Brand Equity in Healthcare: The Impact of Branding in a Changing Healthcare Landscape

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Ryan specializes in analyzing consumer decision making to create simple, yet effective models any healthcare brand can use.

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Executive Summary

Healthcare brand equity is the continuous accumulation of thoughts, feelings, opinions, and behaviors regarding a hospital or health system based on the experience it provides the customer. Essentially, your brand is the customer experience you provide. By its very nature, brand equity—whether positive or negative—is determined by the customer. Those customers (who are patients and, in a sense, shareholders) share their thoughts with family and friends and continue to hold shares in the equity of the hospital itself. At the center of this conceptual world of brand equity lies the hospital brand. Over time, brand equity is built by focusing on all the levers affecting the customer experience.

THE FUNDAMENTAL IDEA IS THAT YOU ARE WHAT THE customer thinks you are. Knowing and understanding what the customer thinks about your organization will be a great advantage in the coming years. Strong brands are irrevocably tied to the organization's mission, business goals, operational performance, and overall financial health. Now is a time when the impact of branding in the healthcare industry is critical.

Brand Equity: The Business Case

Brand equity can create influence across the entire organization. This influence spans the continuum of the customer experience from initial awareness and consideration of purchase to physician interaction to actual delivery of care. It also influences outside factors like consumer perception, physician perception, and even payer relationships.

The segments influenced by brand include:

- **Quality of care:** without high quality, there is no chance to build brand equity.
- **Employee satisfaction:** employees are either the ambassadors or saboteurs of your brand.
- **Physician recruitment and retention:** physicians are the most important selectors of brands due to their direct influence on patients.
- **Payer evaluation:** payers may not be interested in partnering with a business with poor brand equity.
- **Mergers and acquisitions:** whether a standalone hospital looking to merge or stay independent, or a health system looking to acquire, organizations with strong brands will do well in this environment.

When considering the financial impacts of branding, it is important to understand how clinical integration will affect patient volume and ultimately your brand equity. While increased volume will bolster finances, it also needs to be the right kind of volume. The move toward accountable care and value-based payments will shift focus from sheer volume toward prevention and even keeping patients out of the hospital. This is a delicate message that must be delivered with much thought. Healthcare brands need to position themselves as strategic caregivers who are committed to the community but also well aware of what it takes to excel in a world of value-based purchasing.

The Internal Component of Branding

Utilizing a strong brand as the shared vision among a group of employees can be empowering and prosperous to an organization. The brand should incorporate the organization's charitable mission as well. In contrast to the financial side of branding, focusing on employees as part of the branding process does not require vast amounts of capital but rather the openness of employee inclusion and the willingness to listen to employee needs.

Key questions to ask when starting the branding journey include:

- What is our big idea?
- Are we different than other healthcare providers and if so, how?
- What do we do best?

If you take these questions to a sample of your employees and find that the answers are all different, then you must focus on how to align your brand message to the most important communicators of that message. If you believe in the brand, that belief will cascade down to your employees. If your employees believe in the brand, it will bubble up to leadership.

The Role of Branding in a Larger Business Strategy

Just as the brand should incorporate the organization's charitable mission, it should also be aligned with the organization's strategic plan. Key questions to ask include:

- How does your strategy line up with the customer experience?
- Is it centered on the patient experience?
- Does it take into account the influence of today's consumer?
- Does your strategy tie to what is happening at your hospital or health system every day?

It is important to be open to modifying your strategic plan or perhaps generate a "big idea" to give your brand some new life. Consider staging a board retreat to generate branding strategy that is rooted in your existing strategic plan.

Breaking Down Branding Barriers

Two important barriers of branding are ownership and enforcing the brand. First, the CEO must own the customer experience and it must start at the top. If branding is owned from the top and communicated clearly to others, it will cascade down to all employees. Then the CEO should select someone to be the "brand enforcer." Perhaps the enforcer could be a well-respected physician leader who can corral stubborn doctors into believing in the brand. Perhaps it is a well-connected nurse or a likeable administrator. The brand owner must tell the brand enforcer three things: 1) what the "big idea" is, 2) what the measure of success is, and 3) how often it will be reported back to the owner. With these action steps in place, the owner is accountable for the brand's performance but has dedicated eyes and ears monitoring the brand.

Another barrier to building strong brand equity can be the mistake of not taking into account the organization's current brand equity as the starting point for a rebrand. It can become a degenerative cycle, in which the brand goes through change after change in an attempt to reinvent or reposition the organization. But this will not succeed without first accounting for what customers already think about your organization.

A related challenge is maintaining the strength of your brand over time. Too often branding is considered a temporary initiative that, once completed, can carry on its own with little attention or focus. Branding requires an internalization that keeps it top of mind constantly. In fact, a careful, measured rebrand can actually take years to reach full effect. A careful rebrand can build over time and continue to deliver benefits that will pay dividends in perhaps more challenging times.

Finally, it is important to measure the success of your brand (this is key to being able to maintain the brand strength over time). Without consistent measurement at the beginning, middle, and end of a campaign it can be difficult to understand if branding efforts were successful.

A Framework to Build a Weatherproof Brand

The following framework is adaptable for any situation: large healthcare system, small healthcare system, or standalone hospital.

Step 1: Assessing Your Current State of Brand. What are customers and potential customers already saying about you? These perceptions have been built over time. It's important to understand the state of your current brand before moving forward.

Step 2: Customer Targeting. Which customers are you targeting? Select at least one target to efficiently position and build your brand. By targeting, you reduce the amount of variables in play for the consumers you wish to reach. Analysis of the segment becomes manageable because you have specifically selected it for clear reasons.

Step 3: Identifying Your Competitive Advantage. Who are your competitors? Organizations building a stronger brand can discover a competitive advantage by comparing their skills and offerings to that of competing organizations, and structuring the brand accordingly.

Step 4: Point of Difference. Once you have analyzed your competitive set, the next step is to bottle up your biggest "point of difference"—a service line, center of excellence, or aspect of customer service that places your organization above the rest. This isn't necessarily about what your organization does best; what it does *better* is what matters to the consumer.

Step 5: Reasons to Believe. Reasons to believe are the proof points you will deliver to the customer. They are how you will follow through with your brand promise. They are the culmination of building your brand and provide the true validity to your brand messaging.

Building Board Buy-In

The best way to engender board involvement in brand is to include board members from day one. Share the definition of brand with the board and decide on the "big idea" together.

From the board's perspective, any new initiative should have a clear measure of success the board is both aware of and can follow over time. Share the measure of success up front, and seek board feedback to ensure the best measure has been found. Often, board members come from a business background and may be familiar with brand equity and bought into the power of branding already.

Once your brand ship has sailed, share your research-based results with the board. Share what is working and what is not and ask for feedback. At every turn, be ready to balance between openness to feedback and loyalty to your approach, because once you have successfully positioned your brand, you must stay the course. The best brand journeys will achieve board buy-in because the board will be along for the entire ride.

Your brand equity represents you and everything your healthcare organization does. By being clear and measured you will create a weapon against competitive and political forces. You will unite your employees under one idea and deliver a great customer experience. You will measure every success and failure to achieve full clarity along your journey. You cannot anticipate every coming change, but a strong brand can be a powerful constant because it strikes at the core of healthcare: the customer experience. Focusing on the customer experience is a sound strategy against any coming storm.

Discussion Questions for Board Members

- What is our current brand state?
- Are we different than other healthcare providers and if so, how?
- What do we do best?
- How does our overall organizational strategic plan line up with the customer experience? Is it centered on the patient experience? Does it take into account the influence of today's consumer?
- Does our brand reflect our charitable mission?
- How should we measure the success of our brand? Which metrics will show whether the brand is communicating the right message to customers?
- If we determine that a rebrand is in order, what is our "big idea"?
- Which customers do we want to target?
- Who are our competitors? What is our competitive advantage? Does our brand reflect this?

Questions for Health System Boards

- Are we working on building one cohesive brand for each facility in the system, or do we have multiple brand identities within the system? What makes most sense for our unique situation?
- If we do have multiple brand identities within the system, is this working for us, or should we try to develop one united brand identity?
- If we are aiming to develop one brand identity, what is a standard branding message that would apply to all organizations (and matter to customers) within our brand?
- How can we effectively communicate our brand throughout every level of the system, and engage employees to be the ambassadors of our brand?

Introduction

The concept of brand equity is not a natural thought for most healthcare leaders. While the science of brand building has been around for hundreds of years in consumer goods, the world of healthcare has operated without much emphasis on building brands or assessing brand equity. In the recent past, as competition between hospitals and health systems has tightened and a proliferation of healthcare choices (mini clinics, urgent care, etc.) and information has enveloped the healthcare consumer, an increasingly "retail-like" healthcare environment has emerged.

THE ENSUING REFORM-FUELED MANDATES OF VALUE-BASED purchasing and incentivized reimbursement will galvanize the "healthcare-as-a-business" mentality. It will also extend the idea that if a healthcare provider does not operate as any business should by cutting costs and improving efficiencies while accelerating growth, it may not survive.

Waiting patiently in the wings, the concept of brand equity has quietly gathered more relevance as a vital tool in the roiling world of healthcare. Brand equity is the continuous accumulation of thoughts, feelings, opinions, and behaviors regarding a hospital or health system based on the experience it provides the customer. By its very nature, brand equity—whether positive or negative—is determined by the customer. Often hospitals are surrounded by thousands of brand equity stakeholders in their market who have interacted with the hospital itself. Those stakeholders share their thoughts with family and friends and continue to hold shares in the equity of the hospital itself. Of course, at the center of this conceptual world of brand equity lies the very hospital brand that fuels it all.

> Brand equity is the continuous accumulation of thoughts, feelings, opinions, and behaviors regarding a hospital or health system based on the experience it provides the customer.

Due to its conceptual nature, it can be easy to miscalculate brand equity or misunderstand the entire idea of branding. Often the most critical mistake in all of branding occurs before any real work is done, which is failing to understand what a "brand" actually is. This mistake is made easily because a brand is intangible. You cannot see it, hear it, or touch it. Yet its intangibility is far-reaching and influential to very tangible assets including employees, communications, facilities, and more. To reduce brand to something "fluffy" or "soft"—something that has no place in a future of hard choices and even harder realities—is to miss a fundamental and important idea that will benefit any U.S. healthcare provider: you are what the customer thinks you are. Knowing and understanding what the customer (and potential patient) thinks about your organization will be a great advantage in the coming years.

