



# Subsidiary Focus

## The Big River: Building System Brand Loyalty through Local Consumer Experiences

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Healthcare systems are perhaps some of the most complex ecosystems built by humans. Campuses bustling with human beings, equipment, buildings, and cars—tied to other campuses just like it all housed under the same invisible brand umbrella. The interloping and overlapping of care offerings and care delivery are enough to make the most seasoned healthcare leaders heads spin. They're not alone. The people who will receive care from these systems—healthcare consumers—are increasingly confused and confounded by systems as they navigate their own healthcare journeys. Many consumers lament the lack of consistency and connection as they move from appointment to appointment—all within the same healthcare system.

What do consumers understand? The healthcare closest to them: their local doctor, local nurses, and local hospital. They are more familiar and more trusting of their local healthcare options. NRC Health's Market Insights study just revealed significantly more consumers believe their local healthcare has momentum, and this number is trending up (49 percent) in contrast to the national healthcare industry (37 percent). Just about everyone remembers the hospital they were born in or the doctor they

### Key Board Takeaways

- How uncoordinated is our system? It's important that boards are briefed on inconsistencies across care points in a system. Care points can be as separate as inpatient vs. outpatient or as close as what's being said at the admission desk vs. the exam room. Boards should have an understanding of the cohesion of the system through the consumer's eye.
- Branding is a word that should be uttered all the way up to the board level. What is the state of our brand? Does our brand make sense to consumers? Do they feel loyalty toward our brand? These are all astute questions that board members should ask. After all, they often come from other industries that deal with branding and have uniquely valuable contributions to make to the system.
- Loyalty is a resource. We currently enjoy some level of loyalty among past patients. What level is it? How do we harness it? Board members should be briefed on loyalty levels (starting with a simple Net Promoter Score can help) and be involved in understanding how to better manage and grow loyalty among future patients.

had growing up. Even if they've moved to another community, many consumers still recall their local healthcare options and hold a certain fondness for what's close.

### The Forgotten Local Brand

Unfortunately, the rise of systems has shifted energy and emphasis away from promoting local brands. This move wasn't to consciously diminish local brand value. Given the untenable nature of maintaining a growing portfolio of brands, most systems have sought to "master brand" local facilities with one, sweeping system name. This brand unification encourages consistency

in naming and allows for more scalability as systems continue to grow. On its face, unified branding makes sense—and it's something I've argued for—but now that so many systems have branded the whole house it's sorely time we take a look from the sidewalk. Now that the new signs are all bolted in, what's the effect on local brands?

From a system perspective, focusing on local brands is an important system performance test. What's a system if not a sum of its parts? And those local brands can be invaluable tributaries in growing a system brand. Therefore, the glue that keeps a system together is its communities

and the consumers who live in them. Without consumers to consume all those system services, the system becomes a skeleton with no spine. Therefore, encouraging consumers to consistently choose the system—but do so through local decision-making—is paramount. And once chosen, the push should be to encourage consumers to choose again. It turns out, forming systems isn't just about growth or scale or security against disruptors, it's also about cultivating and maintaining consumer loyalty.

## The Challenge and Need for Consumer Loyalty

Loyalty is a tricky resource to harness. Every industry outside of healthcare has sought to obtain it. Every hotel chain has a rewards program and every airline has a frequent flyer club. For decades, non-healthcare brands have known the benefit of tribalism among their consumers. Getting a consumer to choose you over and over, eventually in a virtually automatic fashion, is a business's dream.

Loyalty in healthcare has been a long, gravel road. The episodic, fee-for-service business model completely undervalues if not outright ignores the power of consumers' repeat use of our services. Compliance and larger privacy concerns have scared healthcare brands away from offering consumers a way to be rewarded for their repeat business. I'm reminded every time I visit my primary care physician that my loyalty doesn't really matter. I'm handed a big clunky clipboard filled with papers—many of which I've filled out before. I'm

## Going Local: Ideas to Draw in Local Consumers to a System Brand

- **Use local providers and patients in promotions:** It is as important to employees as it is to consumers to feature local caregivers and consumers to tell stories and demonstrate value. Keep the stock photography on the shelf.
- **Include local history and culture as talking points:** Local roots run deep and celebrating a local brand's heritage and influence in the community is vital. Many system brands ignore these traits when talking about the bigger picture, but they are vital to local consumers and the community they form.
- **Remember local brand differentiators:** Many systems will try to push one brand differentiator (quality, technology, convenience, etc.) across their enterprise of brands. A singular differentiator can be powerful if it's done well and reinforced in actual patient experiences, but it must maintain a certain flexibility for local brands to add on to it. Local brands should be able to demonstrate how they fulfill that brand differentiator or the campaign will come off as too generic.

handed the same clipboard as new patients and while I may have slightly less paperwork, the feeling is the same: it doesn't matter that I came back. Here, fill it out anyway.

It's no surprise that four in 10 consumers feel absolutely no loyalty to any healthcare brand.<sup>1</sup> Those who do are highly influenced by local relationships to their physician and caregiver team and also the close proximity to their local hospital. It's local brands that hold the consumers' eye. Therein lies the opportunity for a system brand to grow brand loyalty.

One of the biggest challenges to any healthcare brand big or small is to form an identity that sticks in consumers' minds. Most system brands are newer and their meaning is naturally more nebulous. Allowing for

some variation in brand positioning and the openness to draw upon local values in a system-branded facility is crucial to capturing the local consumer's attention.

Systems aren't going anywhere. In fact, consumers have little issue with this. In concept, they value systems of care. Sixty-six (66) percent prefer a hospital that is part of a system.<sup>2</sup> Consumers believe systems have the potential to coordinate care and connect the dots of their healthcare journey. And systems do—but not if they ignore and undervalue local brand equities. These local brands are the most visible to consumers and it's consumers who will ultimately make or break even the largest of systems. It's time to revalue local brand equity and go back to our roots. Healthcare is local, and a big beautiful brand can be grown from that simple seed.

<sup>1</sup> NRC Health, Market Insights Study, 2018.

<sup>2</sup> *Ibid.*

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