Harvard Business Review: 2002).



What are the important indicators of an Advocate?

■ Advocate

4. Likely to recommend hospital to friends or family.
5. Has said positive things about the hospital to others (family, friends and acquaintances).
6. Has NOT said negative things about the hospital to others (family, friends and acquaintances).

Number one predictor of profitable growth (Reichheld, Harvard Business Review: 2003).

Emotional loyalty predicts positive word-of-mouth (Reinartz and V. Kumar, Harvard Business Review: 2002).



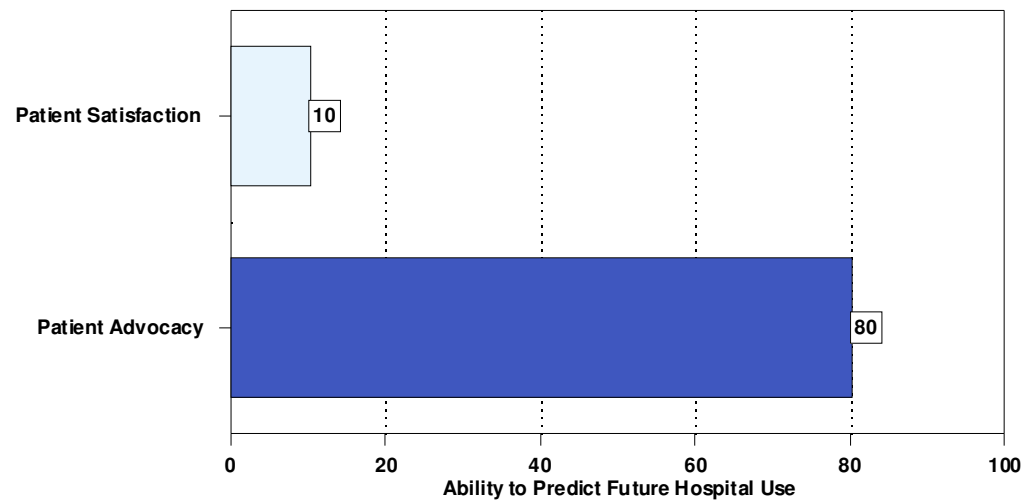
Re-thinking patient satisfaction

■ Advocate

Why does our modelling not include traditional measures of patient satisfaction?

Satisfied customers defect (Jones and Sasser, Harvard Business Review: 1995).

Patient satisfaction does not predict organizational success (i.e., profitability).

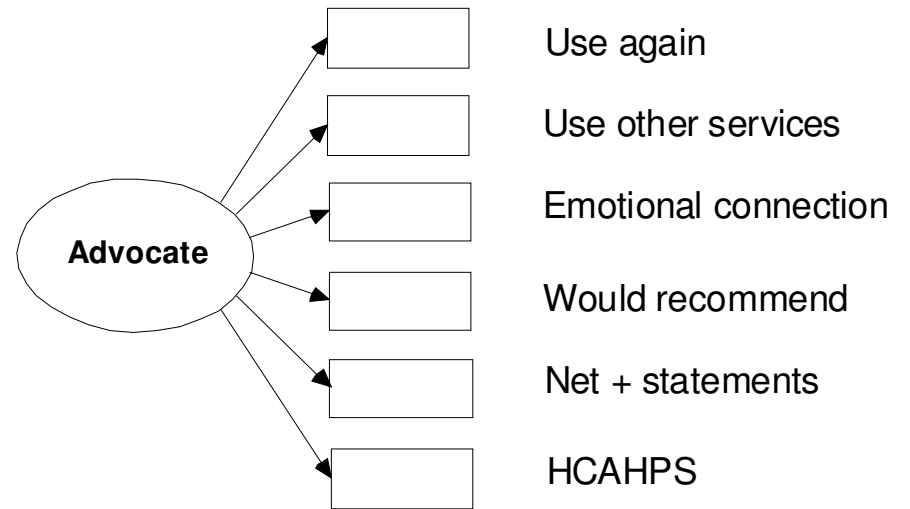




What drives advocacy with emergency room services?

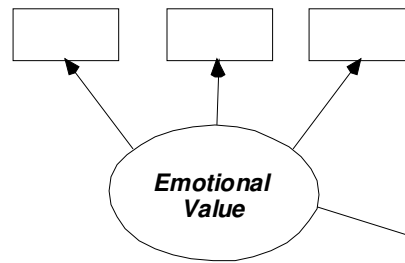
- **Modeling advocacy.**
- **Results based on a fully representative national survey.**
- **Examples from 2 hospitals.**

Modeling patient advocacy



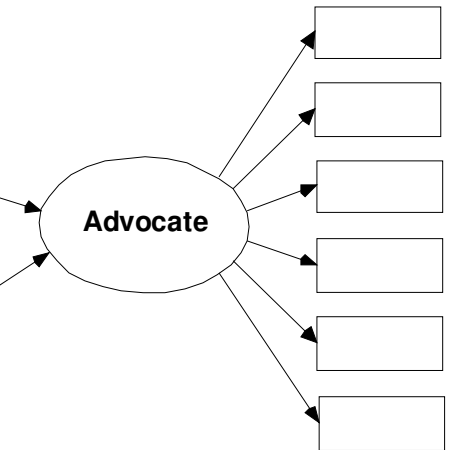
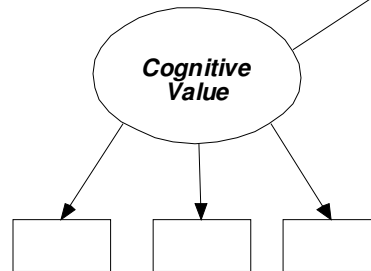
Emotional Benefits