This white paper will define branding and dispel the myths and assumptions about brand equity in healthcare. It will demonstrate how strong brands are irrevocably tied to the organization's mission, business goals, operational performance, and overall financial health. Finally, it will present a measurement-driven framework for assessing and building the organization's brand in a time when the impact of branding in the healthcare industry is critical.

A Plausible Definition of Brand

Let's remove the first and often biggest non-starter in brand by defining what branding actually is: your brand is the customer experience you provide. Brand transcends the traditional thought that it is only the look and feel of your communications. Your customers experience your brand every minute of every day—not just when they visit your physical plant. Your brand is everything you communicate through advertising, communications, and patient information. Your brand is also everything communicated *about* you through media coverage, social media mentions, blogs, and even communication among employees, patients, and potential patients. Over time, brand equity is built by focusing on all the levers affecting the customer experience.

There is no shortage of issues facing CEOs, boards, and healthcare leaders today: clinical integration, physician engagement, and new government regulations (ACOs, anyone?), to name a few. Where does brand fit? When approached in a holistic manner, brand relates to every critical issue on the horizon. The bedrock of a strong brand is a reputation of excellence. A strong brand can attract and unite the brightest physicians. It can be leveraged to acquire and streamline clinics and create a shared vision of patient-centeredness, which is needed to provide a valuable and consistent customer experience. A strong brand can drive collective preference among a defined population and boost utilization for any health needs that population may possess.

The customer experience is a simple definition of branding but it is a layered complexion of many different communication channels,

Exhibit 1: The Customer Experience

some traditionally linked to brand and some that are not. **Exhibit 1** is an illustration of the different channels and subsequent touch points that comprise the customer experience.

On the top left, "communication tools" is where the traditional—and limited—view of brand gets boxed in. To bury brand in the typical world of marketing, advertising, and communications is a mistake because often the marketing staff does not have a seat at the boardroom table. Why drop the customer experience into an area that is not always at the forefront of your overall business strategy?

On the bottom left are all the digital channels fueling customer communication. Consider the recent emergence of these channels. Web sites were nearly non-existent 15 years ago but are now an absolute must to communicate with patients and potential patients. Social media was nearly non-existent five years ago and has now exploded in popularity and provides a great opportunity to reach consumers in a quick and direct manner. New social media tools are emerging and proliferating in use, requiring us to expand our thinking on the available ways to reach our patient population.

On the top right of the exhibit is the human side of the customer experience. This white paper will examine the employee (and that often includes physicians) side of the customer experience further, but the human component of the patient experience is ever important—the staff's attitude, knowledge, and ability to present the value of a hospital or health system through words and actions, and service response and follow-up after a customer leaves. Hospitals and health systems are learning that in today's world of coordinated, patient-centered care, when the customer walks out the door, it no longer means the hospital's responsibility for the customer experience has ended.

Lastly, on the bottom right, there is the facility, the bricks and mortar, which houses much of the customer experience. It's the presentation and the appearance, and it's crucial that a customer feels comfortable, finds the facility clean, and finds the staff friendly and open. All of these components comprise the customer experience and ultimately the brand.

Brand Equity: The Business Case

The Influence of Branding across the Entire Organization

Using the plausible definition of brand as the customer experience, the key business takeaway for brand equity is its ability to create influence across the entire organization. This influence spans the continuum of the customer experience from initial awareness and consideration of purchase to physician interaction to actual delivery of care. Yet brand equity also transcends the normal delivery system and influences outside factors like consumer perception, physician perception, and even payer relationships. Below is a breakdown of the segments of care influenced by brand.

Quality of Care

High-quality care is to brand as water is to a tree. Without a high-quality customer experience that physically delivers on the brand promise, there is no chance to build brand equity—in fact, equity will be leeched from the brand in the process. It's quite logical to deduce that a customer will not return to a place where they received poor care. Consider the incoming population of Gen Xers—who are already less apt to listen to authority compared to baby boomers—and it's easy to see that the evolving healthcare customer already requires a higher level of service and expects more from providers to feel satisfied.

Employee Satisfaction

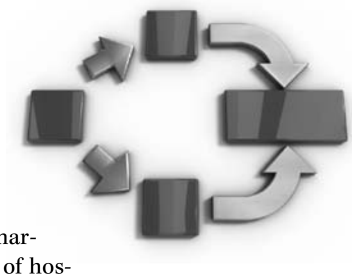
Employees are perhaps the single most important component in delivering your brand because they are the human capital that will deliver the brand and build brand equity over time. Good or bad, they are the face of the brand during the interactive part of the customer experience. They can be brand ambassadors by believing in the value of the hospital or health system and buying into the brand. They can also be brand saboteurs by failing to provide quality care and delivering a bad experience, thereby irrevocably tarnishing the brand.

Physician Recruitment and Retention

Like potential customers, physicians make decisions every day as to which hospital or health system they will refer their patients. In fact, physicians are perhaps the most important selectors of brands. Potential customers are less likely to disagree with their physician's recommendation than say, the recommendation of a friend. Physicians typically understand the value a hospital or health system provides and therefore they can assess brand equity when they funnel patients into a care system. There is much to say about what motivates a physician, but it is clear that an unhappy returning patient is something any physician wants to avoid. The customer experience can greatly affect physician relationships and strengthen referral networks, or degrade them when customer expectations are not met. Hospital and health system leaders must clearly communicate the brand to physicians and consider them supremely important equity stakeholders.

Payer Evaluation

Payer relationships are vital for hospital and health systems to attract commercially insured customers who can help buoy the bottom line in a time when Medicare/Medicaid will pay less. Like hospitals and health systems, payers operate like a business. They evaluate, negotiate, and even collaborate based on the reputation of the parties involved. A business partner with poor brand equity is generally not attractive to payers as it may adversely affect their own brand.



Mergers and Acquisitions

If you are adopting a business mentality and attempting to build your brand equity like any other company, you will find a very familiar business reality: the current rise of mergers and acquisitions activity in the healthcare marketplace. Since 1995, the total number of hospitals in the U.S. has decreased by about 10 percent; in the same period, the number of health systems nationwide increased, while the number of independent hospitals decreased.[1] This trend has accelerated to some degree since the financial collapse of 2008–2009, and with the increased need for clinical integration and accountability under healthcare reform, this is expected to continue. Thus, health systems must mind their collective assets when branding.

This is not breaking news for the healthcare community as the system approach has swept across the landscape leaving standalone hospitals as outliers. Health systems are more often built through acquisition than through spawning new facilities, though both contribute to the system movement. As a health system looking to acquire and expand, the brand equity of the potential candidate facility becomes critical because the system will inherit and own that equity after purchase. As a standalone hospital looking to be acquired, positioning as an appealing option for a health system means having a strong brand that will be easily folded into the system brand and perhaps have a bolstering effect. As a standalone hospital looking to remain independent, having a strong brand is critical as it is the strongest leg to stand on. It can help prove the value necessary to keep reimbursements high and survive the inevitable changes of reform.

It can be easy to decipher the power of brand through traditional business means. What we are truly interested in is how brand fits within the ever-changing world of healthcare. How does brand equity translate to healthcare? As we discovered earlier, healthcare is different, but it is quickly moving to the traditional business model of providing a retail service, making brand equity a more relatable concept every passing year. In the sections that follow, we will look at two key components of brand equity in healthcare: the role of financial gain in branding and the role of internal operations.

1 James Burgdorfer, et al., *Hospital Consolidation Trends in Today's Healthcare Environment* (white paper), The Governance Institute, 2010.

The Financial Component of Branding

The idea that a brand can accumulate real value that leads to more revenue is hardly new. Interbrand is an organization that has tracked brand equity since 1974. It uses a formula to measure the amount of real financial value a brand accumulates and attributes to its parent company. **Table 1** shows a list of 10 well-known companies in various industries and the contribution of their flagship brands to the balance sheet.

Table 1: Contribution of Brand to Balance Sheet in U.S. Corporations

Company	Market cap as of 1/31/11 ($billion)	2010 brand contribution to market cap of parent (%)
Coca-Cola	145.90	48.29
IBM	199.60	32.43
Microsoft	237.20	25.67
Google	192.08	22.68
GE	214.21	19.98
McDonald's	77.83	43.14
Intel	119.19	26.86
Nokia	39.69	74.31
Disney	73.60	39.04
Hewlett-Packard	100.08	26.85

Source: Interbrand, 2010.

Simply looking at Coca-Cola, the contribution of that brand name to the parent company is 48 percent. This is a testament to the influence consumers wield in the accumulation of brand equity. The consumer does not drink the name Coca-Cola, but instead drinks the product itself in all its fizzy, high-fructose-corn-syrup-injected goodness. Yet the consumer associates that product with so much positive feeling and goodwill that the name elevates it far beyond its humble substantive existence. We've heard the phrase, "What's in a name?" Rather than answering, let's change the question: what's *inside* a name? In the case of Coca-Cola, it is over a hundred years of good-hearted, fond-memory-laden Americana. If the name "Coca-Cola" is stripped from the can, the Interbrand study would suggest half of the financial value would be lost. It is not difficult to imagine Coca-Cola being just another soda without the iconic name and red can. The only thing standing in the way of that very fate is its brand.

The power of brand equity was not lost on John Stuart, chairman of Quaker Oats, who stated, "If this business were split up, I would give you the land, bricks, and mortar. I would take the brands and trademarks and fare better than you." This statement is remarkable in many ways but perhaps the most remarkable is when it was made: in 1900. The importance of brand is nothing new in the business world.

The Impact of Spend

Does what you spend communicating your brand have any impact on your market? As seen in Exhibit 1, business and communication tools are a vital part of the customer experience. Communicating your brand through various external channels requires spend. How much spend varies greatly depending on the hospital or health system spending, market size, and competition for spend. What you invest in communicating your spend must make an impact. In terms of brand, it should be important for every hospital to make a connection between spend and awareness—the number of consumers who are thinking of you first in terms of healthcare. Awareness, sometimes called mindshare, is important for two reasons: 1) consumers who are fully aware of you have greater potential to prefer you over your competitors and actually use your services, and 2) consumers who are fully aware of you are the most qualified source to provide feedback on your customer experience—they are your brand's think tank.

For the Medical University of South Carolina (MUSC) in Charleston, South Carolina, correlating what it spends to important market metrics is paramount. Over a six-month period from August 2010 to January 2011, MUSC tracked its media spend against two metrics important to its brand—awareness and preference. While injecting cash into its media strategy to share its brand's message with the masses, MUSC wanted to see a boost in the amount of market consumers mentioning them and, even more importantly, the amount of consumers specifically naming them as their preferred healthcare provider. Take a look at the results in **Exhibit 2**.

