

Advanced Consumerism: Take Your Organization to the Next Level

A Toolbook for Healthcare Boards and Executives



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A Governance Institute Strategy Toolbook

Fall 2020





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About the Author

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Donohue recently co-authored his first book, *Patient No Longer: Why Healthcare Must Deliver the Care Experience Consumers Want and Expect*, with Stephen Klasko, M.D. (Health Administration Press, 2020). Ryan has written several publications on healthcare consumerism, brand strategy, and effective marketing tactics. He is a regular contributor to the Boardroom Press newsletter and other Governance Institute publications. He speaks regularly at Governance Institute leadership conferences and for Webinars, as well as at other healthcare leadership events on a national and regional scale.

Donohue's primary source of research is provided by NRC Health, the largest surveyor of healthcare consumers in the United States. Through NRC Health's client relationships, Donohue has worked with many top health systems and hospitals to understand the changes resulting from a more consumer-centric healthcare climate. Collaborators include Mayo Clinic, Trinity Health, Baylor Scott & White Health, New York-Presbyterian Hospital, Providence, Augusta University Health, Middlesex Hospital, and many more. Donohue has engaged healthcare providers big and small hoping to better serve their communities. He continues to explore how consumers make decisions and how providers can take the leading edge in consumer and patient engagement and retention sooner rather than later.

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The Governance Institute provides trusted, independent information, tools, and resources to board members, healthcare executives, and physician leaders in support of their efforts to lead and govern their organizations.

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(Re)Introduction to Consumerism in Healthcare

Consumerism is an exciting, if not bewildering, movement in healthcare. It is rooted in the belief that if people are paying significant sums for their own care that they should have a say, not only in where they seek care, but also in the quality and cost of that care. Healthcare consumerism has emerged as a top trend and is worthy of heavy strategic contemplation among healthcare executives and boards.

Consumerism itself is nothing new. To buy products and services is to consume. The idea that consumers should have enough information on a product or service so they may choose to consume what is best for them and their families has been around as long as business itself. But healthcare? Healthcare is different. Once a world where consumers and providers were divided by healthcare insurance companies who negotiated with partners (providers) and paid the lion's share of costs for their customers (consumers), hospitals and health systems typically didn't need to pay mind to consumers themselves and certainly not to consumers who weren't active patients. Out of gown, out of mind.

It's a paradigm that still warps industry thinking today. Healthcare is lagging virtually all other major industries in proactively engaging consumers, creating a relationship that fulfills consumer needs over time, and proving the value of that relationship to incur consumer loyalty. As invasive species (e.g., CVS/Aetna, Amazon, Apple) start to invade healthcare delivery, hospitals and health systems have often found themselves flat-footed. Basic concepts in business have pierced healthcare with an anxious energy. As healthcare leaders grapple with catching up on becoming consumer-centric and all it entails, there is much to learn about the actual consumer.

This toolbox is designed to guide healthcare executives and the boards that oversee them through the wilderness of consumerism, helping to further their advancements in this realm, and emerge on the other side as an organization that values its consumers who, in turn, also value the organization.

Where to Go Next

Even if you are on board with the idea that consumer perception leads to market reality, and you are already working to develop or have developed a strategy around it, you may still ask yourself, what do we do next? Perhaps you have enlisted the help of an outside firm to incorporate consumerism into your strategic plan. Perhaps you have conducted some research on the topic. But what do you *do* with your insights on consumerism? They may still feel encased in glass and unable to flourish throughout your organization.

It is important to avoid treating consumerism as a separate topic or curious trend to occasionally visit. The consumerism movement demands critical strategic action from healthcare providers—to provide seamless access to new and existing patients, offer a high-level experience throughout, and provide conclusive value through a sustained, transparent relationship with consumers. The strategic and financial implications of these issues are clear and present: consumerism extends into nearly every corner of healthcare operations.

To move further along your path to becoming consumer-centric, healthcare leaders must advance consumerism from a topic of curiosity and study to an integral component of strategy, woven deeply into the planning process and culture of the organization. Intentional investment is required.



Critical Consumer-Centric Actions:

- Provide seamless **access** to new and existing patients.
- Offer a consistently excellent patient **experience** throughout all care settings and services.
- Provide conclusive **value** through a sustained, transparent relationship with consumers.

Essential Questions on Consumerism

This toolbook will pose critical questions for boards and senior leaders, including a few to start:

- How do you feel about consumerism? Do you understand it fully? Do you agree with its merits?
- How does your organization view consumerism? As a threat or an opportunity?
- Has your organization integrated consumerism into your strategic planning process?
- Has your organization successfully engaged people outside of traditional healthcare delivery?
- How has your organization measured its advances in consumerism thus far (if it has at all)? How does it plan to measure and prove progress in the future?

Getting on the Same Page

Before we get too deep into consumerism, let's be sure to avoid confusion. The more consumerism is discussed in healthcare, the more it is in danger of being misunderstood and misapplied. Let's first define consumerism by what it isn't. In the context of this toolbook, consumerism is not the economic theory on consumption of goods or the legal movement to protect consumers against deceptive practices. When we use the word consumerism, we are examining the growing role regular people play in understanding, seeking, and paying for their medical care. This role is not sufficiently covered by the term patient; thus consumer and patient are not interchangeable. They are intertwined, as the healthcare consumer may choose to become a patient or be thrust into the role by medical or emergent need for care. While they receive care, patients are often required to make decisions and even sign forms, meaning that they continue to wear a consumer hat while in a patient gown. And once the patient is discharged, they again undergo the consumer role in managing the cost of their care and ensuring all payments have been made.

At the highest level, consumer-centric organizations do not feature one-off, trendy solutions here and there that “look cool” but rather start from the concept of human understanding to integrate solutions into the overall organizational delivery model and strategic vision. Consumerism initiatives close the gaps that current delivery models painfully expose.