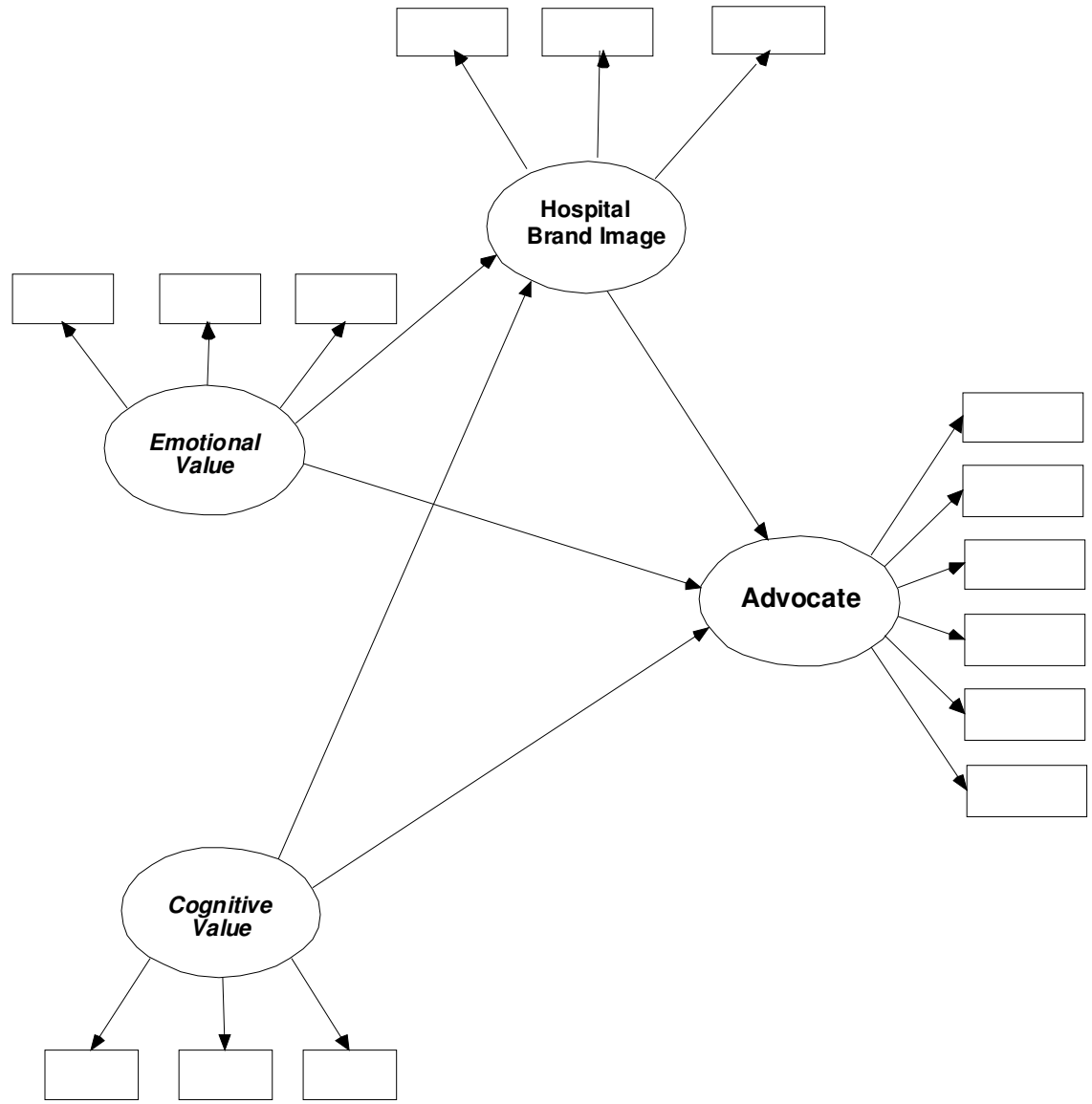
Anxious / Relaxed
Comfort / Discomfort
Well-Being



