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How Consumerism Affects Successful Brand Building in Healthcare

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This article is a summary of a presentation from The Governance Institute's Fall 2016 Forum on Consumerism & Transparency.

Branding in the Healthcare World

To understand what branding is, it can be helpful to consider what it is not. Specifically, a brand is not simply a set of slogans, jingles, logos, and pretty pictures. Branding is not a waste of money during challenging times, or something that only the marketing department need be concerned with. Most importantly, branding is not a luxury that only the most affluent hospitals and health systems can afford. In fact, every organization already has a brand, whether it spends $0 or $10 million on branding.

> "People know and talk about your organization whether you know it or not. The question is, do you want to maintain, manage, and grow that brand in a particular way? Do you want to turn it into a business asset?"
>
> —*Ryan Donohue*

At its most basic level, a brand is defined as the experience an organization provides. For hospitals and health systems, that experience includes both patients who are currently using or have used its facilities, and consumers who have not yet done so but may in the future. A brand can be thought of as the following:

- **The gut feeling others (employees, patients, and consumers) have about the organization:** Most people already have an opinion, be it good or bad, and it can be difficult to change that view. Boards should consider discussing where they are on the spectrum of gut feeling.
- **What keeps customers coming back:** Patients' willingness to return depends in large part on their perceptions of the organization.
- **The reason employees enjoy their jobs**: Some employees simply trade their time for money, essentially showing up to earn a paycheck. Too often employees of hospitals and health systems fit this mold. In other cases, employees love their jobs and feel an emotional connection to the work and the brand. The goal should be to create and tap into this personal, emotional connection. The failure to do so is a wasted opportunity. In some cases, disgruntled employees can sabotage the brand.
- **An organization's most important asset:** Brand perception drives business. In a survey, reputation was the most frequently mentioned reason for choosing a hospital, cited by 90.6 percent of consumers.

A brand typically includes the following components:

- **Business and communication tools**: These tools include advertising, public relations, direct mail, publications (e.g., newsletters), forms, and patient bills. The bill is the last touchpoint that many patients have with the organization and hence an important but often overlooked component of the brand.
- **Digital channels**: These include e-marketing, the organization's Web site, social media, and mobile marketing. Organizations often have little control over these channels, as unhappy patients can share their experiences immediately, with no chance for the organization to intervene. Some hospitals and health systems have dedicated staff who monitor and respond to social media posts as appropriate.
- **Employee and physician interaction**: This often overlooked aspect of branding includes staff attitude, knowledge, and presentation. Employees, including physicians, are representatives of the brand and hence part of how the organization presents itself to the public. When someone representing the organization is rude, that action damages the brand. Consequently, leaders need to invest resources in training and coaching to teach desired behaviors.
- **Facility**: The last piece of an organization's brand is the presentation, appearance, way-finding, and cleanliness of its facilities and care environment. Hospitals and health systems often take great pride in their facilities, typically holding ribbon-cutting ceremonies and celebratory dinners when new ones are opened. Yet most consumers start their healthcare journeys on a Web site, not inside a facility. If they do not like that site, they may never walk in the door.

Developing a True Brand Strategy

For the past 50 years, healthcare organizations have used a "build-it-and-they-will-come" approach to branding. It has generally worked well, but primarily because consumers had little choice. Today, however, they have lots of choices. New buildings may appear, but patients may not necessarily come, as evidenced by nearly empty healthcare facilities around the country. In fact, many organizations are shying away from building large facilities; Novant, for example, has pledged never to build another hospital with more than 25 beds. Instead, companies are investing in new care sites, such as freestanding emergency departments and "micro" hospitals that are more convenient and accessible to consumers. Large, downtown facilities may work well for doctors and employees, but not for patients who are no longer willing to endure long drives, difficult parking, and hard-to-navigate facilities with poor signage.

> "Don't fall into the trap of having 'everyone' own the brand, because that means that no one owns the brand. Everyone should play a role, but one person must own it."
>
> *—Ryan Donohue*

Rather than building new, inconvenient facilities, the best brand strategy today is to focus on converting consumers to patients. And the best way to do that is to consistently give consumers a pleasant experience. In surveys, consumers express a strong desire to go to hospitals that treat them "as a person." Like going to Starbucks, they expect consistency in their experience, with everyone treating them with respect. Getting consumers to feel this way requires development of an ongoing personal relationship that extends outside the hospital and the doctor's office. Many consumers believe they have this kind of relationship with their doctors, but few feel that way about their hospital or health system.

Great brands have an "owner" of the brand, and behind every owner is the enforcer of the brand. The flow of information between these two people can become quite important, yet is often overlooked. The CEO should own the brand, and his or her failure to do so is often a key barrier to successful branding. The chief marketer should be the enforcer, keeping the CEO apprised of brand strategy. The CEO need not be heavily involved in branding day-to-day, but must provide guidance and adequate resources to the enforcer. The enforcer needs to protect and build the brand on a daily basis. At one New Mexico hospital, for example, the vice president of nursing played the role of the enforcer. Whenever she spotted someone doing something positive that reflected favorably on the brand, she gave that person a medal and a $10 gift card on the spot. She also called out people for bad behavior, such as employees who smoked off campus in areas where customers and patients might see them.

