



Volume XIV: Issue I

Driving Patient Loyalty and Hospital Revenues Now

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Some conventional wisdom...

- 1. The healthcare industry is faring better than most** during this recession. It is "healthier" than the financial, automotive and technology sectors.
- 2. The healthcare field continues to be less advanced**, savvy and competent versus others when it comes to technology, marketing and customer focus.
- 3. The practice of cultivating existing customers is far more profitable** and productive today – or at any time – than seeking new ones.

While the first assertion (the healthcare industry is healthier) is true, providers and hospitals are not immune from the effects of the current economic condition. Higher unemployment means fewer people are insured, resulting in fewer admissions for non-emergency procedures – not to mention an increase in provider costs for non-covered, indigent care. Nurses are being laid off. Philanthropic donations and state Medicare and Medicaid reimbursements are declining, according to the American Hospital Association.

The second assertion (the healthcare field is less advanced) is also a fact; but this means now there is a great opportunity for the progressive hospital to stand out and gain competitive advantage in the market. The third assertion (it is better to focus on current customers) is correct, too, and relates to that opportunity.

How to compete and drive results

What can a hospital facing some strong headwinds do in order to improve marketing effectiveness and patient retention? What can a provider do in the short term to drive desired results and in the long term to increase customer loyalty, brand competitiveness and strength?

Today many hospital marketing heads have been forced by CEOs to cut marketing and communications budgets. Many are now focused on immediate, quarterly based, measurable direct and e-marketing tactics. Few may be considering market research, as patient and community studies do not

actively generate revenue and there are often issues with speed of execution and actionability.

But a simple, powerful research metric – the Net Promoter Score® (NPS®) – has emerged which a notable few providers are employing. NPS shows a strong linkage between survey results and the bottom line – hospital profitability, customer loyalty and brand value.

The static, status-quo hospital research

Actually, most hospitals have been conducting patient and stakeholder satisfaction surveys for a long time. But how have they been applying the results? Toward building patient brand loyalty? Improving the care or service? The reality is that very few provider marketers or staff know how – or if – the survey information is applied.

Much of the impetus for patient satisfaction surveying is driven by the federal government's quality mandate and establishment (HCAPS). Moreover, enterprising satisfaction survey research companies have taken full advantage of the need for hospital compliance to successfully sell ongoing survey products (not consulting) to providers

– in effect creating client loyalty to the patient satisfaction survey process. But few employees in a hospital (including marketers and executives) really know how the complex survey reports, tables and data symbols are used or who within the organization owns the program. Does the hospital's CEO regularly keep tabs on the ratings? Are strategic marketing or customer service plans created based on the feedback? Doubtful.

Providers using NPS and thriving

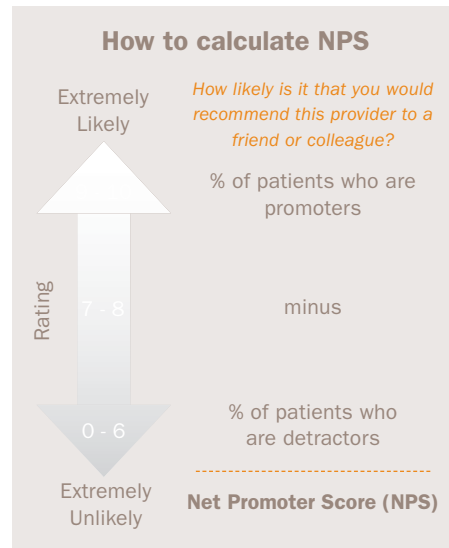
So if hospitals are behind in their understanding and use of customer satisfaction data, where are they with NPS? You guessed it...not very far. And satisfaction survey companies are naturally challenging the NPS methodology since it is ridiculously simple and actionable – and threatens their livelihood.

However, leaders at Cancer Treatment Centers of America, suburban-Chicago-based NorthShore University Health System, and Ascension Health, the largest Catholic system in the country, are reading their NPS numbers regularly and acting on them. Each of them has created a system that empowers and incents hospital employees to deliver a better care experience to the patient. They have also seen that improving NPS scores not only leads to more patients retained, but also to more new patients acquired efficiently (because "promoters" are spreading the word, recommending the hospital to new prospects who are following them). NorthShore has seen more than 80% of patients become promoters and a 24% increase in physician productivity and compensation over the past three years.

NPS may even have greater relevance in the hospital world where the customer experience is defined by so many intangibles, touch points over time and people.

So a provider that can successfully apply NPS will have a good chance of standing out in the market, driving needed change and building powerful stakeholder loyalty... creating real economic and brand value.

Have a branding challenge that you'd like help with? Contact Bob Murphy at 630-570-4803 now or visit us online at www.moveo.com/nonprofit.



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