> Hospital and health system leaders must clearly communicate the brand to physicians and consider them supremely important equity stakeholders.

While there isn't a causal relationship between spend and awareness/preference, there is clearly an emerging pattern of heightened spend creating lift in both awareness and preference levels among Charleston consumers. Interestingly, MUSC tripled its spend in October and found preference levels lifted the following month. As its spending dropped to very low levels in December, awareness and preference followed suit. There are many variables to note including the different types of media used as well as the messaging—not all spend is executing the same way, nor should it be to keep the brand fresh. In looking at MUSC, we can highlight the importance of maintaining and even increasing spend at critical times in your brand strategy, but perhaps most importantly: making sure spend levels do not drop too low, thus starving your brand communication and causing consumer perception to wilt accordingly.

With tightening budgets and less available cash to spend communicating your brand, you have to be vigilant about seeing a return on the dollars invested. You also must underscore the importance of wisely spending the money you do still have available. Creating a budget that serves your brand, your customer experience, 100 percent of the time, is a great way to line up your branding budget for ROI (return on investment) success. There are many available ways to explore your return on investment and chances are you can find a method that works for you, and specifically for your brand. We will now highlight a hospital whose leaders found what was important for their brand, and made themselves accountable to deliver.

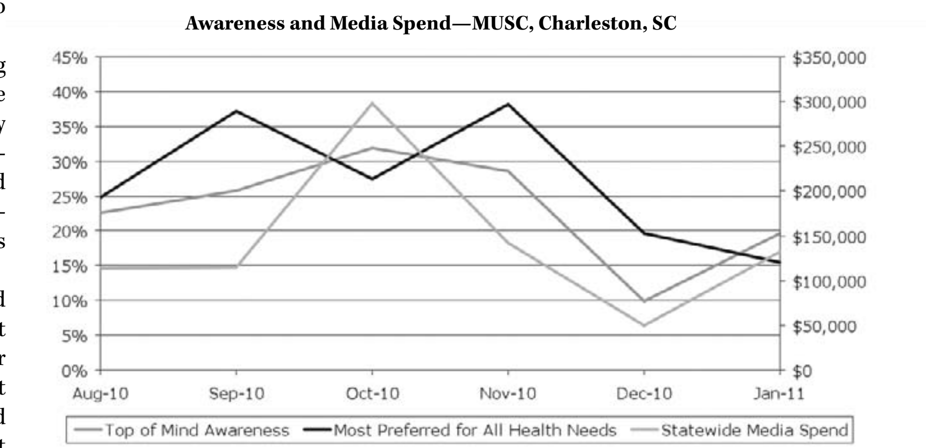
A Case Example of the Financial Impact of Branding

A great example of a hospital that never stopped learning about its brand and improving its patient experience to bolster brand equity is Edward Hospital & Health Services in Naperville, Illinois. While the market laggard at one point, Edward became the market leader by 1997. Choosing to continue focusing on the customer experience, even though it was in a dominant position, Edward further researched ways to improve.

To position its brand, Edward settled on a "big idea": once patients experience a high level of care along with a warm, friendly environment, they become loyalists. This vision was based on customers becoming loyalists if they believed in Edward and its customer experience. Edward thus internalized its big idea and sought customer loyalty as its measure of success.

To better understand the customer, Edward began to train and focus on making the patient feel welcomed. Edward leaders emphasized their desire to have their customers greeted the moment they walked through the hospital doors. Edward performed continuous qualitative measurement to see if the training worked. After awhile, patient comments poured in, including, "I felt very safe and confident in the hands of the staff. They all seemed to truly care about me and my recovery." Positive evidence continued to grow. Edward teamed nurses with receptionists and performed group training to create cooperation and collaboration in treating customers. Even after initial training was complete, leadership continued to add new, more granular training regiments. They poured over any errors and used them as learning experiences. To reward, they shared patient comments with staff to demonstrate real change was taking place. Fueled by positive feedback, nurses and doctors began to lead the charge in providing a customer experience that would convert patients into loyal advocates of Edward.

Exhibit 2: Moving the Metrics through Spend



Source: NRC Ticker, Medical University of South Carolina, Charleston, SC.

Qualitative results can provide powerful and emotional direction. What did the quantitative results show? Was Edward making real gains in market share? Real financial gains? According to a National Research Corporation (NRC) study in the western suburbs of Chicago from 2008 to 2010, Edward made gains in image, utilization, and even improved patient advocacy (see **Exhibit 3**).

Edward improved its already remarkable patient loyalty and now over 90 percent of patients will recommend its services to family and friends. Edward continues to drive forward a powerful message about its reputation, causing nearly half of the market to select Edward when asked which hospital has the best image. Yet in between market perception and patient loyalty sits the ever important utilization number. Edward leaders understood if they could convert positive brand equity into actualized volume they would grow their bottom line. According to the study, Edward's volume increased from 42.6 percent to 45.2 percent from 2008 to 2010.

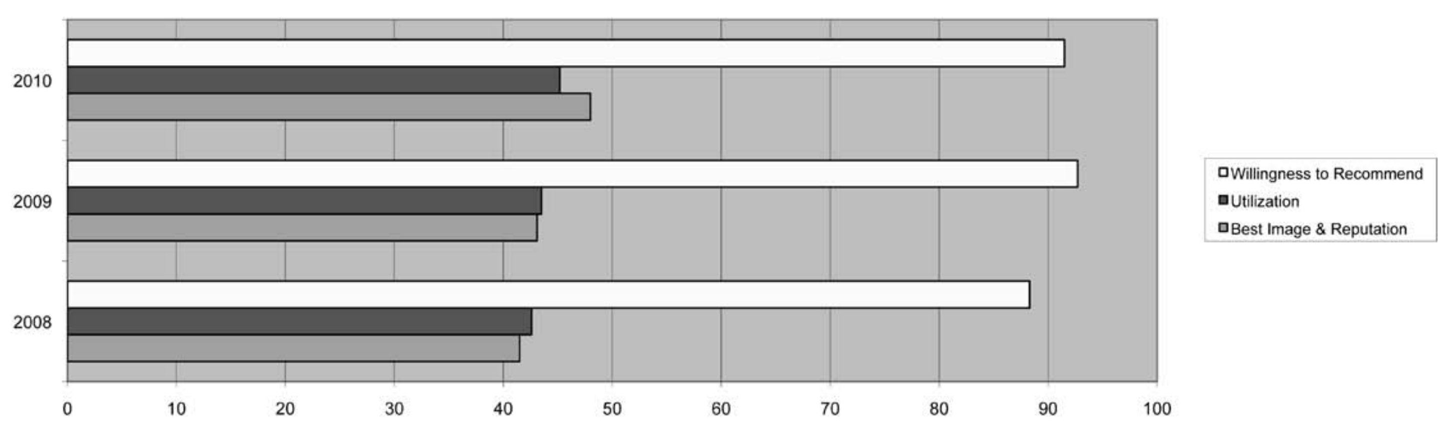
While Edward's focus began through branding and fed off of a big idea to increase volume, did it make an impact on its financials? In driving utilization up, Edward took into account the financial benefit for each point of share. The numbers are quite startling (see **Table 2** on the next page).

Even one point of share resulted in a contribution margin of nearly $2 million for Edward. Its focus on the patient clearly reverberated through the community and led to new customer growth and a loyal, returning customer base, which all led to higher volume and more revenue for Edward.

Using Brand Equity to Increase the "Right" Kind of Volume

It is clear that focusing on the customer experience will create a higher perception of quality and, with loyal patients reutilizing your services and singing your praise to others, there is opportunity to move more patients through your doors. Depending on your situation, your point of share may result in more or less financial impact

Exhibit 3: Consumer Perception of Edward Hospital (Naperville/Wheaton/Aurora, IL)



Source: Ticker Survey 2008–2010, National Research Corporation.

than the case example of Edward Hospital & Health Services suggests. Increased utilization creates the need for more beds, staff, and administration.

It is also important to understand how clinical integration will affect patient volume and ultimately your brand equity. While increased volume will bolster finances, it also needs to be the right kind of volume. The move toward accountable care organizations (ACOs) will shift the focus from sheer volume to prevention and even keeping patients out of the hospital. This is a delicate message that must be delivered with much thought. No hospital should appear to want patients to keep out, but every hospital should appear to want the community they serve to be as healthy as possible, even if it means fewer patients overall.

Brand can once again come into play in the world of ACOs. For example, the message of prevention and overall wellness is one that is friendly to healthcare and can be easy to integrate into any brand. Consider creating a brand that shows consumers it can provide the best patient care, but it is also committed to its potential patients by helping consumers adopt a healthier lifestyle that won't require unnecessary trips to the hospital. Think about how refreshing a brand message is that includes the possibility a consumer won't need the hospital's care.

Table 2: Financial Benefit of Growing Inpatient Market Share

Incremental Market Share Points	Market Inpatient Discharges	1 Market Share Point (1%)	Contribution Margin Per Inpatient Discharge	Incremental Contribution Margin
1	50,000	500	$3,900	$1,950,000
2	50,000	1,000	$3,900	$3,900,000
3	50,000	1,500	$3,900	$5,850,000
4	50,000	2,000	$3,900	$7,800,000
5	50,000	2,500	$3,900	$9,750,000
6	50,000	3,000	$3,900	$11,700,000
7	50,000	3,500	$3,900	$13,650,000
8	50,000	4,000	$3,900	$15,600,000
9	50,000	4,500	$3,900	$17,550,000
10	50,000	5,000	$3,900	$19,500,000

Source: Edward Hospital & Health Services.

Operationally, creating a culture of strong, clear communication of prevention and wellness will extend outward into the various facets of care. Take community events for example. They provide an opportunity to promote your brand. They often bring together various parts of the care system. They show consumers that hospitals can interact with them outside of the hospital walls. Healthcare brands need to consider this type of approach to position themselves as strategic caregivers who are committed to the community but also well aware of what it takes to excel in a world of value-based purchasing.

When considering the deep organizational impacts of ACO-inspired integration, it's important to note that a strong brand can be the best card to play when thinking strategically about how to reform your organization. Integrating will beg for joint partnerships. These alliances will involve brand assets that must be assessed and aligned to create a new entity that is streamlined and highly organized. Your brand will need to extend to new areas and grow with any expansions made while simultaneously accounting for these moves and articulating their benefit to the market. Your brand must be forged ahead of time and clearly drawn to enter the ACO era successfully. Think of your brand as an expanding umbrella in a downpour, it will only keep you dry if it is without holes.