Developing a true brand strategy has never been more important for hospitals and health systems. Consumers are becoming much more discerning when making healthcare decisions. Heightened competition has arisen for the limited "mindshare" of the consumer, due in large part to an invasion by non-healthcare brands. The percentage of consumers without a preferred hospital has doubled in the past five years, to 20 percent. While still relatively small, the growing segment of consumers without a favorite brand and/or strong loyalties to a brand creates the potential for significant shifts in market share. In addition, rapid consolidation means that more hospitals are part of larger systems where the potential for "brand collision" emerges. Brand collision can take multiple forms, as outlined below:

- **Two equal brands become one.** This situation requires a decision about what to call the new organization. For example, when Massachusetts General and Brigham & Women's came together, each kept its own name, but a new name (Partners) was created for the umbrella organization.
- **Bigger brand acquires smaller brand.** In most cases, the smaller brand gets renamed.
- **An existing brand expands.** Typically, the same brand will be used, although sometimes a new name will be created, which may confuse consumers.
- **An affiliation or partnership is formed.** In these situations, it becomes important to defend the brand and make sure the organization gets appropriate credit for its role in the partnership.

Questions for Consideration

- Are we in a position to stand alone and survive the healthcare landscape post reform?
- Is our historical sentiment clouding our ability to consider brand-collision scenarios?
- Are there brands with which we can partner or affiliate to strengthen our brand and operations?
- How can we leverage and extend our brand?

Branding Myth Busters

Several common myths related to branding do not hold up under closer scrutiny of the evidence.

Myth #1: Name Change = Patient Loss

The leaders of most organizations feel that they have a good brand and hence any name change will result in a loss of patients. Boards often feel this way, as they fear that changing from a name that is known and valued could alienate loyal patients and other stakeholders. This feeling tends to be especially strong among faith-based institutions, long-standing organizations, those in smaller communities, and

those with strong brand awareness and/or the perception of a strong brand. Concerns often manifest during a merger or acquisition, when the assumption is that at least one of the organizations will need to change its name.

However, a study of 10 name changes (some to similar-sounding names, others to brand-new ones), found little evidence that such changes hurt organizations. In fact, six of the 10 saw an increase in brand awareness following the name change, and none of the other organizations lost a meaningful amount of awareness. Seven out of the 10 organizations saw an increase in loyalty (which is even more important than awareness). As a caveat, however, a "pain-free" name change will not occur without an effective transition process.

> "Consumers are already confused; there is no reason to add more confusion with multiple brand names."
>
> —*Ryan Donohue*

Myth #2: The More Brands, the Better

CEOs and boards often believe that having multiple brands is a good idea, as evidenced by the many brand extensions that have occurred in recent years. Be it new facilities, new services, new charitable donations, or new types of organizations (e.g., accountable care organizations), hospital and health systems often create new, similar-sounding brand names and multi-layered brand architectures. Collectively, these brand extensions have created a tangled web that frequently leaves consumers confused; in fact, consumer confusion is at an all-time high in healthcare. In a study of six high-profile clients (three that expanded brands and three that consolidated them), NRC Health concluded that, while often exciting, brand expansion should be considered a cautionary tale. In fact, organizations that consolidated names generally had much higher levels of name awareness than those that expanded brand names.

In other words, organizations that want to be known as a system should strive for fewer brand names. The goal should be simplicity. A healthcare organization is far more likely to have success in getting consumers to see, recognize, recall, value, and form loyalty to a brand if that brand is supported by only one name. Supporting multiple brands can also create confusion and frustration among internal audiences, and hence further an "us-vs-them" mentality.

Single-Brand Name Case Study: SCL Health, Denver, CO

Two health systems (Exempla and Sisters of Charity of Leavenworth) came together, each with its own established brand and provider networks. The CEO wanted to create a single brand and charged his new chief marketing officer with creating it. The newly hired executive had a huge challenge in front of him, as the two organizations already had roughly 50 separate brands between them. To win the boardroom over, the marketing officer asked whether it was wise to spread limited marketing dollars across so many different brands, or whether it made more sense to invest in just one new brand. The board quickly agreed on the idea of creating one brand. To win staff over, the marketing officer decided on an explicit strategy of waiting six months before spending any money on external advertising or marketing. Instead, this six-month period was used to focus on building an internal brand (i.e., engaging employees in the new name). Through the distribution of talking points, production of promotional videos, and the development of other materials such as new lanyards and badges, the marketing officer was able to get employees on board, thus preventing the potential for them to sabotage the brand (as too often occurs). Most of these materials focused on the new name as a force for integrating and articulating the organization's mission, vision, and values. Once the employees had been engaged, attention turned to winning over consumers with a core message of differentiation. The focus was on a system of "people healing people" through one-on-one personal relationships. Calls to action focused on wellness, with the "news" not being the new brand, but rather the system as a destination for those interested in something different. The single-brand approach clearly worked, as evidenced by significant growth in Web site traffic and social media connections and engagement.