At the core of consumerism is the need to address people as what they are: human beings. It may seem simple but in the blur of business it can be taken for granted. That is why NRC Health adopted the following mission:

Human Understanding: the enablement of healthcare organizations to understand what matters most to each person they serve, and to ease that person's journey. It has a deeper purpose—to view patients as more than stakeholders, target audiences, and populations—to know patients as *humans*. It entails three aspects:

- **Clarity** involves the ability to illuminate the critical moments to improve the patient's treatment(s), outcome(s), and overall experience.
- **Immediacy** is the ability to capture what people think and feel about their care in real time and over time, to enable providers to build on what is working and resolve problems with greater speed and personalization.
- **Depth** explores a patient's experience through a multidimensional lens. A provider must understand the totality of his interaction with every patient—before, during, and after care—to comprehend the patient's personal journey toward well-being.

Knowing the Audience: Consumer vs. Patient vs. Customer

Nailing down the correct term(s) to describe your audience can seem menial but is vital to ensuring consistent communication inside the organization and externally in the community.

Consumer

To buy a product or service is to be a consumer. In healthcare, a consumer is anyone deciding where to go for care and how to cover their share of expense. Simply put: if you pay for healthcare, you are a consumer of healthcare. Even if you don't set foot inside a hospital or doctor's office but you still pay your monthly insurance premium, even if you don't pay the whole bill, you are still a healthcare consumer. The term casts a wide net but that generality underlines its utility to describe virtually all Americans as consumers of healthcare.

Patient

Anyone in need of care is a patient, right? While true of those admitted to the hospital, preparing for surgery, or seated in an exam room, "patient" can limit providers and healthcare leaders to viewing patients as only those within their organization's four walls. Social and technological advancements have blurred the line on where conventional patient-hood begins and ends. The rise of ambulatory care, virtual care, and even self-care administered through mobile technology have all expanded the patient experience out of traditional settings. While the term continues to describe the core being of healthcare delivery, as a contemporary moniker it employs a shrinking view of the full healthcare experience.

Other Terms: Customer, Member, and More!

"Customer" is popular in other industries but comes off a bit generic in healthcare. "Member" is being explored by hospitals seeking to build a clearer, more direct relationship with those they serve, but it conjures up health plans too. Shopper, buyer, user, and the list goes on. Even "person" has cropped up as a replacement for "patient." Any term that ignores the expanding power of individual decision making in healthcare may lack effectiveness, which is why we are focusing on the term "consumer" for this toolbox.

What Consumers Want

The key to pushing your consumerism strategy into real life is to honor the source: the individual consumer. What they expect from healthcare is not a static, solid set of issues. What consumers want is constantly evolving and consumer-centric organizations must keep up.

NRC Health's Market Insights is the largest continuous survey of healthcare consumers in the U.S. Drawing from its vast collection of quantitative and qualitative insights, a few key conclusions can be drawn. What matters to consumers can be

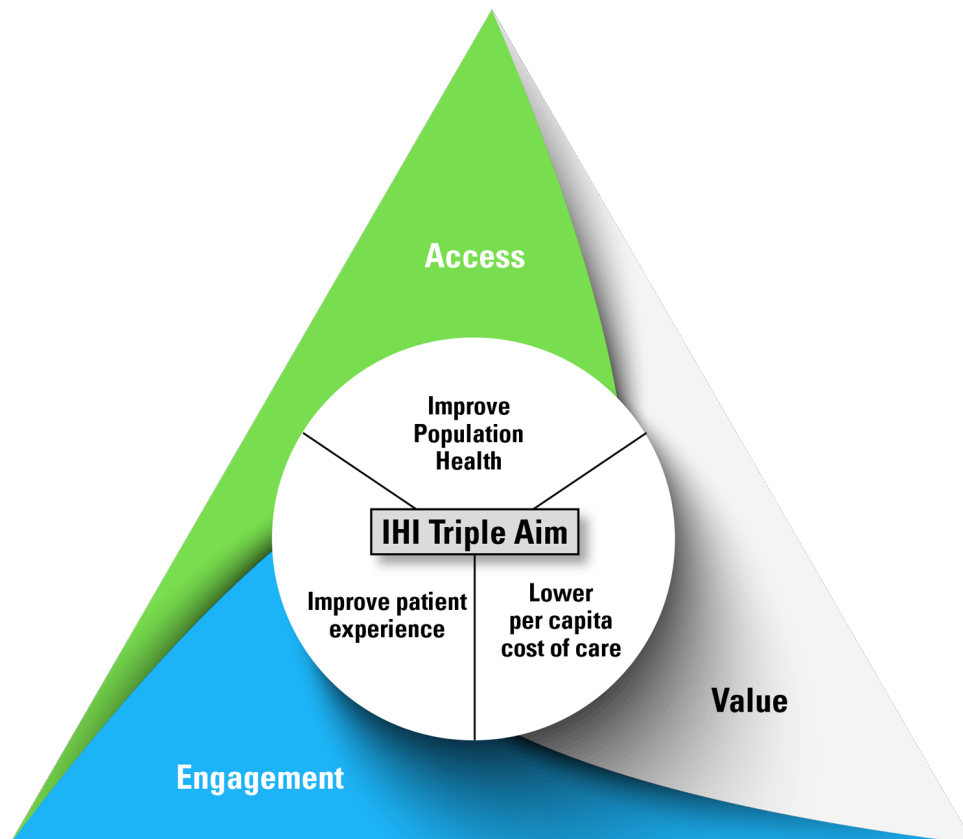
connected to a few key elements of their journey to and from care: **access, engagement, and value.**

This consumer rule of three harkens back to the Triple Aim as developed by the Institute for Healthcare Improvement in 2007. The triple aim posits the three most important efforts (aims) of a hospital or health system are to “improve the patient care experience, improve the health of a population, and reduce per capita health-care costs *at the same time.*”¹

This may appear simple but is challenging in practice as many providers struggle to provide great experiences without increasing costs and pricing the poor and uninsured out of the equation. Therefore, to do all three has become a continuing effort across the country.

Consumers, however, do not speak in industry terms and, in studying their feedback, a “Consumer Triple Aim” emerges in relation to the original (see **Exhibit 1**).