The Internal Component of Branding

An easily ignored facet of brand is the internal impact it can make in a healthcare organization. Utilizing a strong brand as the shared vision among a group of employees can be empowering and prosperous to an organization. In fact, the brand and the organizational vision should be intricately connected. Little things like a "big idea" that is shared internally can address this need for connection. Remember, employees are the deliverers of the customer experience, so branding efforts must take employee satisfaction into account. In contrast to the financial side of branding, focusing on employees as part of the branding process does not require vast amounts of capital but rather the openness of employee inclusion and the willingness to listen to employee needs.

Below is a fascinating exercise to undertake as you assess the internal impact of your current brand. Ask five separate employees in five different areas of your organization the following questions:

- What is our big idea?
- Are we different than other healthcare providers and if so, how?
- What do we do best?

No matter if you are interviewing a physician, an administrator, or a custodian, these answers should align. Everyone will put their own perspective on their answers, but the big idea should come through when interviewing employees, even in a casual setting. If you find the answers are consistent and match what your organization has tried to communicate, then you deserve praise for having strong internal brand equity. If you find you are a participant in a game of telephone and the answers are all different among your internal sample, then you must focus on how to align your brand message to the most important communicators of that message: employees.

Keep in mind that developing a shared vision of brand among employees costs little or no money. It is also true that the results and benefits may be harder to see. You can watch your internal brand equity simply by walking around—by observing the customer experience in its delivery phase, in the patient's room, the OR, the waiting room, the hallways, even in the parking lot. These are all places where your employees are communicating your brand to your customers. Engaged employees are easy to spot; so are engaged leaders. If you believe in the brand, that belief will cascade down to your employees. If your employees believe in the brand, it will bubble up to leadership.

In the current landscape there have been many cold decisions resulting in hard changes: employee layoffs, spending freezes, and tense relationships with management. Having a shared vision can be a rock to stand on in tough times. While many changes can bring morale down, if your employees believe in their mission and cooperate with each other, it can be a rare morale booster.

Healthcare Brand Strengthens Mission

Healthcare has an intrinsic advantage in building both internal and external brand strength. The mission of a healthcare provider is likely much more appealing than that of say, a laundry service. Treating other human beings and providing the needed care to restore their health is much more poignant than providing clean garments. Your mission is perhaps one of taking care of the community, serving the needy and poor, and helping the sick when they need it most. Hospitals and health systems have already used this advantage to create a strong mission statement and ultimately a sense of purpose. Integrating the mission with the brand will strengthen the public's understanding of the organization's mission, and reverberate the mission more strongly throughout your employee base, further engaging them in the organization's brand.

Consistency is Key

Cultivating employee belief in your brand requires great patience and consistency in your actions. The volatility of the recent past has not made this easy for hospitals and health systems. It is difficult for employees to rally around the third CEO in five years. It is difficult for employees to believe in the mission of a foreign health system that has acquired their beloved community hospital. Even in these situations, creating a brand that leans upon the natural advantage of healthcare to inspire will help to set future success, but time is the most important ingredient. The biggest driver of consistency is internal commitment to the brand. If this internal commitment is unwavering, the brand will be delivered across different parts of the customer experience with great precision and predictability. If commitment is lacking, the brand will be delivered in different ways at different levels, to the detriment of the overall customer experience. Think of the power of having an employee believe in your mission every day. Then think of the malicious underside of that power when an employee has his or her own agenda or issues and acts accordingly. Keep in mind that consistency can also benefit from reduced turnover. A less transient employee population affords you more time to share your mission and more experienced employees delivering that mission.

> If you, as leaders, believe in the brand, that belief will cascade down to your employees. If your employees believe in the brand, it will bubble up to leadership.

The Human Side of Brand

Think about a great customer experience you've had. Perhaps it was at a restaurant, hotel, barbershop, or salon. Chances are it was not your first visit and it was in line with what you've come to expect. This experience may be related to a product you consumed, but it may also have a lot to do with who delivered the product. Perhaps you enjoy chatting with the person who makes your coffee as much as you enjoy that coffee. Perhaps you are entertained by the customer service representative as much as you are entertained by the electronic gadget you purchased. The human side of interaction ties back to that employee believing in the brand and delivering a great customer experience to you.

A Case Example of the Human Side of Brand: University of Illinois Medical Center

The University of Illinois Medical Center (UIMC) is an academic medical center at the University of Illinois at Chicago. UIMC is an urban medical center that struggles with its image. UIMC also has low awareness and presence in a highly competitive market that includes four other major academic medical centers. While its leaders had made upgrades to facilities, pioneered emerging research techniques, and attracted top physicians, they found through their employee satisfaction study that employees were not aware of the accomplishments being made outside of their area. Seeing these blinders on their employees, leadership explored the root cause of low internal awareness and indentified that employees were indeed working in silos—even doctors—and heard little about what progress the organization was making overall. There was a healthy amount of assumption from leadership that employees were aware of what the leaders were doing and understood benefits that, in actuality, were clear only to the C-suite and board. Assuming employees are aware of what is happening can be a recipe for disconnect.

UIMC's main issue was the employee perception that it was still "just a hospital for Chicago's poor." UIMC was positioning itself as a leader in advancing medicine for the health and well-being of the population it serves, and wanted employees to carry forward that message. The leaders found a rebrand was in order, but not a typical rebrand, which may cause visions of consultants, marketing campaigns, and advertising blanketing the community to cool new colors, taglines, and images of happy people. Instead, they focused on the smartest type of rebrand—branding from the inside out.

Slashing Silos

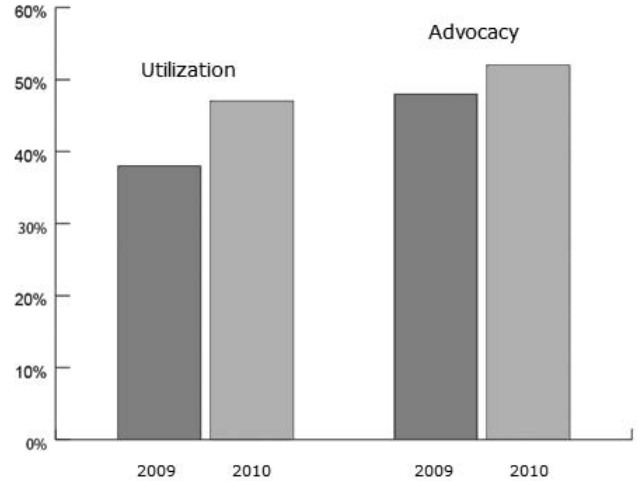
UIMC leaders created a big idea that could easily be shared across employee networks including physicians, by stating the tagline, "Changing medicine. For good." This idea could easily translate into employee-facing messaging, for example, the phrase, "We're changing medicine, and we're changing it for good," was used as an employee-facing message. This idea is powerful because it can be translated to any employee's duties thus encompassing all employees and inspiring teamwork. Two clear advantages emerge from this big idea. First, UIMC is demonstrating the concept that a breadth of medical advancements through research, technology, and clinical care have an impact on medicine overall, which also leverages the fact that it is the largest medical school in the country. Second, they are tying to their mission and succinctly stating the positive value they provide to the very people they serve. They didn't stop there.

UIMC held an employee "information fair" to communicate all the changes it had made over the past few years. Employees could stop by and get information on health benefits, providers, and specialties. UIMC discovered doctors talking to not only other doctors but also administrators and nursing staff. Technicians were talking to C-suite executives. Capacity became an issue so another fair was held. An outpouring of employee communication began about the experience and how positive it was to learn about their employer. A sense of shared mission began, and even pride in the mission emerged for many employees.

New Measurement for a New Approach
UIMC leaders measured this turnabout by doing a new round of satisfaction surveys, but instead of housing and conducting employee, physician, and patient satisfaction separately, they ensured that feedback across employee segments would be viewed collectively and shared to identify common threads and discover gaps. UIMC's approach of asking employees the same questions they ask patients and even consumers was unique. By asking employees what area hospital has the best care, the best doctors, and the best facilities, they treated their thousands of associates like informed consumers in the larger community—an approach that was rooted in the idea that your employees are your most influential customers and have the potential to be your advocates in the community.

UIMC leaders initially discovered some hard truths about how their employees felt. Many employees did not think they were the best. Employees were not aware of many of UIMC's strengths as a healthcare provider. Employees weren't always using UIMC or recommending the hospital to family and friends. Employees were not brand ambassadors.

Exhibit 4: UIMC Employee Utilization and Advocacy 2009–2010



> The biggest driver of consistency is internal commitment to the brand. If this internal commitment is unwavering, the brand will be delivered across different parts of the customer experience with great precision and predictability.

Tending Their Own Garden
During the rebrand, UIMC focused heavily on employees. UIMC knew external communications would ultimately fail if it did not change employee perceptions and improve the customer experience by focusing on the stewards of that very experience. In this time, UIMC leaders had to spend a lot of focus and patience in developing new employee relationships, but the organization did not incur much expense. They placed banners describing the new big idea in common areas so employees could constantly see what leadership was attempting to do. They continued the trend of events through organizing different kinds of employees together into common spaces to talk and share stories and cross-pollinate information.

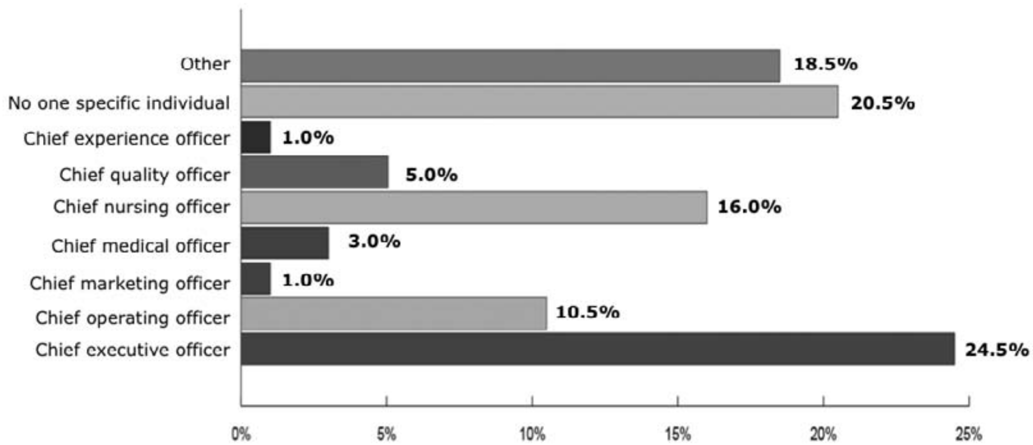
These simple activities are starting to make a real difference. UIMC leaders continued to survey the perceptions of their employees to understand if the new focus on internal rebranding was making an impact—it was. As you can see in **Exhibit 4**, from 2009 to 2010 employees began to use UIMC more for services and, perhaps more importantly, advocate on UIMC's behalf by recommending the hospital over the competition to their family and friends. By looking in the mirror and focusing branding efforts on its own staff, UIMC made real gains and is on the right path to converting employees into brand ambassadors.

