

# Take Marketing off the Scaffold

BY PATRICK T. BUCKLEY, MPA, IHC

**W**ell, here we are again: The lousy economy has caused hospitals to cut their marketing department budgets.

Advertising hospital services—and the fickleness surrounding the practice—has been this way since Adam told Eve they couldn't afford a billboard to advertise their apple

orchard. So let's suppose Congress tomorrow enacted legislation that required hospitals and health systems to observe a one-year moratorium on all forms of advertising and promotion. Would the quality of healthcare delivery at your hospital suffer? Would patient safety be compromised? Would community residents not know where to go in an

emergency? Would physicians suddenly be unable to admit patients or refer them to specialists practicing at your hospital or health system?

Clearly, this is a silly hypothetical (although it's actually not so far-fetched, as the Vermont legislature considered such a ban on hospital advertising in 2010). But if in some draconian world it did happen, would



# INDUSTRY SURVEY

HEALTHLEADERS MEDIA 2011

## In the next 3 years, which of the following marketing functions will gain in importance at your organization?

|                                     | 2011 Percent | 2010 Percent | 2009 Percent |
|-------------------------------------|--------------|--------------|--------------|
| Patient experience and satisfaction | 78%          | 77%          | 65%          |
| Business strategy                   | 68%          | 51%          | 59%          |
| Social media                        | 68%          | N/A          | N/A          |
| Business development                | 58%          | 58%          | 59%          |
| Public relations                    | 50%          | 45%          | 49%          |
| Physician relations or sales        | 50%          | 62%          | 64%          |
| Brand management                    | 50%          | N/A          | N/A          |
| Market research                     | 47%          | 34%          | 40%          |
| Internal communications             | 42%          | 34%          | 39%          |
| Competitor research                 | 35%          | 30%          | 27%          |
| Advertising                         | 33%          | 28%          | 27%          |
| Community benefit/Form 990          | 27%          | 21%          | N/A          |
| Base                                | 60           | 47           | 88           |
| Multi Response                      |              |              |              |

### HEALTHLEADERS MEDIA'S SURVEY

gives insight into the importance of certain marketing functions.

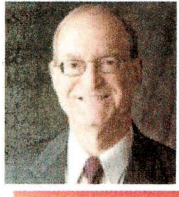
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JIM

Is hospital advertising more like that of Coke and Pepsi, where just one-tenth of 1% of market share gain equals millions of dollars? Nope. Hospital care is not a point-of-purchase buy like soft drinks. So

what is the real idea behind advertising hospital care?

Marketers of healthcare are fond of saying that building awareness over a long period of time justifies their investments in advertising. People

do not walk around thinking about which hospital they'd like to have their gallbladder removed at. But when they have a situation in which they need hospitalization, hospitals that advertise will conceivably



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be uppermost in their minds, right? But is it possible to really prove that awareness leads to usage of hospital services? I may be aware that the local grocery store sells fresh wild Alaskan salmon, but does my purchase of salmon next month prove that my awareness of its fish market influenced my purchase? At the risk of upsetting my advertising agency brethren, there might be more than a grain of truth in the C-suite's perception that another \$30,000 billboard may not be the most effective way to build consumers' affinity.

So what can hospital marketers do to build value for themselves and their employers? Here are a few ideas to consider:

#### **Develop a second-to-none physician relationship program**

The recently published *2011 HealthLeaders Media Industry Survey* reports a 22% drop from 2009 to 2011 in how marketers rate the importance of physician relations and sales. This is despite a 50% increase during the same period in marketing's responsibility over physician relations. Marketers need a laser focus on physician relations; learn the real value of a physician's referring relationship. For each service line, an 80/20 rule is most likely in effect: 20% of the referral

sources generate 80% of the business. Learn as much as you can about these customers and make their satisfaction your No. 1 priority.

#### **Make the community a partner in your quest to improve residents' health status**

Get out of hospital-centric mode. Research the organizations that contribute to or have a keen interest in better health for the community. Go beyond secondary data sources to get firsthand knowledge of the population-based health issues in your marketplace. Find out employers' concerns—perhaps your hospital could develop an integrative health coaching program.

#### **Talk with the health information management department**

If your hospital is considering sponsorship of an accountable care organization, information about the community's health status will be more vital than ever before. Medical coders and records management staff know about your hospital's population-based health issues; ask them about the trends they see and whether certain codes crop up more frequently than others. Use this insight to augment your marketing information system.

#### **Conduct operational assessments**

All marketers, even those who only focus on advertising and communications, need to be intimately familiar with service line and customer processes. To get this level of intimacy, follow the patient's trail from first contact with your physicians (if you employ them) to the moment the patient leaves your facility. There are many potential bumps in the road, and if you can help to smooth them out before they derail the patient's (or referring physician's) experience, you will improve your chances for sustaining service line growth.

The point of this article is not to throw brickbats at advertising hospital services. There are many sound reasons to advertise these services. Advertising is the most visible part of the marketing department's many roles—but it isn't the most important. Working the referral channels and developing programs and services that advance the community's health status are much more vital areas of focus.

The *2011 HealthLeaders Media Industry Survey* indicates that approximately two-thirds of healthcare marketers feel their department's efforts are "highly valued" or "moderately valued" by their respective organizations. This percentage has not significantly changed during the past two years. There is room to build value through areas other than advertising. Perhaps by next year, we can increase those numbers, proving that marketing is definitely off the scaffold and on the throne. *hna*