Exhibit 1: Triple Aim: Consumer Edition



Source: Institute for Healthcare Improvement and NRC Health, 2020.

1 N. Lewis, “A Primer on Defining the Triple Aim” (blog), Institute for Healthcare Improvement, October 17, 2014. Available at <https://bit.ly/3j8Bx8D>.

Access: Virtually all consumers ask: where do I start? If I need help, how do I find the provider I need/want? Consumers are increasingly accessing healthcare resources and experiences online first. Before they walk through a door, they turn to a screen to educate themselves, troubleshoot their ailment, and connect with a provider. Consumers want a seamless start to their healthcare journey and technology must play a part.

Engagement: Consumers want to feel connected and involved through all touch points of their care. From the initial search to appointments to surgery and beyond, consumers don't want to matter intermittently. They would like to feel engagement with the healthcare organization of their choice throughout the journey.

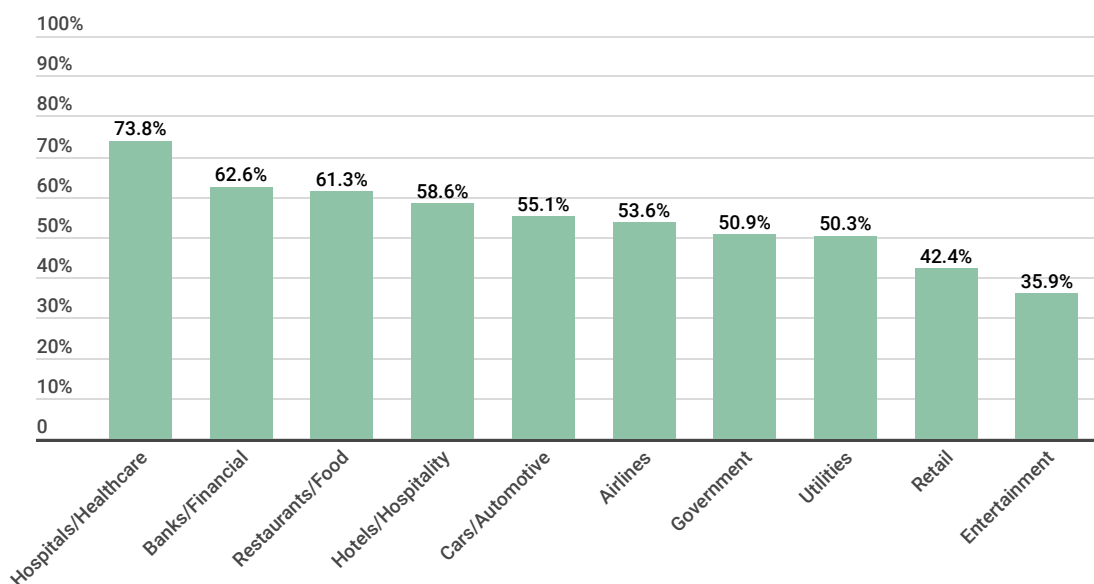
Value: In the end, consumers want to know their experience held value. Their final calculus nearly always includes payment. Consumers far and wide always ask, did I get the value that I expected? And, if I paid more, did I get more in return? These axioms are true across industries but particularly burning in healthcare, where consumers are being asked to pay more and more for their healthcare experiences. If those experiences don't measure up during reflection, consumers may choose a different path in the future.

In the name of transparency, value also encompasses providers' responsibility to, whenever possible, provide pricing information to patients in advance of treatment. Some organizations have online pricing tools for a number of common procedures, allowing patients to view their estimated out-of-pocket expenses after submitting their insurance information. Other options include providing estimated price ranges based on typical insurance plans. Most importantly, providers should have transparent policies on financial assistance to those who might not be able to pay, and put in place screening mechanisms to enable doctors and nurses to communicate these policies to the right patients. These are all important aspects of value that help to build a transparent relationship with consumers.

Consumer Expectations for Healthcare: Higher Than Other Industries

No other consumer-facing industry enjoys a higher expectation to meet or exceed consumer needs than healthcare. It is not surprising (after all, healthcare is a vital service unlike any other), but rising out-of-pocket costs and intensifying national interest have pushed patients to expect even more when they don the gown. High expectations mean our efforts to advance consumerism are fully entwined with what consumers want, as shown in **Exhibit 2**.

Exhibit 2: Which of the Following Industries should Meet or Exceed Your Expectations?



Source: NRC Health's Market Insights study of consumer expectation, 2020, n size = 24,845.

Who Are Your Competitors? Not the Health System Down the Road

When it comes to building a truly consumer-centric health system, it is essential to compare your organization against disruptive innovators that are NOT also hospital-based organizations: technology and retail companies that are breaking into the healthcare space with convenient, easy, hassle-free apps and services that do much of what consumers need and circumvent the health system all together. Examples include:

- A myriad of virtual primary care apps connecting patients to physicians 24/7
- Retail primary care clinics that are less expensive
- Opternative, which allows you to test your eyesight and update your glasses prescription using your mobile device
- Smile Direct Club and other online/app-based alternatives to traditional orthodontists
- Pill Pack (an Amazon company) and Alto Pharmacy, delivering medications to consumers' doorsteps
- Eargo, allowing consumers to be fitted for cutting-edge hearing devices without having to see an audiologist

As you are innovating your consumer experience, you must take a critical look at how your offerings compare with these, and how you can ensure your organization stands out from the expanding crowd.

The Consumer Triple Aim + Your Organization: A Strategic Exercise

Take your existing strategic plan and re-imagine it through the Consumer Triple Aim. How do your initiatives change as they flow through the prism of access, engagement, and value? Try these steps to fully assess your plan:



This exercise will allow you to see, through the lens of consumers, how your organization is addressing the three most impactful consumer issues. It may also help you to identify areas of weakness to address in your next strategic planning process.

Plan to Action: Moving Further on Consumerism

As you carve a plan to consumer-centricity you have many decisions to make. How much should you invest in technology? How can you engage employees—your “closest consumers”? How can you ensure that the patient experience remains at the core of your healthcare delivery without excluding important components of the overall consumer experience (searching for care, scheduling, bill pay, etc.) that many organizations strategically miss?