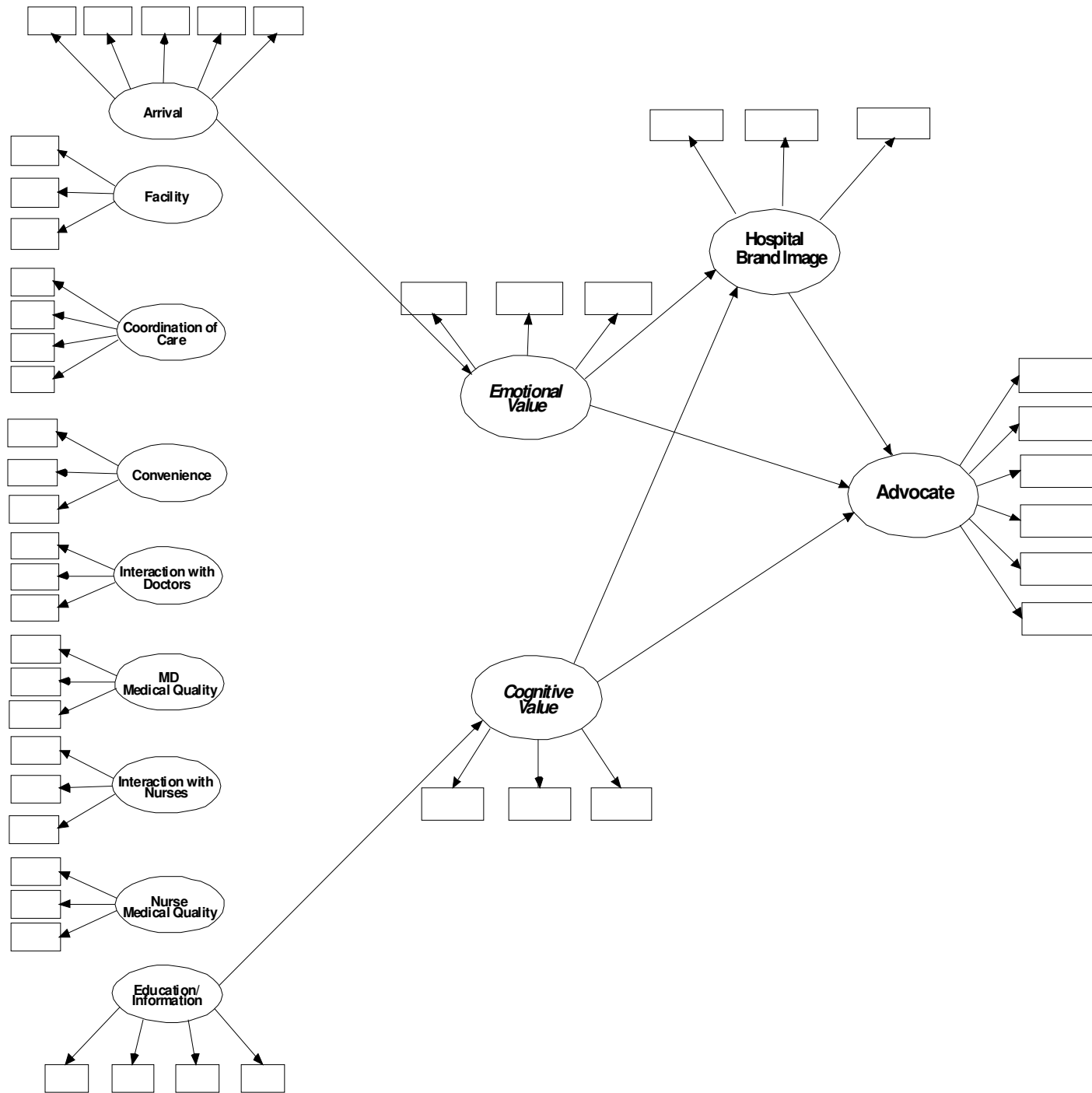
Functional Benefits

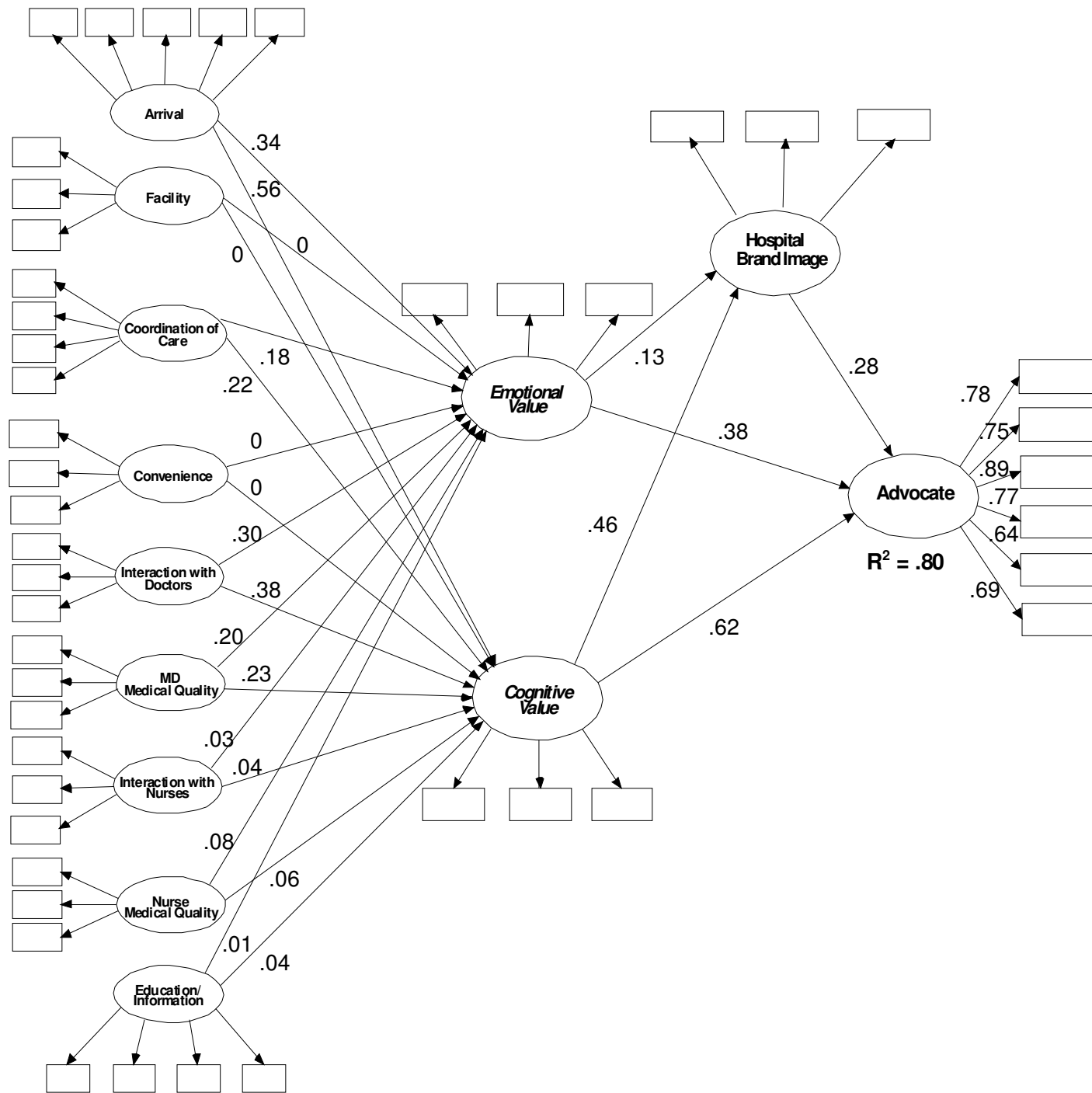
Expectation
Benefits / Costs
Exactly What Wanted