The Role of Branding in a Larger Business Strategy

We have now defined brand, the customer experience, and shown the value brand can provide, both financially and internally. At this juncture, it's important to align your strategic business goals to your brand. How does your strategy line up with the customer experience? Is it centered on the patient experience? Does it take into account the influence of today's consumer? Does your strategy tie to what is happening at your hospital or health system every day? If not, it's important to be open to modifying your strategic plan or perhaps generate a big idea to give your brand some new life. Consider staging a board retreat to generate branding strategy that is rooted in your existing strategic plan. For example, if your plan is to boost the performance of a specific service line (e.g., cardiology), you are likely trying to reach more consumers to share the advantage of using your organization for heart care. Your brand should be the guidepost for this new service-specific endeavor. What is it about your heart care that warrants strategic focus? Do you have a great new crop of doctors under your employ? Have you found the best clinics to reach patients? Have you perfected the best techniques in surgery? Have you discovered consumers are not satisfied with what your competition has to offer? All of these advantages you are trying to capitalize on in heart care tie back to the overarching customer experience you want to provide. Even though a service-line-specific strategic goal may not seem tied to the overall brand, it is absolutely connected because it affects the customer experience.

Breaking Down the Branding Barriers

Exhibit 5: In Your Executive Suite, Who "Owns" the Primary Responsibility for Patient Experience?



Source: HealthLeaders Media, 2010.

The Issue of Brand Ownership

An important barrier of branding is ownership. Even more so, lack of ownership is the top barrier to branding. Behind every great brand is a dedicated brand owner. But the big question that represents this barrier so well is, "Who should own it?" Is there a position every hospital has that should own the brand, or a standardized approach that could communicate brand value across the organization and ensure strong brand equity?

We can look to research conducted by HealthLeaders Media in 2010 to find an answer.[2] Two-hundred (200) hospital C-suite executives were asked, "Who owns the patient experience?" Using our plausible definition of brand as the customer experience, we would interchange the patient—or customer—experience with the brand itself. The results were interesting (see **Exhibit 5**).

With an overwhelming response of 25 percent, the "owner" of the customer experience is the CEO. Second and third place belong to "no one specific individual" and "other," and one must go down to 16 percent to find another real person—the CNO—in a distant fourth place. Clearly, the CEO must own the customer experience and it must start at the top.

A quick glance at the issues facing healthcare organizations today would show there is a lot on the CEO's plate already, and branding may seem like just another thing to add to the list. A line of thinking that may help is the position that branding is already on the CEO's plate, whether he or she is aware of it. Ideally, if branding is owned from the top and communicated clearly to others, it will cascade down to all employees. In this process, the CEO is not expected to ensure the delivery of the message in every facet of the organization.

Owner vs. Enforcer

We must not confuse ownership and execution. As the owner of the brand, it does not mean vast chunks of available time must be spent working on brand. Someone can, and should, be selected by the CEO as the "brand enforcer." This enforcer can be anyone. You may naturally think of the chief marketing officer or vice president of marketing, but perhaps the enforcer could be a well-respected physician leader who can corral stubborn doctors into believing in the brand. Perhaps it is a well-connected nurse or a likeable administrator. Who has a good handle on your brand now? More than one enforcer is also a possibility. No matter what, the brand owner must tell the brand enforcer three things: 1) what the "big idea" is, 2) what the measure of success is, and 3) how often it will be reported back to the owner. With these action steps in place, the owner is accountable for the brand's performance but has dedicated eyes and ears monitoring the brand.

A Board-Level Thought Exercise

A simple first step toward ownership can involve the CEO asking the board several questions about the current state of the brand. The board has plenty of influence in the strategic operations of the organization and must be involved in the crafting and sharing of the brand. The board can be a great source of conversation around the topic of branding and must be "signed on" to the idea of providing the best customer experience possible. Below is a list of questions to spark a branding thought exercise for the board:

- Are we different than other healthcare providers and if so, why? How? (Ask employees the same questions and compare answers with board members.)
- What do we do best? Why are we the best at this?
- How do we show this to our employees? To the community?

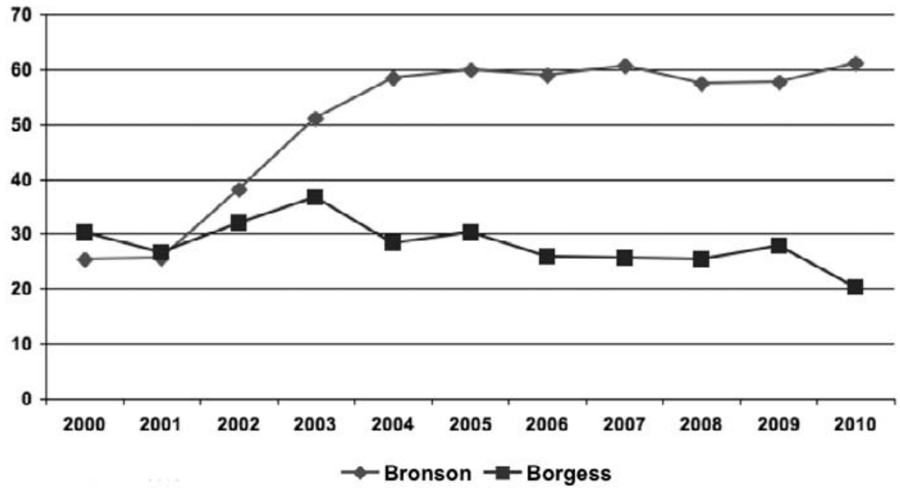
Does everyone have the same answer? Remember the most popular answer isn't always right and could be the biggest misconception. The differences among the board and employees can be revealing. The differences among the board members themselves can be even more telling. When listening to the "why," keep an ear turned toward the measures of success. What has been done to measure your efforts? Are the "whys" fact-based in nature? Are there real comparisons between your organization and the competition with actual reasons why you are better? If real facts cannot be cited then what is being shared may just be hearsay. Use this exercise to get at the heart of how the board feels about the brand. Keep measurement in mind as we will later explore an adaptable measurement framework.

2 Gienna Shaw, "When It Comes to Patient Experience, Executives Are Enthusiastic, Ambivalent, and a Little Clueless," *HealthLeaders Media*, Patient Experience Leadership Survey, 2010.

The Degenerative Cycle of Rebranding

As consumers we've all experienced brands that have gone through change after change in an attempt to reinvent and reposition themselves. It's important to understand that any rebranding must take into account the organization's current brand equity, as this is the starting point for the rebrand. Consumers are the holders of brand equity, and how they feel about your organization at this point in time is already decided. If you want to rebrand in order to change or improve your organization's perception in the eyes of consumers, you must account for how they already think. They will use their current knowledge to make new decisions and form new opinions, so why wouldn't you take stock in what you already have before you change it? You may even decide that your current brand is more than capable of delivering value and doesn't need a full rebrand.

Exhibit 6: Which Hospital Has the Best Overall Quality? (Kalamazoo, MI)



Source: Ticker Survey, National Research Corporation, 2010.

The Inability to Maintain Brand Strength

Too often branding is considered a temporary initiative that, once completed, can carry on its own with little attention or focus. Branding requires an internalization that keeps it top of mind constantly. In fact, a careful, measured rebrand can actually take years to reach full effect. Rather than an expensive, flash-in-the-pan rebrand that inevitably flames out, a careful rebrand (think UIMC's methodical, employee-first approach) can build over time and continue to deliver benefits that will pay dividends in perhaps more challenging times. Think of building brand strength as you would building muscle mass. Those who dive in with a New Year's resolution to build quick muscle often burn out by February and see little or no gain for their efforts. Those who create a careful schedule with milestones and manageable goals avoid burnout, and while their gains might be slow-going at first, they build over time and result in actual changes.

The board has plenty of influence in the strategic operations of the organization and must be involved in the crafting and sharing of the brand.

A Brand That Broke Through

In the early 1990s, Bronson Healthcare in Kalamazoo, Michigan was in the midst of a competitive landscape in the market. At the time, Bronson was in second place behind Borgess Health. Bronson decided it was time to rebrand and vault its brand to the top spot. Bronson's C-suite intended the brand positioning to be simple and to provide the customer a reason to believe. In place of just investing in advertising, Bronson decided that it had enough capital to do a facility expansion, opting to take that route. In doing so, Bronson aimed to do more than just expand the facility and tell the community about it. Instead, it went a step further in promoting the customer experience.

The customer experience for Bronson was about more than just the facility expansion. Bringing in greenery was one example of how they looked to better a customer's visit to the facility. By bringing in nature, it created an environment that reflected both health and well-being. Another example was widening the parking spaces in the parking lot and placing clearer signs outside the facility. Both were small changes, but showed customers that Bronson not only wanted them to arrive comfortably and safely, but the organization also wanted to make it easy for customers to get where they needed to go. Taking it one step further, Bronson also placed kiosks in every hallway of the facility. The kiosks allowed customers to find a doctor, a specific location, or request immediate help. Bronson also made seating available in every hallway by placing benches every 30 feet so that customers could rest if need be. While all of these examples are physical changes, it all provided an opportunity for the customer to interact, which led to goodwill.

Bronson used its facility expansion as an opportunity to not only increase its patient volume but also strengthen and reposition its overall brand. Bronson leaders wanted the customer to know that they were focused on the customer's health and needs. The changes were simple, but Bronson began to communicate them on a continuous basis. It wasn't a quick process—taking years—but the organization didn't waver in its brand message.

Bronson effectively used lighthearted humor throughout the entire process. One example of this was when they created gowns that fully covered patients. Many customers complained about gowns never covering them and Bronson decided to listen and create its own customized hospital gowns. While lighthearted, it was extremely powerful and resonated among customers.