Extending the Experience

The patient experience is at the heart of hospital and health system performance. A poor experience can risk health and ripple out into negative perception in the community. A growing body of evidence is showing that improving patient experience leads to both better clinical outcomes (in the form of overall quality, higher surgical quality, lower readmissions, and lower rates of complication) as well as better long-term financial performance, as reported in The Governance Institute’s recent white paper, *Patient Experience Is Quality: The Role of Healthcare Leaders in Improving Outcomes and Financial Performance*.² The stakes are high and hospitals and health systems have steadily funneled more and more resources into answering the call for a greater patient experience for all.

As we have established, patient experience is only part of the consumer experience—i.e., how a patient experiences a single visit to their doctor or hospital. This toolbook takes a critical look at which aspects of the patient experience can extend out into the vast, sprawling world of non-patients. What will break through the patient experience and into the consumer experience?

Through NRC Health’s Market Insights study of consumer perception, we know there are a few key components of the patient experience that shouldn’t stay locked up in spreadsheets and board reports:

- **Charitable and community contributions:** Hospitals and health systems seem to whisper their do-gooding, perhaps out of fear of appearing boastful or encouraging non-payment. But it is important to beat the drum of charitable contributions and community support. Six in 10 healthcare consumers erroneously believe the majority of U.S. hospitals are for-profit and only one in 10 believe correctly that the majority are not-for-profit.³ Consumers are hungry to know how you have invested in more than just your own bottom line.
- **Patient experience scores:** Hospitals have spent over a decade collecting them by government mandate and yet most consumers have never seen them. It’s time to post patient experience scores online as a rolling performance

2 L. Stepnick, *Patient Experience Is Quality: The Role of Healthcare Leaders in Improving Outcomes and Financial Performance* (white paper), The Governance Institute, 2019.

3 NRC Health, Market Insights Consumer Survey, 2018, n size = 44,159.

indicator. Not proud of your scores? Consider how you may improve them and consider posting scores as a motivator.

- **Experience ratings and reviews:** Similar to patient experience scores like HCAHPS but in the patient's own language, ensure patients either have a mechanism to leave reviews (via your Web site, a third-party invite to leave feedback, a text or email survey) or use existing data like CG-CAHPS to see a vivid picture of the patient experience in all its forms. Commit to reporting these scores in a timely and transparent fashion. This gives consumers an authentic view of others' experiences before they embark on their own.
- **Patient testimonials in advertising:** Consumers will hear a satisfied patient louder than doctors and executives. Testimonials have long showed their effectiveness in other industries and remain under-utilized in healthcare. They can also effectively contrast with negative or unfair perceptions of the organization. Remember: their words tell your story better than your own.

The above tactics are only a start to extending and promoting the patient experience to consumers. Press your marketing and communications staff to dig in on the patient experience. Have they read the scores? Do they have an opportunity to interface and dialogue with executives and board members? Marketing will play a crucial role in telling your story to consumers in the future and they must be armed with the most recent, up-to-date performance data available.

Making Consumerism More Concrete

One of the most significant hurdles for many healthcare leaders is the feeling that consumerism and how the organization is perceived by consumers is a somewhat intangible or vague topic. There are no universal KPIs (key performance indicators) or heavily agreed-upon metrics that pop out at first. Consumerism is far-reaching and can be swallowed by other topics. Leaders must consider consumerism as a specific challenge and find specific metrics to measure it. Making consumerism concrete can be done. (Measuring consumerism will be explained in more detail below.)

Allina Health: Patient/Provider Relationship Building as a Path to Consumerism

Allina Health, a 12-hospital system based in Minneapolis, began pursuing consumerism at the board level in 2016. Leaders realized their recent growth had spawned a multitude of patient offerings, many digital in nature. New ways to engage patients is a good thing, right? When Allina Health conducted an audit of its brand, the organization found that patients and consumers had more doors than ever to find it. Without a guiding presence, consumer confusion became a concern. This concern stuck around throughout the meandering chain of physical experiences, with consumers wondering where to go next. And the cloud of confusion persisted into the post-experience, with questions around billing and follow-up often plaguing the recovery process.

Chris DuFresne, Vice President, Experience, recently explained the tricky situation. "We have no shortage of ways for consumers to interact with us, but without a concerted effort to organize our offerings and provide a logical path for consumers

to follow, it can become a source of additional frustration,” he said. The last thing a healthcare organization needs is to create *more* friction.

Allina Health’s challenges are incredibly common across U.S. hospitals—especially systems. But in reimagining its role in providing care, Allina Health strived to be more than a web of hospitals. Allina Health wanted to care for the “whole” consumer and build a relationship over time. From the consumer perspective, it is difficult to feel you have a relationship with someone, at least a positive one, if you aren’t sure what you’re doing, where you’re going, or who is doing what to you and why. Technology can help if it is well-designed and transparent, but it can also hurt if it conflicts with in-person services or other sources of information. Allina Health decided that listening to consumers was the best way to sort through the myriad offerings. DuFresne and his team felt leadership had to achieve a better understanding of basic consumer needs in order for their innovations to hit home.

Allina Health followed a simple model in consumer-centric innovation: an idea or improvement bears investment prioritization if it...

- Reduces or removes an existing point of confusion
- Streamlines patient access
- Shares vital knowledge of the experience
- And/or saves time and money overall

Audit your offerings: consider the past few years of innovations at your organization. As a leader or board member, you have surely been versed on the latest and greatest. Take each innovation and ask:

- Is the innovation affecting many consumers? Would the average consumer know about it? Does it increase consumers’ level of engagement with the organization?
- Does this innovation create a new pathway to access the organization? Is it a new “door”?
- Does this innovation reduce cost, friction, or confusion for patients? Does it make patient-hood easier?
- Is the innovation physical, digital, or both? Do consumers understand it?
- Does it lower consumer cost while improving quality, access, and/or engagement?
- Does this innovation improve the strength of our overall brand? If so, how?