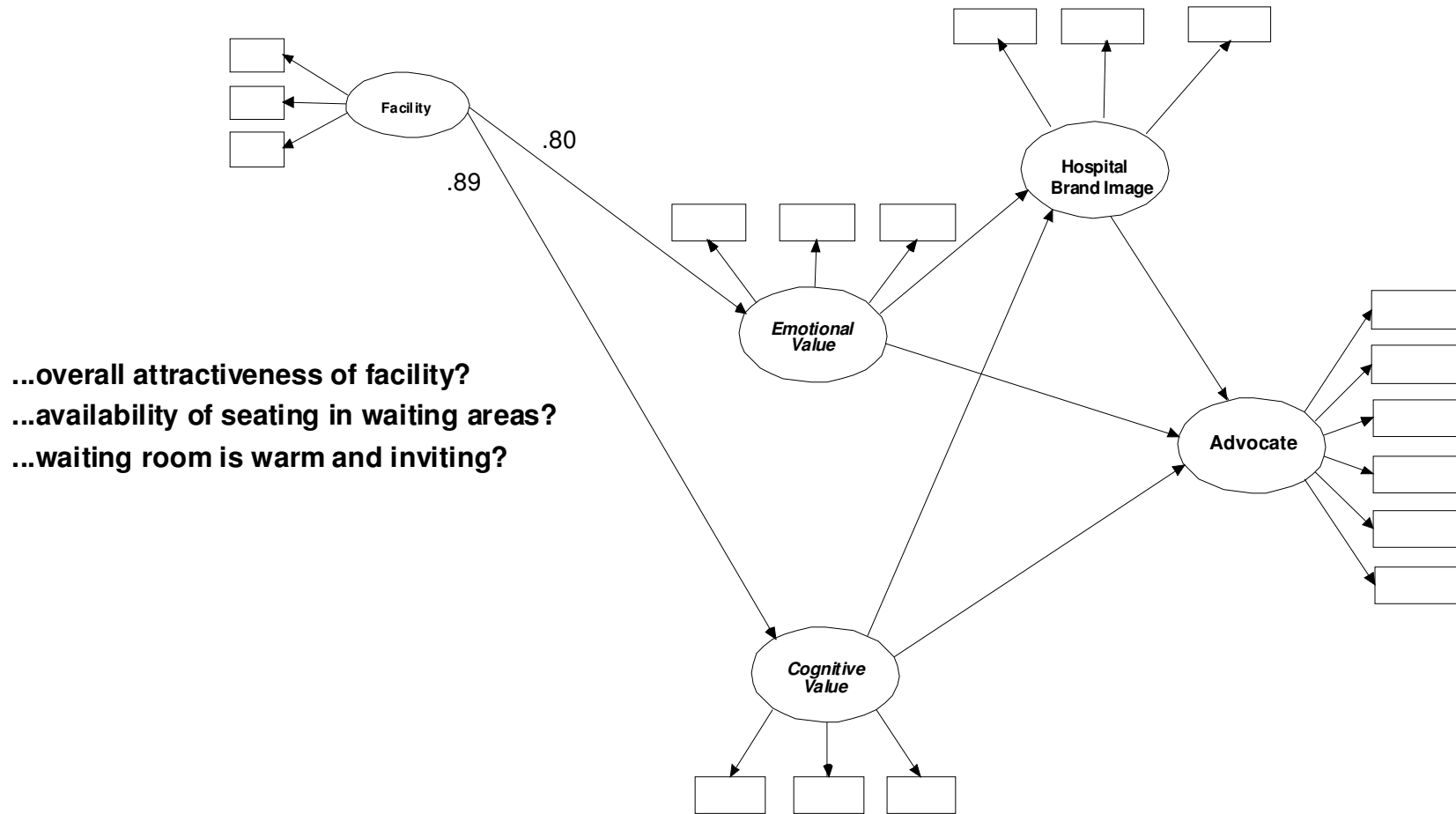




Patient Experiences





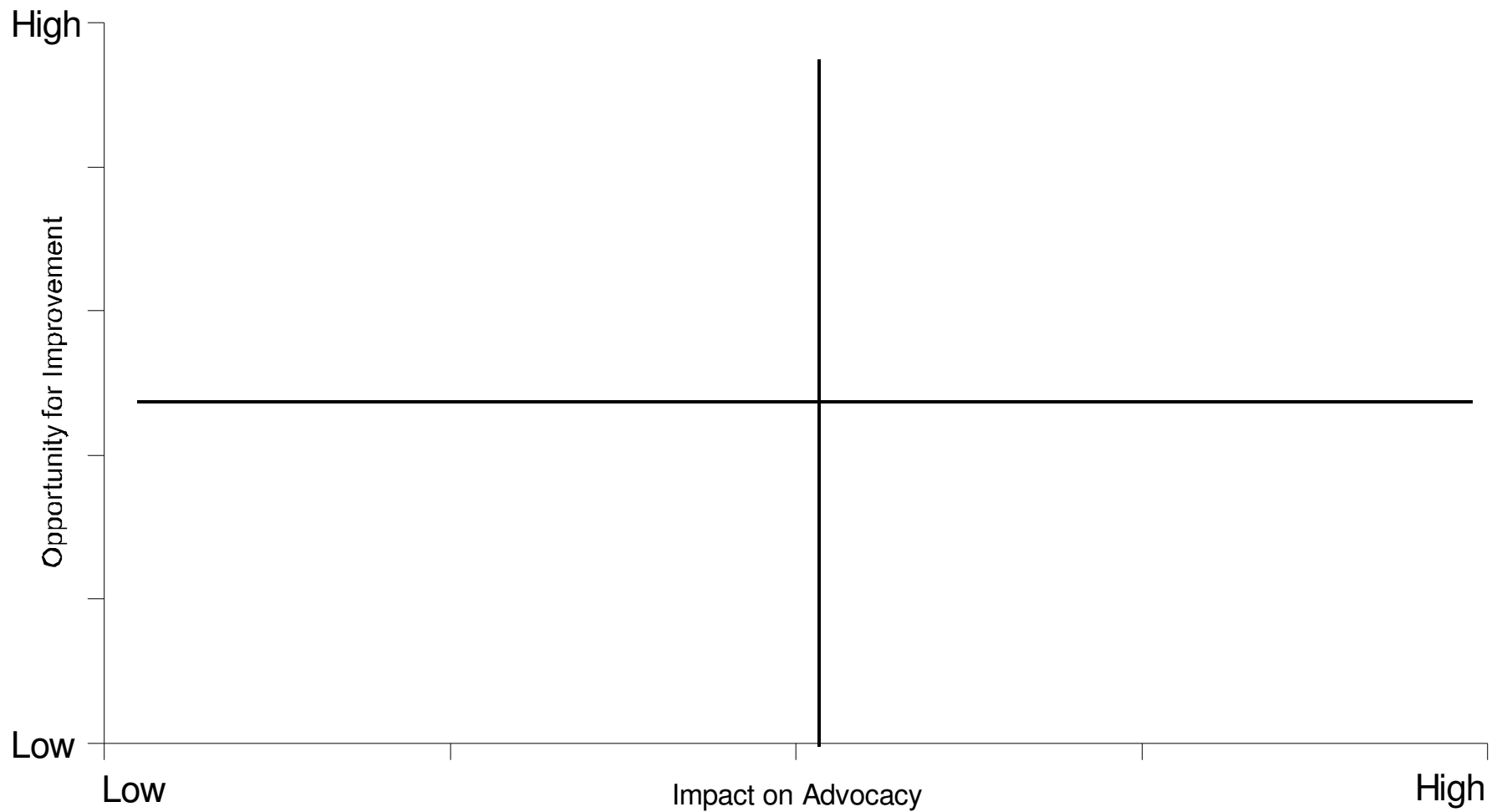




