

Marketing in Healthcare

“Disrupt or be Disrupted”

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Abstract: *Harvard Business School Professor Michael Porter created a model of assessing an organization's industry position by analyzing “Five Forces”: competitive rivalry, power of suppliers, power of customers, threat of substitution, and threat of new entry. This framework enabled businesses to evaluate their environment to help guide strategy and increase competitive advantage. This remains a critical marketing concept to supplement the five “P’s” businesses control: product, price, place (distribution), promotion, and people. This matrix translates well to the nuances inherent in healthcare. Marketing is an integral part of the value equation for successful healthcare organizations, helping to consolidate resources to promote access and connect people to the health care they need via optimized operations and efficient and effective delivery systems.*

To supplement the S.W.O.T. (strengths, weaknesses, opportunities, threats) model of assessing an organization's industry position, Harvard Business School Professor Michael Porter created a framework of analyzing “Five Forces”: existing competitive rivalry, power of suppliers, power of customers, threat of substitution, and threat of new entry (Porter, 2010). This enabled businesses to evaluate their environment to better guide strategy and increase competitive advantage. Porter's philosophy remains a critical marketing concept beyond the five elements (“5 P's”) that businesses control: product, price, place (distribution), promotion, and people [rockcontent].

The above-described matrix translates well to the nuances inherent in healthcare. As the face of any organization, our people (our employees) must be passionate, enthusiastic, engaged, inspired, and service oriented. They must be driven by purpose, connected to the mission, and dedicated to core values. They must believe they matter; that they make a difference to patients. Marketing teams create resonating messages that help maintain a culture promoting, supporting, cultivating, and advocating employee well-being while leadership addresses employee goals, challenges and needs. There must be an institutional commitment to prioritizing caring for employees as they care for patients. Employees are entrusted to engage customers armed with an understanding of the mission. They are empowered to execute the mission with strategies that create consistently positive experiences, anticipating and exceeding needs and expectations at every touchpoint (Four Seasons). The employees we seek to retain have been trained so well that they can leave, but treated so well, they don't want to (Branson). They strive for excellence and promote our value to our customers. Our desire to provide value-based, patient-centered care requires employee professionalism and engagement. As competition and choices abound, health care organizations must create a unique experience such that a culture of delivering personalized service excellence and the highest quality is obvious to both patients and competitors. Optimum patient outcomes, patient satisfaction, and sustainable competitive business advantage require we be not only competent (well-trained and highly skilled), but also courteous, compassionate, and empathetic (Sze). A greater commitment to promoting employee wellness boosts morale and motivation, while reducing burnout. Employee wellness portends better patient care. Marketing must advocate for the needs and objectives of employees; creating messages that resonate to reinforce everyone's “why.” Enthusiastic, engaged, and service-oriented front-line employees are the face of the organization; they are brand ambassadors, recruiting force, reputation builders, and partners in successfully executing organizational priorities, including promoting value to customers. Providing exceptional service at every contact point includes anticipating and exceeding needs and expectations.

Patients want value. Value generates loyalty. Market position is strengthened by consistently delivering value. In health care, value is defined as optimized outcomes (quality, safety, patient-centric care, excellent patient experience, patient satisfaction) at a fair cost (Porter). Delivering consistent value generates return customers. Despite good outcomes (or our perception of how good care was), any negative perceptions diminish

confidence, damage brand strength and loyalty, and drive customers to the competition. The “economics of attention” guides us to solicit feedback and understand our customer’s value chain. How can we increase value? Where can we improve? We must proactively identify needs and expectations; as well as weak links and blind spots that might allow a competitor to enter our market. If patients know, like, and trust us; they will try us. If we consistently deliver a quality product and experience, they’ll come back, and refer us. How patients perceive us, how we make them feel, and how likely they are to return and recommend us are vital marketing metrics and benchmarks (Poole). Great outcomes and positive perceptions enhance confidence and brand strength. The converse drives customers to competitors. Analyze data and solicit feedback to assure you are “on-brand.” If you hear otherwise, nimbly pivot.

Reputation is vital. Drive patients toward positive reviews. Follow-up with dissatisfied patients. “Your brand is what people say about you when you’re not in the room” (J. Bezos). What is the impression people have of you? Does every patient interaction support your brand? Does your facility, attire, website, videos, brochures, displays, and communications create a distinct identity, differentiating you from competitors? Does your appearance, image, perception, and reputation align with your reality? Getting care at a highly ranked, carefully branded, expertly marketed organization gives people comfort. However, because patients rely on our judgement, authenticity and integrity matter. Marketing and branding strategies must educate and inform based on authenticity and integrity. Marketing must be sensitive to perceived conflicts-of-interest between marketing and branding strategies that are informative versus those seeking to attract patients, increase market share, and generate revenue. The mission to serve the needs and best interests of patients must never waver.