Allina Health drew inspiration from the many industries that have successfully employed technology. The retail industry’s openness to offer outside product pickup to customers is one way to open up the store and come to the customer. “It’s not always easy to adapt non-healthcare learnings to what we do,” DuFresne explained, “but we know there are portions of the physical patient experience that can be carved off and provided online in order to save time and provide a more convenient experience for our patients.” Convenience is yet another example of an under-utilized metric that measures the patient/provider relationship.

You may find your organization is in a similar situation as Allina Health. The sheer amount of innovation coursing through healthcare is astonishing. Technology is being harnessed to do things previously impossible. For example, telemedicine was once a fringe experience and now provides a legitimate alternative to in-person care. Once a punchline, electronic health records can now deliver life-saving information

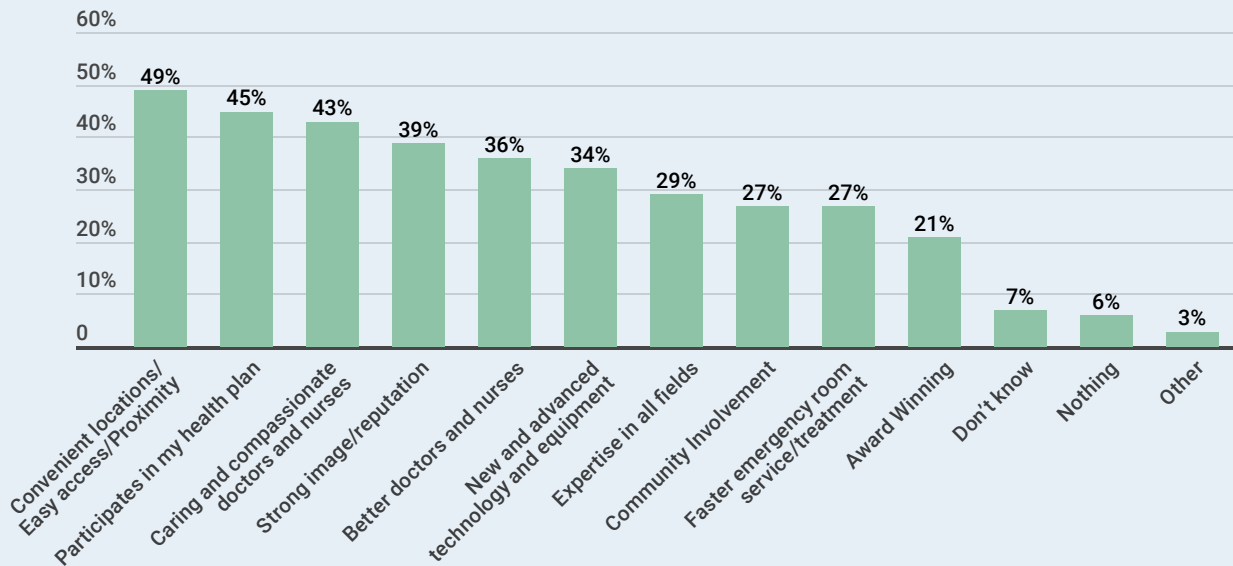
at lightning speed. As Allina Health would emphasize, growth is great if providers are willing to educate consumers and patients on the tools available and guide them on the best path for care.

Integrate these initiatives into your strategy as a cohesive plan, rather than one-off or here-and-there solutions, to retain focus the big picture—your organization’s future vision—and you have the makings of a real relationship between patients and providers.

Convenience Is King

Allina Health understood the power of convenience to improve access and help consumers get off on the right foot in their healthcare journey. But consumers don’t check their need for convenience at the door. Once an afterthought when compared to quality and safety, consumers’ desire—and demand—for convenience stretches along the entire journey. When consumers were asked what factors set a hospital or health system apart from the rest, convenience rose to number one. The average joe may not be able to sort out the myriad hospital awards or truly know which team of doctors is superior but they can detect a cumbersome, inconvenient experience a mile away. Healthcare organizations that provide seamless experiences and reduce friction throughout a consumers’ journey of care stand to be rewarded handsomely for their efforts.

National Comparison of Hospital & Health System Differentiators



Source: NRC Health’s Market Insights survey of consumers, 2020, n size = 132,481.

Convenience wasn’t always on the top of consumers’ lists. But as other industries shift to convenience (think of how popular the Staples “easy button” concept became), it is clear consumers desire convenience in healthcare, a place where they haven’t seen much in their lifetime.

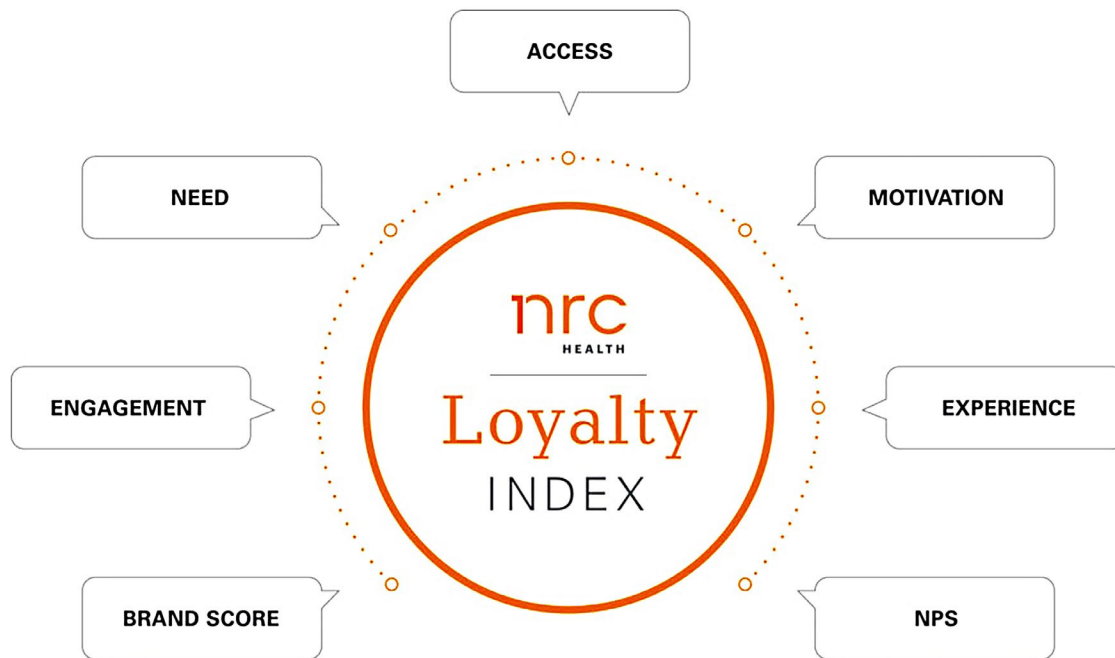
Connecting Consumerism to Strategy through Metrics: Healthcare Loyalty Index