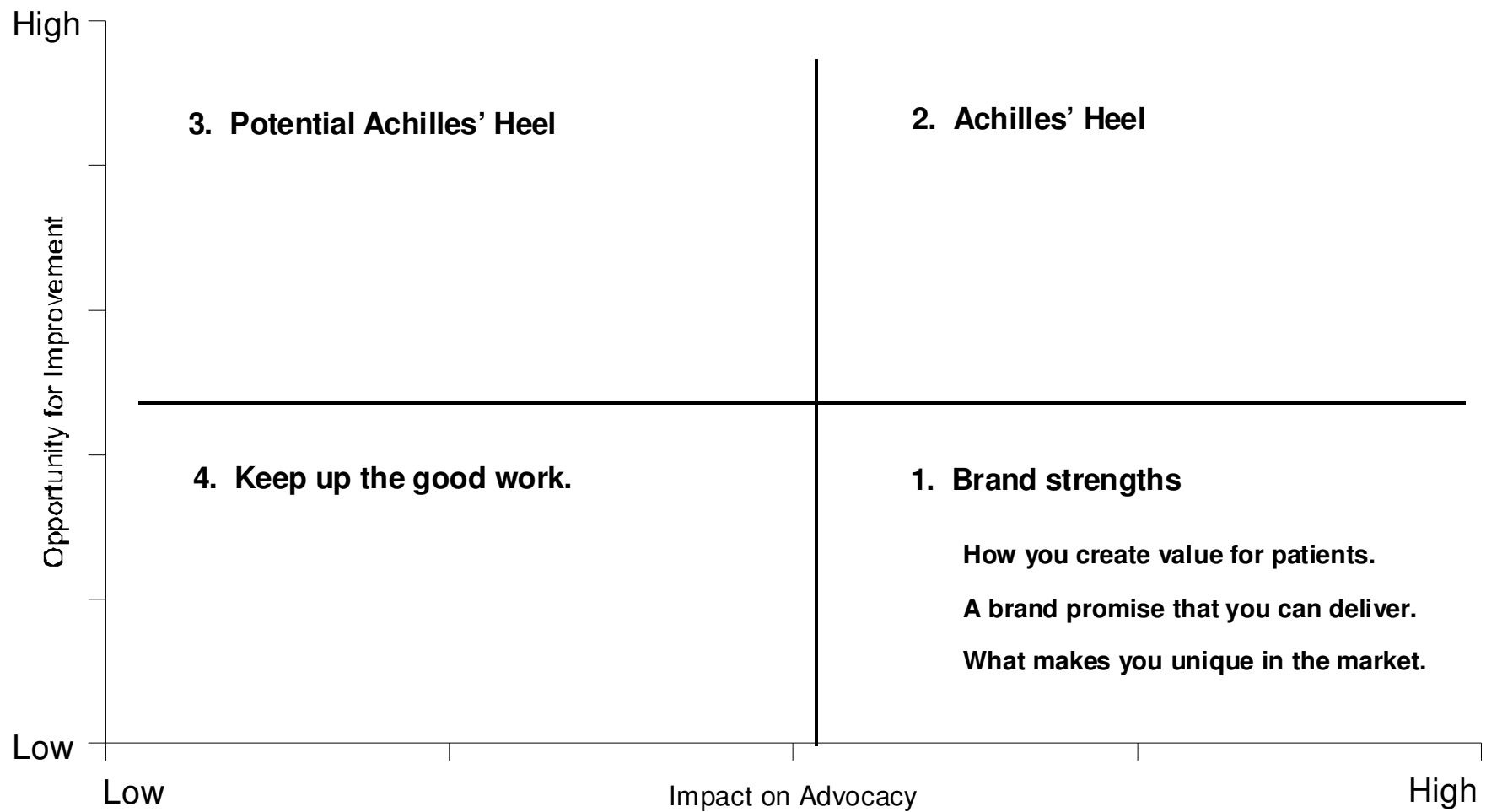
Summary of national ER survey:

- Delivering “functional” benefits is twice as important as “emotional” benefits.
Marketing materials (message and imagery) should reflect this emphasis.
- Key drivers of ER advocacy:
 1. Triage, assessment, timely service and managing patient expectations.
 2. Communication and interaction with doctors.
 3. Medical quality of doctors.
 4. Coordination of care among doctors, nurses and ancillary providers.
 5. Medical quality of nurses is not particularly important.

Prioritizing a brand-strengthening strategy:



Prioritizing a brand-strengthening strategy:

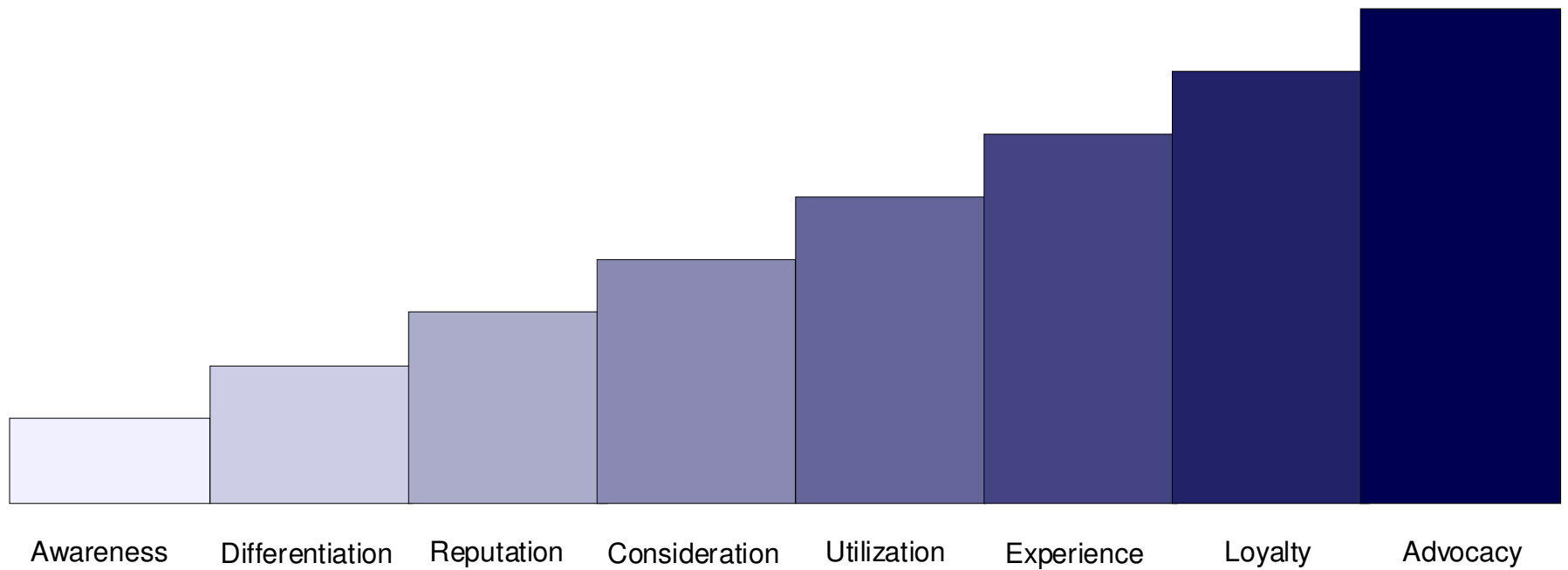
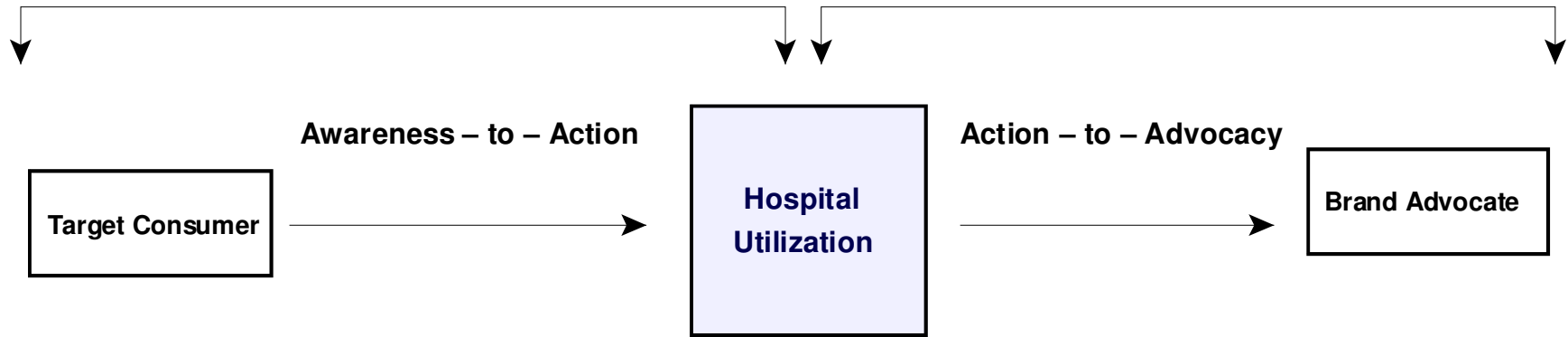