Healthcare is witnessing unprecedented change. Exclusive reliance on patient volumes as the “canary in the coal mine” is short-sighted. We cannot rest on our laurels. We must constantly rethink plans and priorities. We must embrace evolving payment models (fee-for-value, pay-for-performance, bundled care, capitated care, etc) to assure sustainable economic viability. We must be open to expansion of telehealth to improve effectiveness and efficiency of care delivery. Employee wellness will take center stage. Bold, forward-moving initiatives confirm a vision of thriving in a post-COVID “new normal.” Less nimble competitors learned that “business as usual” and static business models have unintended consequences. Henry Ford posited, “if I had asked my customers what they wanted, they would have said faster horses.” Steve Jobs followed with, “it’s not the customers job to know what they want.” Patients drive innovation in products, services, and care delivery. Their goals influence provider-patient interactions. Their expectations catalyze transitioning from paternalistic transactional encounters to patient-centric, transformational ones. Consistently exceeding expectations and providing value requires unparalleled patient experiences and commitment to customer service. We must innovate and change, yet always follow our “true north” - consistent, high-quality patient care, guided by a mission and core values.

What *never* changes, is the need to forge and nourish relationships. Contributions to cognitive diversity from collective experiences achieves “the wisdom of crowds” [Surowiecki] and gives clarity to optimizing decision-making. Crucial stakeholders include development, legal (mergers, acquisitions, corporatization, telehealth), administration, HR (remote work and employee wellness), external partnerships (external funding). Established successful leaders become valued advisors and mentors, teaching us about championing novel concepts and the resilience to overcome resistance. Collaboration with diversity and inclusion leaders enhances advocacy regarding social determinants of health, equity, and healthcare disparities. Diversity provides the confidence to forge ahead with bold initiatives and expand beyond traditional endeavors and comfort zones. Consensus-driven alignment is challenging, but vital to implement sustainable solutions and create clarity to optimize decision-making. To help meet institutional objectives, be intentional about creating opportunities to interact with a broad range of stakeholders.

Outcomes should adhere to the Quadruple Aim (Arnetz). They should improve individual and population health and provider wellness. Processes should be fiscally responsible and economically viable. There should be a well-designed business plan. Outcome and execution should align with core values, model of care, and brand. Funding is the 800-lb gorilla in every healthcare boardroom. Funds are required to support innovations and initiatives. “No money, no mission!”

Marketing creates novel strategies and advocates to preserve the mission and create bold visions and goals to assure you remain a trusted healthcare brand. Marketing helps patients and employees realize the uniqueness of your organization. Marketing assists to preserve the mission and innovating to expand financial success. Consistently providing value requires great patient experiences and commitment to customer service. Value means treating customers the way they didn’t even know they wanted to be treated; providing services patients didn’t even know they wanted.

To capitalize on market opportunities, goals must be big, clear, and compelling, with a defined endpoint so everyone knows when they have been achieved. They must be a catalyst for action (Collins). Goals must be *S.M.A.R.T.*; specific, measurable, attainable, relevant, time-bound (Doran).

Optimizing a business model and comprehensive marketing strategy requires creating opportunities, increasing demand for services, and establishing reliable referral patterns. Your own strategy will be unique to your organization. Porter (1979) advises choosing a specific strategy. How are you going to deliver unique value to the specific target customer you are trying to serve? No individual healthcare organization can meet *everyone's* needs. If they try to, they will not be good at meeting *anyone's* needs. Success demands masterful execution of your specific strategy.

Sustainable competitive business advantage requires identifying organizational strengths, weaknesses, customer needs, expectations, and opportunities for improvement. Weak links and blind spots allow market entry by competitors. A framework to analyze the market guides execution of strategies to successfully promote your product. Marketing will help merge existing and untapped resources to promote access and seamlessly connect people to the care they need through streamlined operations and delivery systems. Despite innovations and change, we prioritize consistent, high-quality, value-based, patient-centered care, guided by a clear mission and core values. There will inevitably be disruption from novel services provided by competitors. Optimizing business models and marketing strategies creates opportunities to increase demand for services and establish reliable referral patterns. Marketing is an integral part of the value equation for successful healthcare organizations.

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