Healthcare leaders and boards now see consumerism’s complex connections with many facets of their strategies. Much like any other component of a strong strategic plan, in order to best direct, justify, and course-correct efforts to achieve goals, action toward consumerism must be clearly measured.

In healthcare, a widely accepted approach to measuring consumerism is not always easily found. Do you measure advertising effectiveness? Track clicks, likes, and follows on social media? Use HCAHPS results from the patient experience studies you already fielded? It’s easy to get lost. The end goal must be refocused: consumers need to be valued by healthcare providers through building a relationship over time. This relationship includes many factors, but one ingredient is non-negotiable: loyalty.

To better understand consumer loyalty, NRC Health weaved together seven critical consumer metrics into a single composite known as the Loyalty Index. **Exhibit 3** shows a breakdown of the metrics.

Exhibit 3: NRC Health Loyalty Index



Source: NRC Health’s Market Insights, 2017.

Brand Score: Your brand is a complex ecosystem of thoughts, words, symbols, and experiences happening continuously—creating a living entity that can be seen in many different lights. But the consumer opinion matters most. What do they think of your brand—of your image in the community and your reputation over time? Does your organization provide generally positive experiences? Are you known for anything? Or are you swallowed by the noise of daily life until consumers find

themselves inside your four walls with little knowledge of who you are and what you do best?

Engagement: How are consumers interacting with you? You may conjure up the traditional patient experience but there is an expanding list of non- or pre-patient experience avenues for consumers to connect with you. For example, are they reading about you? Are they hearing about you from others? Are they visiting your Web site or following your organization on social media? How about an in-person community event? Engagement goes beyond the four walls of the hospital and its many associated buildings and into the domain of the consumer: where they work, play, and acquire knowledge.

Need: Forget about all the services you offer and use a different metric: do consumers need you? What services do they need? And, perhaps most important, do they know they need those services? You can flash an impressively comprehensive brand in front of consumers but if they don't know where to start and aren't aware of what they need, your relationship with them will suffer or become non-existent. Aligning services and the marketing of those services to consumer need can be a strong bridge between you and the consumer.

Access: Sometimes ignored by the increasingly irrelevant mantra of "if you build it they will come," it's important to examine if consumers are able to access your services. Are they able to find you? This is not only a physical question but increasingly a virtual question. How consumers are routed through the initial steps to become a patient is vital to their overall experience. Early hiccups can threaten to dim the experience in the view of patients and, in some cases, disrupt or even prevent the experience from happening.

Motivation: Are consumers motivated to use your brand over the competition? Do you stand out to them in a way that compels them to experience your brand in particular? Many consumers lack the requisite knowledge to pick you out of the lineup of choices, so standing out can be a challenging strategy. But, if consumers are motivated to use your organization, it can lead to increased engagement and better experiences overall.

Experience: The core of the relationship between you and the consumer continues to be the patient experience. How do consumers feel about the experiences they have had with you? How do they reflect on those experiences after the fact? It's not just about treating a disease or erasing an ailment; consumers want to feel good about the overall experience and know that, in the end, it had meaning and value.

Net Promoter Score (NPS): The hot button, one-shot measurement from other industries has gained momentum in healthcare. Unbeknownst to many, it has been a part of HCAHPS for over a decade. NPS simply asks: how likely are consumers to recommend your organization to their family and friends? The idea is that a loyal consumer/patient is much more likely to advocate for and promote your services to their loved ones. It's a simple and effective measurement, but it doesn't always tell the whole story behind why consumers feel loyal or disloyal. This is why the NPS is only one aspect of the loyalty index. This, put together with the six other key measurements of consumer brand loyalty on the index, paints a more robust picture.

Net Promoter Score: As possibly the most watched metric in healthcare, NPS can prove a difficult metric to move. NRC Health’s Market Insights tracks the cumulative NPS score for hospitals and health systems nationwide.

U.S. Hospitals Composite – Net Promoter Score



Source: NRC Health’s Market Insights survey of consumers, 2017–2020, average quarterly n size = 72,698.

This three-year view shows plenty of wheel-spinning on NPS across the country. Experts believe any score between 0 to 30 to be “good” with anything above being great. For example, Walgreens holds an NPS score of 25, just a few ticks higher than the average U.S. hospital. On the lower end of U.S. hospital composites, Aetna is comparable at 16. All this to say, NPS is a simple but limited way to view your performance as judged by your consumers.

Sources: Grigore, “What Is a Good Net Promoter Score?,” Retently (blog), March 5, 2020 (<https://bit.ly/2EoOXyx>); Customer Guru, “Net Promoter Score Benchmarks for Fortune 500 Companies” (<https://bit.ly/3aQBJqa>).

Your experience team, helmed by a chief experience officer or similar position with accountability for implementing consumer initiatives, can start indexing your consumers’ loyalty by examining the concept. Do you believe your patients remain loyal to you? Do you have consumers in your area who advocate on your behalf to others? Are they willing to defend your brand? Do your consumers feel they have a need for you—traditional or otherwise? Is your core experience understood by patients and consumers alike?