The measurement behind this is also important. Looking at the Ticker Survey from National Research Corporation,[3] it is clear that

3 Ticker Survey, National Research Corporation, 2010.

Bronson was in second place in 2000 for overall quality. This shows that consumers did not feel particularly strong about Bronson's customer experience at that time. As the expansion of the facility began, it can be seen that the previous perception was starting to break down and a new one was taking shape. Over time, Bronson gained incredible market share (see **Exhibit 6**).

Having come from second place in the market, Bronson is now strongly positioned at first place. Overall, it targeted its customers well and understood the competition. Its leaders understood that it takes simple things to ultimately affect the bigger picture. They decided to ask what their customers wanted and then delivered. Bronson decided on a message, stuck to it, and gave people a reason to believe in the brand over time.

The Power of Thinking Differently

As with Bronson, the ability to stop and inject fresh thinking into your branding can pay dividends later on. Healthcare is especially muddled in terms of positioning and messaging to consumers. Looking for opportunities where others do not can provide a leg up. Bronson used facility expansion to meet customer needs and deliver a new customer experience. Think of your market and the messages your competitors are sending. Are you sending the same messages? Conveying the same benefits? Is everything that everyone is saying about compassionate care and advanced technology? Is everyone's primary color blue? Think again through the lens of the consumer. This can all be extremely confusing to a healthcare consumer. Simplifying healthcare for your potential patient is always a good idea. Differentiating your message to stand apart from the competition is a sound strategy.

Measurement: If You Can't Measure It, It Doesn't Exist

A key component in successful branding or rebranding campaigns is the ability to prove success at all. Without consistent measurement at the beginning, middle, and end of a campaign it can be difficult to understand if branding efforts were successful.

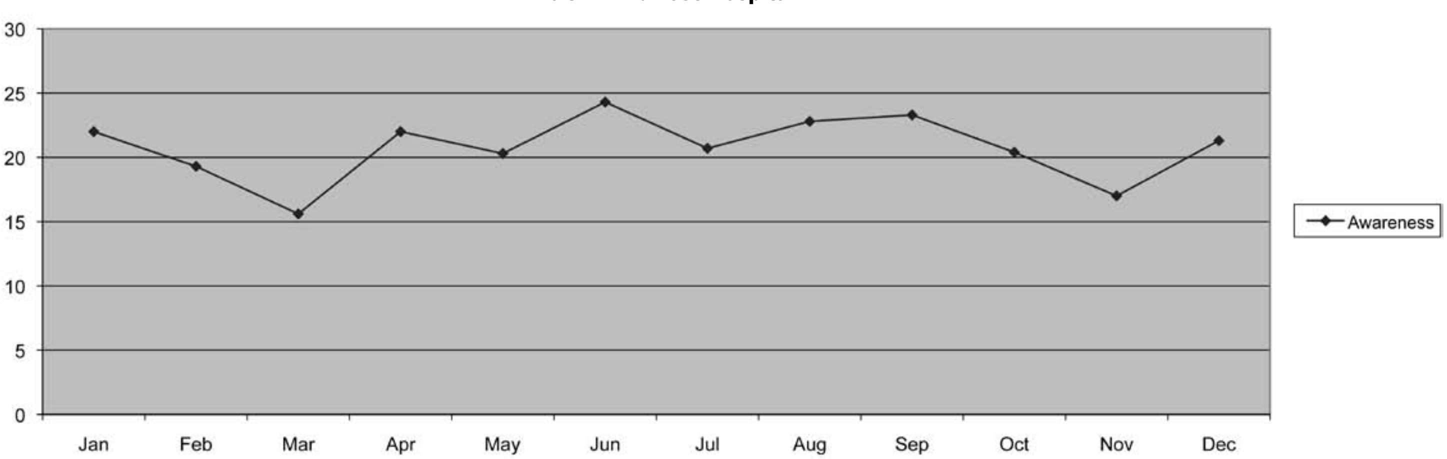
The Importance of Consistent Brand Measurement—No Pictures Please

It's easy to spend an incredible amount of money on a brand assessment that occurs over a short period of time. It is cost prohibitive for most hospitals to constantly pay for these services, so months or years will go by without any further exploration or measurement of the brand. Invariably, when enough time passes, it becomes necessary to dig deep into the pocketbook and commission another assessment. This vicious cycle of infrequent brand measurement is dangerous because it involves "snapshots in time" of the brand in question. Because everything a healthcare organization says and does affects its brand, it's important to continuously track and measure brand strength—it can change anytime. Brand snapshots don't unearth the small changes in brand health that become critical to analyze and understand over time. They also don't give a wide view of the market to ensure there is no overreaction.

Consider a hospital located in a large metropolitan area of the Midwest. Their awareness share among consumers was vital to understand how their brand strategy was performing throughout 2010 (see **Exhibit 7**).

Had they only looked at Q1 when they launched a new TV campaign, they would have been greatly disappointed by the results they saw. The ability to keep measuring throughout the year shows that said campaign had a delayed impact and contributed to a big awareness bump in Q2. The same misperception could have occurred when they launched a new campaign in late summer that was less traditional. It could have been seen as a bust by November but instead started making its impact by December. Clearly a continuous approach to measurement will ensure the organization fully understands its performance and doesn't make snap judgments either way—it can be toxic to misread an early failure and pull the plug, but perhaps just as poisonous to misread an early success that simply isn't so. With continuous measurement in mind, the next step for leaders is to roll up their sleeves and build something *to* measure.

Exhibit 7: Midwest Hospital



Source: Ticker Survey, National Research Corporation, 2010.

A Framework to Build a Weatherproof Brand

This section explores a plausible framework to match our plausible definition of brand. The framework is adaptable for any situation: large healthcare system, small healthcare system, or standalone hospital. It can be developed by addressing some simple questions as described below.

Step 1: Assessing Your Current State of Brand

What are customers and potential customers already saying about you? Anyone reading this already has a brand. Employees, patients, and consumers are all talking about you and your customer experience. They are all forming opinions and reinforcing existing perceptions. These perceptions have been built over time. It's important to understand the state of your current brand. Perhaps you have access to existing research. Perhaps you can quickly capture patient feedback. You could consider purchasing an existing data set or commissioning a quick study on your brand. To be sure, you must assess your current brand to know where you are. Think of receiving instructions on your GPS for reaching a destination but not knowing where you are now. You need the "you are here" sticker.

Step 2: Customer Targeting

You want to build a great brand—a positive customer experience—but which customers are you targeting? As healthcare providers, we must attend to all. Yet we also need to reach certain segments of the population to ensure financial strength. Perhaps this segment is the commercial insured consumers who live nearby. Perhaps it is a segment of consumers who prefer and use a competitor or out-migrate to a different area for care. Perhaps it is something fairly general, such as a certain age group or income bracket you are seeking to accentuate your patient base in a positive manner. It may even be something very specific, such as individuals who have lived in the community less than one year. Whatever the case may be, select at least one target to efficiently position and build your brand. By targeting, you reduce the amount of variables in play for the consumers you wish to reach. Analysis of the segment becomes manageable because you have specifically selected it for clear reasons. Think of your brand as an arrow. Perhaps you sling what you feel to be a great shot, but without a target, does it matter? Does the arrow know where to go?

In the past, the shotgun approach of targeting everyone in town may have had its advantages. Yet with more sophisticated consumers who are already bombarded with generic marketing messages it is more difficult to breakthrough. A targeted message feels more personalized and consumers are naturally more receptive to messages that seem crafted for them. You can also track responses to specifically targeted campaigns and understand if your brand is resonating with target segments. Are you speaking their language? Targeting helps hone the craft with an audience that is relevant by design.

Step 3: Identifying Your Competitive Advantage

Who are your competitors? Consumers make all kinds of choices based on the available options in front of them. Often when healthcare leaders position and build their organization's brand, they only think about their own organization. Imagine an executive retreat where leaders lock themselves into a room far from the hospital to decide what they do best. In a vacuum, it can be easy to determine the areas where you excel. Yet the customer does not consider your organization in a vacuum. Physicians do not refer in a vacuum. It can be dangerous to determine the position of your brand without considering what your brand is up against: other brands. Organizations building a stronger brand can discover a competitive advantage by comparing their skills and offerings to that of competing organizations, and structuring the brand accordingly.

Competitive advantages often boil down to two things: being better and being relevant. Communicating value is critical but you must know what your consumers value. Communicating expected benefits does not equate to value. For example, a brand built around sending patients home in good health is not compelling as consumers already expect to be sent home healthy. No one expects to get sicker at the hospital. This is an expectation, not a demonstration of value. Being relevant is more challenging, but is especially important in healthcare because consumers are not constantly thinking about their healthcare organization. Imagine your organization is a top heart hospital in the region with a track record of excellence. If a potential patient doesn't think he or she will have a cardiac event (whether this is accurate or not), he or she may not place your organization's value within his or her own life. The patient may not think your organization is needed. Demonstrating to the consumer that cardiac issues can happen to anyone is a step toward relevance. Your organization may be the best heart hospital but you must also show that it is the best heart hospital for *the consumer*. The key to being better is out-performing the competition; the key to being relevant is overcoming the consumer's own long-standing (sometimes faulty) assumptions.

Step 4: Point of Difference

Once you have analyzed your competitive set, the next step is to bottle up your biggest "point of difference"—a service line, center of excellence, or aspect of customer service that places your organization above the rest. Again, this isn't necessarily about what your organization does best; what it does *better* is what matters to the consumer. If you are the market leader you have likely found your point of difference, or can find it rather easily, by looking at the reasons consumers choose your organization over others. As you are selecting your point of difference, be sure to inject some humility into your thought process. Give your competition credit and be sure you are valuing what they offer. Don't choose a point of difference that is a sore spot because

Exhibit 8: Positioning Pitfalls and Their Impact

COMMON PITFALLS	IMPACT
Positioning too narrow or too broad	Missed opportunity by reaching too few customers, or lack of uniqueness by trying to be all things to all people
Positioning around attributes that are expectations (safe, clean hospital rooms)	Risk of undifferentiated brand positioning and wasted energy
Solely using either quantitative data or creative inspiration in developing the positioning	Suboptimal positioning that rests on guesswork — must balance data, creativity, and marketing savvy properly
Inability to deliver on the positioning	Loss of current customers and inability to attract new customers
Not evolving the positioning or building it with pliability to stay relevant as the marketplace changes	Steady decline in loyal customer base, loss of market share, antiquated appearance

you think your organization is better than the competition. Don't choose an issue your competitor has been pushing that you want to steal. Choose something valuable in the eyes of the consumer.