Keys to Branding Success

Mr. Donohue highlighted the following keys to branding success.

Find Your Brand's Blueprint

While there is no single answer, people must not be confused about the brand. The correct approach can fall anywhere on the brand relationship spectrum, as shown in **Exhibit 1** on the following page. Those following the looser models on the left side may face some difficulties in unifying the brand and hence may make consumers work harder. It can be difficult, however, to move an organization all the way to the right (with one single brand), particularly for those bringing organizations together through a merger or acquisition. Regardless of the model chosen, the key is to make sure that there is logic behind the brand architecture being used, that consumers can follow it, that it fits the organization, and that all services and resources are identified and clearly tied together.

Simplify Your Brand

Healthcare is inherently confusing. Consumers want a one-on-one relationship with the brand and they value unified brands. In surveys, 65 percent say they are more likely to choose a hospital that is part of a system. In short, "less is more" when it comes to branding. Boards and CEOs are wise to assess every brand, asking whether there is a good reason for the brand to be separated, whether consumers understand the connections between brands, and whether it would make more sense to unify under one brand.

Position Your Brand

Positioning is the intersection between value and need; it is where concept meets reality and where many brands begin to unravel. The positioning of a brand can change without a name change. In fact, any simple brand foundation must be followed by a smart positioning strategy. A five-step process can be used to determine proper positioning by understanding the following: the current state, the target audience, the target audience's frame of reference, the point of differentiation for the organization, and the reasons for consumers to believe in the organization and its value proposition.

Questions for the Board to Consider

- Have we thought about our brand strategy?
- How do our consumers feel about us?
- Do we measure our brand performance?
- What is the board's role in branding?
- Is our brand built for the reform era?

Many organizations strive for multiple points of differentiation and often these attempts overlap with each other, which creates confusion in the marketplace. For example, a recent survey found that over 1,700 hospitals were laying claim to "top 100" status. The key is to pick a single point of difference and try to break through all the noise. Success comes when more than half the market "knows" the organization for something. The key is to pick that thing and then promote it repeatedly to the target market. As shown in **Exhibit 2** on the next page, the point of differentiation can be a functional benefit (e.g., quality, safety) or a unique benefit or service (e.g., telemedicine, online pricing index).

> "Your brand is the experience you provide. It must be owned, supported, and measured. It must be rooted in strategy, positioned for your market, and ready for the change ahead. You must live and breathe your brand every day. Your brand is everything—keep it in focus!"
>
> *—Ryan Donohue*

Promote Your Brand

Branding is different than advertising, and boards and CEOs must recognize the difference between the two. Branding is

Exhibit 1. Find Your Brand's Blueprint

Exhibit 2. Positioning Your Brand

CURRENT STATE	• What is our current brand according to consumers? • What is the current position of our brand?
TARGET	• What are their needs? • Who are the priority customer segments?
FRAME OF REFERENCE	• What is the competitive set? • Who are customers considering?
POINT OF DIFFERENCE	• Why should customers choose you over competitors? ○ Benefits provided, beyond functional, to create uniqueness ○ Identity of the brand: what the brand stands for; reinforcing characteristics
REASONS TO BELIEVE	• How should the brand deliver on the value proposition positioning and deliver the promised benefits? ○ Supporting "facts," big or small, that provide a basis for the customer to believe that the brand is capable of delivering on the positioning

where strategy begins and ends; it sets the tone for all communications. Branding takes time and requires patience, and is intangible in every way. By contrast, advertising is the tactical extension of the branding strategy. It brings the brand positioning to life. It takes money (not time) and tends to be highly visible and tangible.

A single document known as a research or campaign brief lies behind every great branding campaign. No campaign should move forward without one. Employees should not learn about new branding campaigns on television or from a billboard. Rather, they should be involved in the development, screening, and roll-out of the campaign. Their involvement can often be critical to the campaign's success.

Measure Brand Efforts

Measurement allows for an understanding of the perceptions and behaviors regarding the brand. It makes the intangible tangible, helps to remove internal biases and assumptions, and can reveal market trends and behaviors. Without measurement, assumptions grow, decision making suffers, and inactivity thrives. All areas of consumer perception should be measured to understand the current state of the brand, including consumer awareness, consumer sentiment related to the brand's image and quality, and consumer loyalty toward using and recommending the brand. The same measurements should be taken with employees.

Measurement by an outside party causes something in the brain to change. As illustrated in **Exhibit 3**, posting a driver's actual speed under the speed-limit sign can have a dramatic effect on behavior. In this small California town, the proportion of drivers exceeding the speed limit fell from 82 percent to 8 percent after this "feedback loop" went into place.

Exhibit 3.The Feedback Loop