The Mystique of Consumer Loyalty

Keep in mind that not all loyal consumers have to stay overnight in a hospital to connect with or even recommend a healthcare provider. Think of Mercedes-Benz and the brand affinity they enjoy. Does everyone who loves Mercedes-Benz actually drive one? It would be an economic impossibility. But they see, read, and hear from others about how the brand excels. And they believe it—sometimes without ever sitting in a driver’s seat.

Powered by Branding: The Conduit between You and the Consumer

As you explore the consumer experience and adopt metrics into your processes, you may reflect inward: what is it we are asking our consumers to experience? With what or whom are we asking them to form a relationship? As much as consumerism begs the examination of those you serve, and in the ever-expanding ways you serve them, understanding your own organization is a must-do.

The concept of branding isn't quite as new to healthcare as consumerism, but it continues to be similarly misunderstood. Most CEOs and boards continue to undervalue the power of their brand. What is your brand? It is more than just your logo or latest ad. It is the totality of the experiences you provide; an accumulation of all actions, words, thoughts and experiences that occur between your organization and those you serve. This accumulation can be net positive in favor of the brand, or net negative. Like a bank, your brand can accumulate equity.

In The Governance Institute's 2013 white paper, *Brand Equity: The Impact of Branding in a Changing Healthcare Landscape*,⁴ we describe the healthcare industry's inability to capitalize on brand building and warn that "...brand is intangible... you cannot see it, hear it, or touch it. Yet its intangibility is far-reaching and influences very tangible assets...." There is a reflexive invisibility shared by our audience *and* us: we don't always know enough about who we serve, and we also don't always know enough about ourselves. In the white paper, we advise that "knowing and understanding what [your consumer] thinks about [you] will be a great advantage in the coming years." Seven years later, with consumers paying more than ever for care, the advice holds up. But paying attention to consumer needs in a vacuum would be like a sports team paying attention only to its stadium and not the product it puts on the field. We need to look in the mirror and be sure we are ready to play.

"Your brand equity represents you and everything your healthcare organization does. By being clear and measured, you will create a weapon against competitive forces...You will unite your employees under one idea and deliver a great [consumer] experience. You will measure every success and failure to achieve full clarity along your journey."

—Ryan Donohue, *Brand Equity: The Impact of Branding in a Changing Healthcare Landscape*, *The Governance Institute*, 2013

4 R. Donohue, *The Governance Institute*, 2013.

Building Brand Equity: A Five-Step Framework

Below is an exercise for the management team to undertake and report results and recommendations to the board for expanding or furthering your organization's consumer strategy:



The Devil Is in the Differentiators

In healthcare, one of the biggest brand stumbling blocks happens at step four: point of difference. Armed with plenty of data about ourselves, our audience, and our competitors, we can still make poor choices in what attributes of our brand we choose to promote. And we must choose an area of focus or we risk losing consumers in our own brand noise.

Picking a point of difference is no easy task. NRC Health’s Market Insights survey quizzes consumers to pick a few defining characteristics, done demonstrably better than the rest, about the hospital with which they are most familiar.

U.S. Hospitals Composite – Popular Brand Differentiators



Source: NRC Health’s Market Insights survey of consumers, 2010–2020, average annual n size = 282,183.

Consumers gravitate toward common, low-intensity differentiators like location and insurance. Compassionate care rounds out the top three differentiators since 2010. Trends indicate consumers are less likely to assign multiple differentiators to their favorite hospital and more likely to say “nothing” or “don’t know.” As competition continues to increase, picking a key point of difference and hammering it home to consumers may be the only way to break through the increasingly blurry world of healthcare branding.

Consumerism Lessons from Out-of-Industry

Allina Health drew upon other industries to inspire convenient offerings to their consumers. There is much to learn from other industries, most of whom are much further down the road on consumerism. Out-of-industry learnings can save us some heartache as we approach consumerism in healthcare.

Total Engagement Model

In various forms, engagement models have emerged that shed more light on what it may take to convert patients into loyal consumers. The Total Engagement Model encompasses the movement:

Level 1	Consumer purchases your product/service
Level 2	Consumer is loyal to your product/service and continues to use it
Level 3	Consumer readily buys your other product/service lines
Level 4	Consumer recommends your product/service to others if presented with the opportunity
Level 5	Consumer is an advocate of/promotes your product/service at every opportunity

Source: C. Roberts and F. Alpert, "Total customer engagement: designing and aligning key strategic elements to achieve growth," *Journal of Product & Brand Management*, Vol. 19, No. 3, June 2010.

It is not unkind to judge current efforts in healthcare as somewhere between Level 1 and Level 2. Fee-for-service indicates as long as our service is being bought, we pay no mind to whose buying it and how often. Doctors booked until forever, full waiting rooms, occupied beds—these are our north stars. Level 2 pushes healthcare into unfamiliar territory because we must keep track of consumers. Bed occupants become persons and when they need care again, we want them to return. Level 3 may conjure up service line strategy but we should stretch further: what do we offer beyond traditional healthcare? What about wellness? Health advice? Community events? Virtual access via triage, journey mapping, scheduling, patient portal with online physician messaging, telehealth, etc.? Can consumers "buy us" in other ways?

Level 4 returns us to more familiar but challenging territory. NPS comes with an important qualifier: recommendation only matters if the consumer is being asked to recommend. Are you amping up your advocates? Tracking them? Engaging them to ensure they can share the good news? And at the top, Level 5 is the holy grail in all of business, and frankly hard to imagine in healthcare. Could you reach the point where you have consumers whose relationships with you are so solid they are willing

to represent your brand at every turn? If this is the case, it is 10 times more powerful than advertising.⁵ It would also push your brand into a full consumer loyalty generator and an engine for your rise to being a consumer-centric organization.

Don't Forget the Board

Board members often feel they don't have enough healthcare knowledge to speak up, at least at first. Consumerism requires less understanding about healthcare and more about out-of-industry business acumen, making board members well-suited to dispense advice and keep leaders between the ditches on the organization's consumerism adventures. Lack of healthcare seasoning can be a boon here.