Your organization also doesn't have to be number one to build and position a great brand. Perhaps you are not in an ideal situation and you cannot place your organization as the best or most relevant option. You may have average or above average services, but you have too many big players in your market. Beating the competitive set can sometimes boil down to simply being different. Think about Bronson in clear second place. Little things can add up if consumers place your organization apart from others. Creating space between your organization and the competitive set requires keen focus on everyone else's messaging. You may be lucky if all the other hospitals or health systems are saying roughly the same thing. Remember, consumers have trouble differentiating similar messages—they all tend to run together. Try a message that is completely different from what consumers are hearing from your competition. Avoid anything outlandish or controversial, but do say something that hasn't been said before. Use humor. Highlight a small benefit that is oft overlooked. Use patient feedback to highlight a great caregiver. Choose a bright color that is far from blue. Advertise in a local magazine that *isn't* healthcare related. There is no shortage of things your competitors are *not* doing. Pick some, and do them.

Step 5: Reasons to Believe

Reasons to believe are perhaps the simplest and yet most important piece of brand building. Reasons to believe are the proof points you will deliver to the customer. They are how you will follow through with your brand promise. There are significant changes you can make: upgrading your equipment to match a message of advanced technology; ensuring the highest-quality staff that is well trained in patient-centered care to match a message of compassionate care; recruiting and retaining the most skilled physicians who will attract and build a favorable patient base. Not all reasons to believe require a large investment. Think of simple reasons, such as a gown that covers you, having a clean space, a wider parking spot, or the other simple improvements Bronson made. All of those are little things that a consumer actually sees and feels. Reasons to believe are the culmination of building your brand and provide the true validity to your brand messaging.

Creating a Unique Measure of Success

Once you have positioned your brand it is a good time to recall the owner/enforcer roles discussed previously. The owner will oversee the brand but the enforcer will need to report on its performance. As part of brand positioning, you must apply a measure of success that is unique to the brand. Try to avoid generic, heavy measures such as "bring in more volume." Examples of helpful ways to measure the success of your brand include "5 percent gain in customer preference" or "5 percent gain in utilization by targeted customers." Think about Edward's idea to focus on patient loyalty and to diligently watch that metric for signs of success. Use your reason(s) to believe as a natural measure of success. For example, if your measure of success is "being the best at leading-edge medicine," then poll customers and even the marketplace and ask which organization is the top option for advanced medicine. If it isn't your organization, make it your measure of success to be number one, and pick a reasonable date for when this should be achieved. Use this process to arm your enforcer with a distinct goal and a specific timeline.

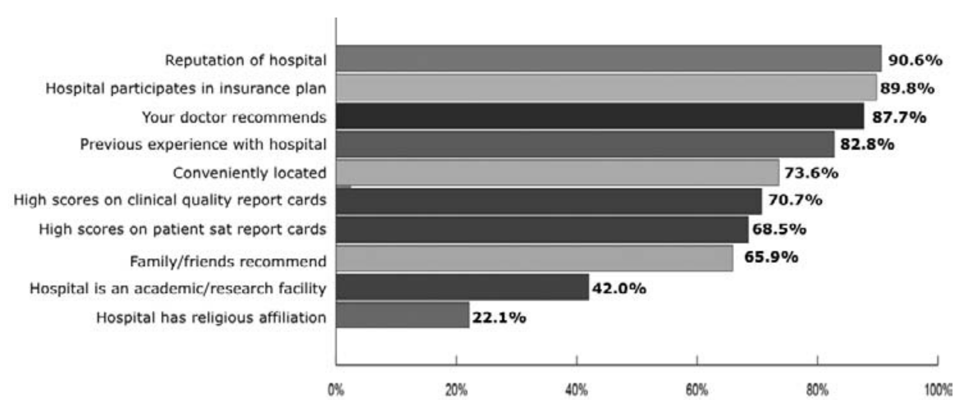
Positioning Pitfalls

In the process of positioning and building your brand for the future, keep in mind the top pitfalls and the impact they will have if you do not avoid them (see **Exhibit 8**).

Inside the Mind of the Healthcare Consumer: Thoughts, Opinions, and Behaviors

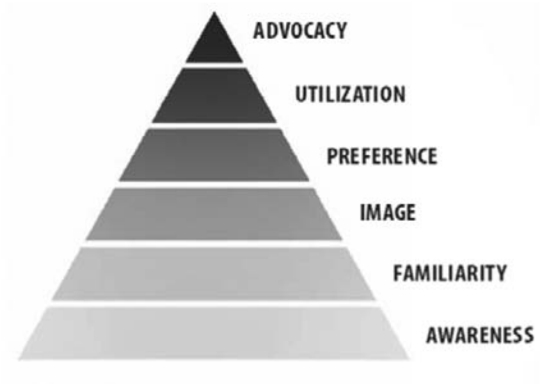
Healthcare is confusing by nature. Consumers do not have regular contact with healthcare in the same way they do other services, which makes them disoriented when it comes to seeking healthcare. Because consumers seldom think about their healthcare until it becomes clear they need it, latency becomes a key issue in healthcare decision making. Given the many changes in the healthcare industry in recent years, organizations must be increasingly mindful and meticulous in

Exhibit 9: How Important Are the Following Factors in Selecting Your Healthcare?



Source: Ticker Survey, National Research Corporation, 2010.

Exhibit 10: Consumer Decision Model



Source: National Research Corporation, 2011.

how they present themselves to consumers over time. Branding is a marathon, not a sprint. When it comes time for a consumer to select a healthcare provider, it is often for very specific reasons that have been formed and decided over time. An NRC study of over 250,000 consumers in 2010 revealed the most popular reasons for selecting healthcare organizations (see **Exhibit 9**).[4]

Clearly consumers value the opinion of their doctor and will seek care only with healthcare providers who accept their insurance. Yet the top response is "reputation of hospital." The importance of brand is highlighted once again. Even after large issues like physician relationships and payer relationships come to pass, consumers are still selecting healthcare based on the reputation of the provider above all else. Building and delivering a brand that is based on a great customer experience is the perfect driver for a strong reputation of excellence—the number one reason consumers select healthcare.

System vs. Facility

Perhaps you are a multi-facility healthcare system serving multiple markets. How do you decide to measure your brand? Do you measure the overall system brand performance or that of each facility? Do you attempt to combine both? The answer to this question rests on how your brand architecture is presented. Are you a unified, monolithic system that places the system name on every facility and every location (e.g., St. Mary's Hospital, St. Mary's Cancer Center, St. Mary's Physician Network)? If not, you are a house of brands, with different naming structures (e.g., St. Mary's Hospital, Anytown Children's Hospital, Blue Hill Physician's Clinic). If you are a unified system, you should measure your brand in that way. Ask consumers to identify your system separately (and perhaps first) before asking about specific locations. Keep in mind that consumers are not often aware of system affiliations, even after several years, and will continue to think of hospitals as separate locations long after mergers and rebrands. You may need to aid their list of answers to ensure you are capturing what is desired. If you are a house of brands, you will need to ask consumers about each location separately because this is how you present them currently. You can assess each facility or clinic and then use a "system roll-up" technique by combining all individual results together to represent a holistic brand view. While this roll-up is a cumulative brand view that certainly has its flaws, pushing consumers to name a system brand they may not understand also has its downside. As healthcare organizations continue to grow and merge there is not a perfect way to capture system awareness, so choose what fits your situation.

Building Board Buy-In

Brand measurement is your shield against cynicism ("this won't work") and criticism ("this isn't working"). Remember at the onset of your brand journey you developed a plausible definition of brand. You also assigned ownership but delegated to create a system of accountability. You decided on a measure of success and committed your organization to continuously measuring your efforts. The best way to engender board involvement is to include board members from day one. Perform the board-level thought exercise described previously. Share the definition of brand with the board. Decide on the "big idea" together. Reduce dissent by keeping the big idea simple and positioning it as something difficult to disagree with (e.g., we care with confidence and a smile, we push the envelope in advanced medicine, we provide the best cardiac care in our region).

From the board's perspective, any new initiative should have a clear measure of success the board is both aware of and can follow over time. Share the measure of success up front, and seek board feedback to ensure the best measure has been found. Keeping the board out of these decisions is a surefire way to alienate board members. Often, board members come from a business background and may be familiar with brand equity and bought into the power of branding already. We won't know unless we disclose. Not everyone will agree, especially with something as intangible as your brand's big idea, but engaging the board in branding efforts at the onset can count for something even if not every member reaches full appeasement. Once your brand ship has sailed, share your research-based results. Share with the board what is working and what is not and ask for feedback. At every turn, be ready to balance between openness to feedback and loyalty to your approach, because once you have successfully positioned your brand, you must stay the course. The best brand journeys will achieve board buy-in because the board will be along for the entire ride.

Converting Awareness to Value and Loyalty

As you measure your brands' performance you may find early success in the number of consumers mentioning your organization or thinking of it top of mind. It can be easy to see increased mindshare and declare victory. High awareness is a great sign but in and of itself does not equate to value. Awareness is really just potential. A consumer names you. This can be a good thing if you can begin to use that fact to your advantage. Can a consumer name you and say why you are different? Can a consumer name you and say what you do best? Can a consumer name you and refer you for a certain type of service?

Every hospital or health system wants to convert aware consumers into loyal patients who will become loyal advocates. To track this, you need a customer-focused and brand-specific pathway to chart and track brand performance across the long spectrum of consumer decision making. Perhaps you have seen a consumer decision model such as the one illustrated in **Exhibit 10**.

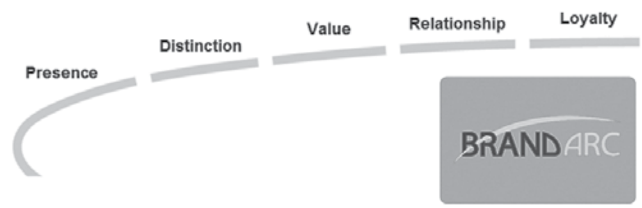
Just as you define your organization's brand in a general manner to generate consensus among the parties involved in the branding decision-making process, you should also decide on a general measurement approach without tension. You may already have a pathway like this in place. If you do not, you can employ any decision model you like. Perhaps you want to be more specific in tracking all the brand

4 Ticker Survey, National Research Corporation, 2010.

touch points a consumer will encounter past awareness; if so, you can try a more pointed consumer path such as that illustrated in **Exhibit 11**.