Traditional Marketing

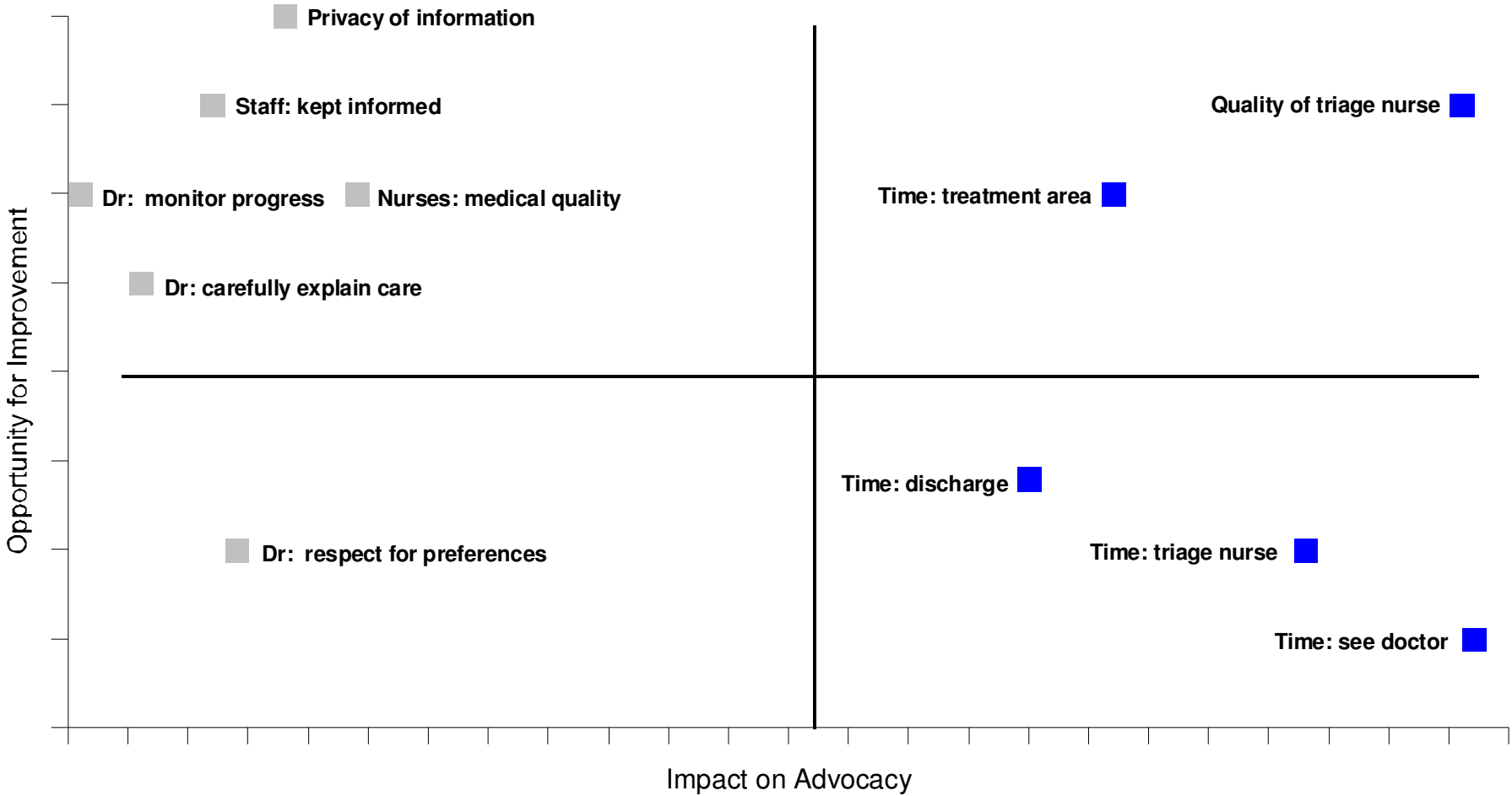
“Making the promise” (1/2 of equation)

Patient Experience

“Keeping the promise” (1/2 of equation)



Prioritizing a brand-strengthening strategy (Hospital A)





Dig deeper.
CLIMB HIGHER.

Brand-strengthening strategy (Hospital A)

■ **ER Strengths: Great Time Management**

■ **ER Marketing Promise: “We know your time is valuable.”**

All ER marketing activities will reference our signature strength of “timely service.”

Include an article in upcoming employee newsletter that emphasizes the great job our doctors do showing respect for our patients, including interviews and tips from physicians known to have great patient interaction skills. The article will “hint” at the need to keep patients informed.

■ **Operational Tactics:**

Immediate medical and customer service re-training for all triage nurses.