5 G. Nyilasy, "Word of mouth: What we really know—and what we don't," in J. Kirby and P. Marsden (Eds.), *Connected Marketing*, Butterworth-Heinemann, January 2006 (pp. 161–184).

Big Goal: Envisioning the Relationship You Want to Build with Consumers

No two healthcare brands are alike, so there is no single recipe to build a great relationship with consumers. But there are certain principles that can guide us. By drawing upon Allina Health's story, we know more service offerings can confuse consumers and complicate the relationship between provider and patient. Simplicity is key. For your organization it may be something else. Perhaps you have ignored former patients and need to deploy services like post-discharge calls to keep in touch. Perhaps you have entered the social media game late and need to add a specialist to your marketing department to build your brand online. However, regular consumer interaction will require concrete action to engage them from your end. Sitting back and waiting for patients to come is an old game and one with increasing risk. Proactively engaging consumers, whether on or off campus, is a surefire way to stay connected over time and start the long process of forming a relationship with those you serve.

Consumerism and Population Health

Building a consumer-centric healthcare organization requires building and maintaining a relationship with consumers over time, whether they are inside your walls or not. Does this sound similar to another essential strategy you are working on? Population health requires you to ensure your patients can maintain and improve their health status over time, regardless of whether they are inside your walls or not. As you are building and expanding your consumer strategy and initiatives, ensure that they align with and help to further your population health strategy and initiatives. The two can go hand in hand in many ways, and can help emphasize the importance of each and further mutual goals.

Keeping Score: Measuring Your Efforts

Consumerism is not always intuitive in healthcare, so a robust measurement system must be present to chart your course. If you have struggled thus far to engage your audience and assume that measurement should not be taking place until initiatives are underway, establishing a baseline now can help contrast with future progress and begin your learning process around what your consumers need and want. You can use existing data like HCAHPS and employ simple tactics like comment cards and focus groups. If you are willing to invest, you can find established consumer survey offerings to start your baseline. For example, NRC Health's Market Insights survey of consumers asks respondents to sound off on everything from past healthcare visits to which hospitals they trust to how they will search for a doctor in the future. The more data the better to compare where you are now and where you hope to be down the road.

Adding your own flavor is important, but stick to the basics: awareness, brand image, and loyalty. These are tried and true ways to measure consumer perception. Employ something like the Loyalty Index; a composite that doesn't put all your

marbles in one or two metrics and can be simplified down to a numeric score for the uninitiated or unconvinced.

Deciding what to measure upfront can also force you to prioritize activities before you get too far along. For example, if you decide acquiring new patients is vital to your consumerism strategy and you win an award for a service line that has low growth potential, don't invest in advertising that award. Keep your eyes on the prize and measure your advances at every turn.

Potential Pitfalls

Plenty of barriers can stand in the way of becoming consumer-centric:

Healthcare is different: This is a parasitic thought that spreads through boards and blocks the out-of-industry knowledge vital to advancing consumerism. While it is true to some degree, the competitive forces now facing the industry are familiar to outsiders. Patients pay more than ever before and, if unsatisfied with the service, they can and will go elsewhere. That's Business 101 in any industry.

Double-down on patient experience: If we just invest more into our patient experience efforts and strive for perfection, won't that ripple out to all consumers? Achieving perfection is not an attainable target, and focusing solely on those in front of us keeps us from making the experience better for future patients.

Marketing can handle our brand: Relegating the organizational brand to one department is a mistake, even if marketing is the most closely aligned. Imagine Jeff Bezos saying others can handle the Amazon name? In healthcare, marketing departments are often under-resourced and overly nitpicked by "instant marketers" like doctors or executives. Marketing is a science on its own and needs to be respected. The best way to show this respect is to invite them to the table and heed their advice on branding.

Conclusion: Summary Plan

Here is a brief summary plan showing the steps recommended in this toolbox, and who is responsible for each step. Consider conducting these steps as part of a board and executive leadership retreat focused on consumerism and strategic planning.

Action Step	Who Is Involved
1. Conduct Consumer Triple Aim Strategic Exercise (see p. 8 for reference).	Board, select members of senior management, key physician leaders
2. Conduct an honest assessment of how the organization is performing when it comes to patient experience, and identify areas of priority that need to be improved, focusing on those that have most direct connection with consumerism/your consumer strategy.	Board, select members of senior management, key physician leaders
3. Conduct Building Brand Equity Five-Step Framework exercise (see p. 17).	Management/chief marketing officer, to report results and recommendations to the board
4. Put the results of steps 1, 2, and 3 together to determine what needs to change regarding your consumer strategy. Ask the following questions: <ul style="list-style-type: none"> • Do these initiatives serve to better meet consumer needs in a manner that is seamlessly integrated with the overall care delivery model, or are they one-off or stop-gap solutions that may cause duplication or confusion? • How do the consumer-focused initiatives further the rest of the organization's strategic goals? • Is there a meaningful connection between all strategic goals so that they can work in tandem and not at odds with each other? 	Board, senior management, and key physician leaders; board has final approval of all changes to the strategic plan
5. Conduct an assessment of how the organization's culture helps or hinders your consumerism goals. What changes need to be made at every level of the organization to help all employees understand consumerism and their role in furthering the organization's goals?	Management conducts assessment and reports to board; both discuss and board approves action items
6. Hold management accountable for implementing a system to measure, with clear metrics, how the organization is progressing along its consumer-centric journey.	Management develops measurement process and recommends metrics/targets to the board; board approves process and metrics/targets

Keeping Up with Consumers: A Lifelong Journey

By now you've reviewed ideas and tools to advance your efforts toward true consumer-centric care. If decades of nationwide research have taught us anything, it is that consumers are constantly reacting to the complex healthcare world around them and their opinions, beliefs and values are ever-shifting. But we know these perceptions indicate future reality so its vital to stay in tune with consumers. You don't have to guess what they'll want next, you just have to ask, listen, and commit to change based on the feedback. Pick a model that works for you (or create your own) and make sure you're measuring efforts from the start. Consumers are willing to be your ally and advocate as plot your path into a better world of care. After all, a better path for you is a better path for consumers. We all take the same road.