Whatever method you choose, use an approach that places awareness within a "market presence" category. From there, ask consumers to illustrate differences between the brand they named and their other healthcare choices. Then, ask them to assign value and speak to the reputation of the brand. You can also ask these consumers if they prefer or have used your organization and how they characterize their relationship with your organization. Finally, you will want to get at the heart of your brand equity by asking if they will be repeat customers and if they will recommend your organization to family and friends. Brand loyalty is the final measure. Whatever method or technique you choose to measure your brand in the marketplace, remember that consumer orientation with a brand is only the beginning. That same consumer will enter into a state of consideration, assign value, initiate a brand-specific preference, and become a user of services. The customer experience will then indicate if they become a brand advocate and loyal returning patient. Measurement should be present along this entire consumer decision pathway.

Exhibit 11: Brand Arc



Source: Ticker Survey, National Research Corporation, 2010.

Market-Centric Brands Stand the Test of Time

When the marketplace is your branding barometer you safeguard your organization from the danger of not evolving. Inevitably the marketplace will change. Consumers will develop changing needs. New populations will have different healthcare preferences and behaviors. Emerging technology will change how and where medicine is delivered. The only way to keep your brand adaptable is by keeping an ear to the ground and watching your market. If you have chosen a big idea that is simple enough to stand the test of time, then you can keep evolving that idea to match what the market is telling you. You never have to guess or reach or go with your gut. Choose market-based logic over gut-based logic every time.

Creating Your Brand Equity

Brand equity is built and formed over time by obvious components like the customer experience and less obvious components like consumer perception in the marketplace. Here are examples of the many components forging together to create your brand equity:

- External and internal appearance of hospital
- Business partnerships/affiliations with other healthcare providers or brands
- Mass communications from hospitals to the market
- Mass communications *from consumers* (via social media and blogs)
- Media coverage (public announcements, lawsuits, awards, etc.)
- Internal communication of hospital branding
- Personal communications from patients to potential patients
- Patient feedback to hospitals based on their customer experience
- Consumer perception of a hospital (with or without being a patient)
- Employee perception of their hospital (including doctor perception)
- **Positive experiences from patients leading to re-use and direct recommendation of hospital services to others**

When calculating your brand equity leave no stone unturned—including the littlest of things—to ensure you are seeing the whole picture.

The Implications of Branding in the World of Reformed Healthcare

If you do not feel confident in your brand, it can be easy to feel like your brand is inadequate and others have a healthy head start over you. In fact, by being open to building your brand now you are still ahead of the coming storm. Taking steps now to build a well-positioned brand will enable you to weather the healthcare storm and perhaps emerge ahead of your competitors.

Even More Potential Patients

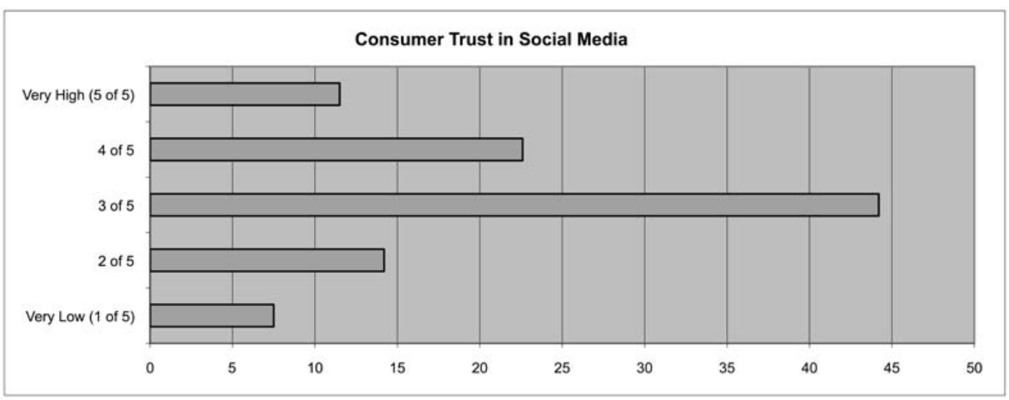
As if a growing and graying population was not enough, there will be a new batch of consumers freshly armed with health insurance who may not have much direction in where to seek care. Your organization's brand and, ultimately, its reputation will be major factors in where patients seek care. Consumers will continue to have more choices and they have access to more information now than ever before. People often reference healthcare information online before anything else. There is a wealth of information online that continues to grow exponentially.

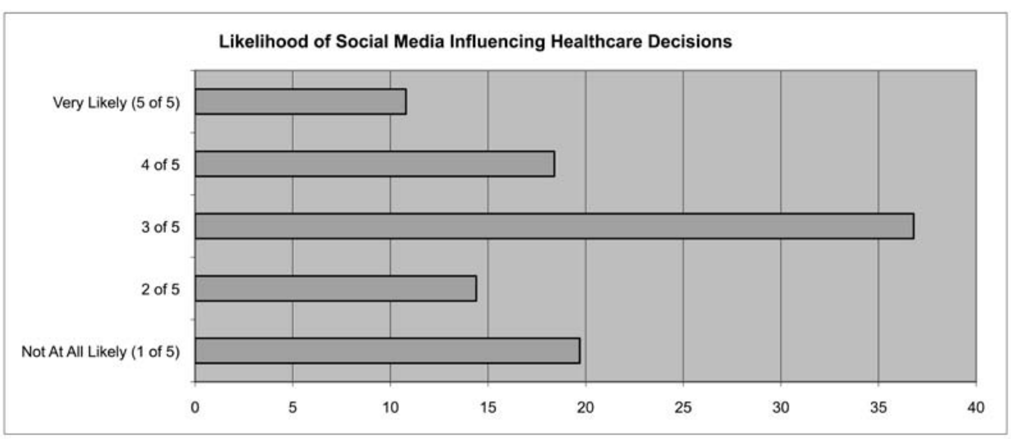
A Proliferation of Information Sources

Social media deserves its own special place in your mind when thinking about brand. Social media is almost completely consumer-driven and highly trusted among consumers. As you can see, social media has already gained an admirable measure of trust and is poised to shape future healthcare decisions for many consumers (see **Exhibit 12**).

Social media is perhaps the best harbinger of how reform will affect your hospital or health system from a branding perspective. Information about your organization will be increasingly widespread. The customer experience will be more documented and shared more often

Exhibit 12: Social Media





Source: Ticker Survey, National Research Corporation, 2010.

with more people. Consumers who are more empowered to make healthcare decisions will do so with more information at their finger tips. You will have less control over the message you communicate. A strong, clear brand becomes your best weapon. A clear brand that consistently communicates value becomes more difficult to twist or dilute through social media. Brand value becomes more easily communicated to a larger audience.

Employees and loyal past patients will again be indispensible. A strong internal commitment to social media could prove to be a golden key to spreading and defending your brand. Think about that unhappy former patient who snipes at your hospital about a bad experience. Every negative comment deserves a positive response and having an army of social media users can help beat back anyone with an agenda. Overall, social media, much like healthcare reform in general, will drive healthcare providers to be more transparent. Messaging must be clear and durable to survive the throngs of healthcare consumers who need only an Internet connection to enter the fray. Provide a great customer experience and people will talk. Do the opposite, and people will talk louder. In the process, your brand either brightens or dims.

Keep in mind social media isn't going anywhere. Five years from now there may be a newer communication tool we have not yet thought of. What we likely do know is that anything that emerges will make it even easier for consumers to share information amongst each other. Your brand must be airtight.

The Ratings Game

Clinical integration, value-based purchasing, and the onslaught of ACO aspirations have created an interesting and different complexion for healthcare performance. Ratings are starting to matter. The "build it and they will come" strategy of raising capital, building a hospital, and watching patients flock to it while profits roll in is extinct. Consumers will now have choices and many of them will have insurers paying based on performance with the government leading the charge. The idea that ratings will play such a large part in the financial survival of hospitals is a telling change, yet not a new concept at all. Most ratings are based on patient and consumer feedback. While patients haven't always had the choices they do now, they also have been making decisions on their healthcare for a long time—decisions based on facts, recommendations, and actual experiences. It could be argued that consumers have rated their healthcare far before the government became involved. Accordingly, those who have measured the customer experience long before it was required have seemed to fare well.

Now that ratings are increasingly popular, use your own brand measurement as another legitimate rating. The ability to disagree with this approach will diminish every day. If we live in a ratings-based world, why not start now in measuring your brand and creating your very own value-based system? Ten years from now, brand equity may be a government-mandated process that every hospital follows and from which the early risers benefit the most. If that seems far fetched, imagine value-based purchasing just 10 years ago.

Conclusion

There is no shortage of issues facing CEOs, boards, and healthcare leaders today, including increasing needs for clinical integration and physician engagement driven by health reform, coupled with a delicate economy that is driving the need for increasing efficiency and eliminating waste.

THE COMING STORM IN HEALTHCARE IS VALUE-BASED purchasing. There is generally no argument in this regard. Regardless of whether organizations participate in the CMS accountable care organization shared savings program (if this program succeeds), or whether they choose to integrate with physicians independent of ACOs; whether healthcare reform continues to be implemented as planned, it is clear that the way of the future is clinical integration with payments directly tied to patient outcomes. The focus must be on delivering high-quality, high-value, patient-centered care. Hospitals and health systems cannot succeed in this environment without the right physicians (and physician leaders) and dedicated employees who are willing to do the hard work of transforming care delivery.

Since brand is essentially the customer experience, building brand equity is naturally at the core of these efforts. A strong brand helps focus consumers on an organization's reputation of excellence. It can attract and unite the physicians your organization needs to align with in order to succeed in this new era of value-based care. It can be leveraged to acquire needed clinics and services and, most importantly, create a shared vision of patient-centeredness, which is necessary to provide a valuable and consistent customer experience.

Strong brands are directly tied to the organization's mission, business goals, operational performance, and overall financial health. Developing a measurement-driven framework for assessing and building the organization's brand is critical for non-profit hospitals and health systems in a time when the impact of branding in the healthcare industry is critical.

Your brand equity represents you and everything your healthcare organization does. By being clear and measured you will create a weapon against competitive and political forces. You will unite your employees under one idea and deliver a great customer experience. You will measure every success and failure to achieve full clarity along your journey. We cannot anticipate every coming change, but a strong brand can be a powerful constant because it strikes at the core of healthcare: the customer experience. Focusing on the customer experience is a sound strategy against any coming storm.