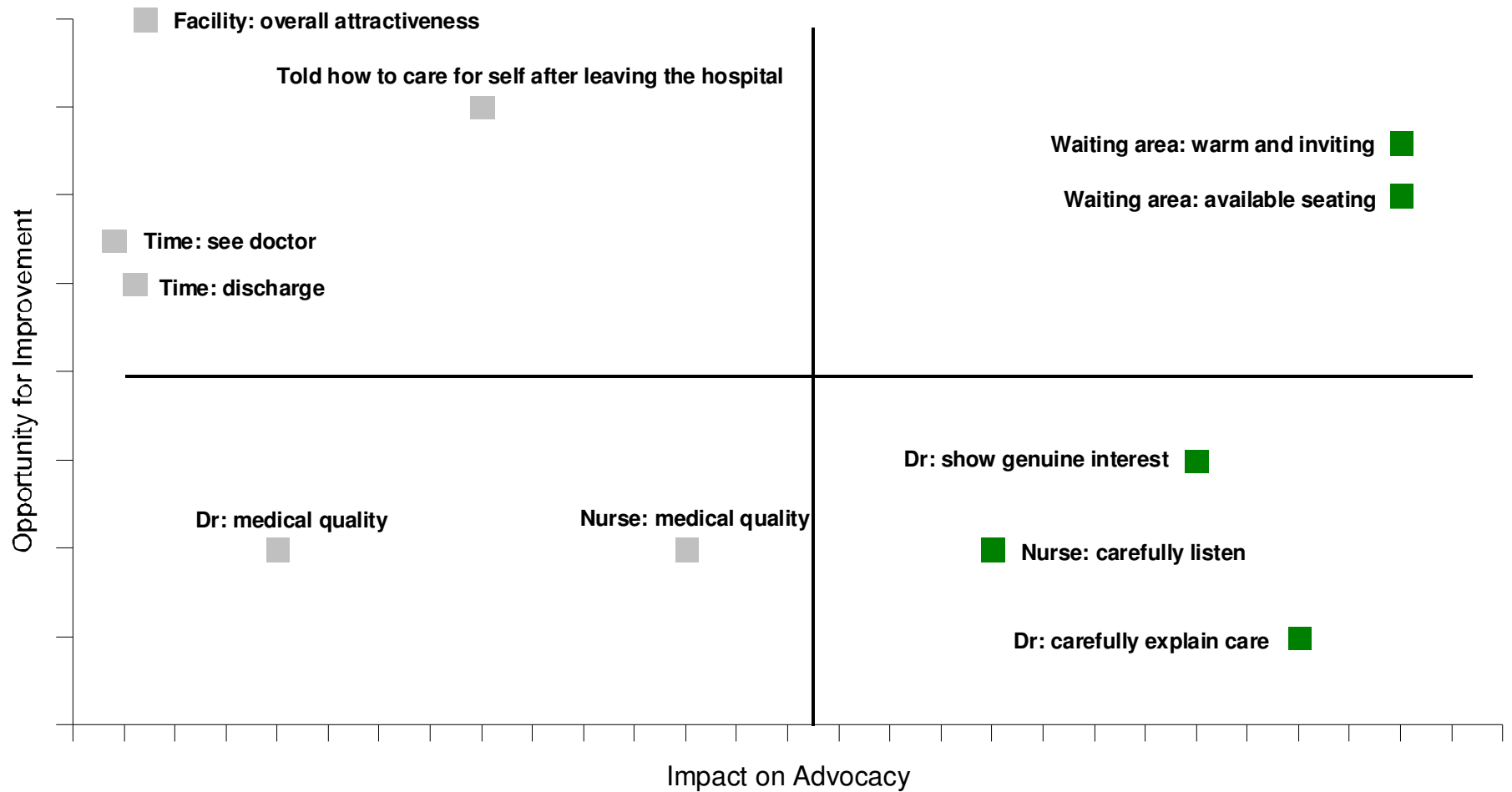
ER Director tasked with developing metrics to measure and report improvements in triage assessment.

Improved scheduling oversight to reduce waiting times in treatment areas, *and improved communication with patients about likely anticipated wait times.*

Senior Management Team tasked with developing new and improved patient privacy systems.

Add 1 hour seminar at upcoming annual retreat with a motivational speaker to talk about the importance of keeping patients informed at all times during their hospital visit.

Prioritizing a brand-strengthening strategy (Hospital B)





Brand-strengthening strategy (Hospital B)

■ ER Strengths: Great Communication with Patients

■ ER Marketing Promise: “Always keeping you informed.”

All ER marketing activities will reference our signature strength of “great communication.”

Develop a presentation for ER doctors and nurses that shows the great job they are doing communicating (explaining and listening) with patients, and how it is paying off. Give presentation at quarterly meeting of the ER staff, and provide everyone with a bound, color copy of the presentation as a take-away.

Develop marketing campaign to showcase new ER renovation.

■ Operational Tactics:

Renovate the ER waiting area. Hold focus groups to test the relative appeal of designer’s three renovation plans.

Senior Management Team tasked with developing new guidelines for doctors and nurses regarding improved discharge plans.



Dig deeper.
CLIMB HIGHER.

Key brand-strengthening take-aways

- Patient experiences - and the word-of-mouth that they generate - are key drivers of a hospital's brand *because they drive advocacy.*
- Understanding what drives advocacy provides a clear action plan to guide - *and integrate* -marketing and operational strategy.
- A hospital can strengthen its brand strategy by managing and messaging to advocacy, both of which will reinforce the unique way that a hospital creates value for patients.
- Managing and messaging to advocacy keeps marketing and operational strategy focused on the areas that most strongly predict financial performance.
- The most effective and efficient way to strengthen a hospital's brand is: 1) to align marketing and operational strategy with a hospital's known signature strengths; and 2) to fix a hospital's known (and potential) Achilles' Heel.