

A CORE STRATEGY— —DEVELOPING A BRAND

A health care organization that builds strong brand loyalty will ensure its position for the future

Every day, we are surrounded by brands. This morning you may have had *Maxwell House* coffee and brushed your teeth with *Crest* toothpaste. In your office, perhaps, you turned on your computer powered by an *Intel* chip, printed a document on a *Hewlett Packard* printer, and used a *Dell* computer.

You undoubtedly buy many of these products because you know they will meet your standards of quality. And the level of confidence you have in individual brands helps you make competent decisions. To customers, brands represent a promise of the quality and value of the product or service.

Within the health care industry, there are many providers that benefit from brand loyalty. But the discipline of brand management has not been a focus within health care at the provider level. Most executives have not been schooled in the principles of brand development. They have focused on more traditional marketing methods—with decidedly mixed results.

The health care industry is ripe for brand development, as health care is a complex product, and consumers have experienced an exponential growth in the information available to them. A health care organization that develops its brand can compete more effectively, improve its financial position, increase its negotiating leverage with managed care companies, and effectively communicate its strengths to the community.

By David W. Miller

Five Rules of Branding

There are five essential rules in developing a strong brand:

Clearly define the brand position you want your brand to occupy. In two sentences, preferably less, make a brand position statement: explain what you want people to think when they think of your organization (or a particular product). Executive leaders must be able to clearly define this position; otherwise, it is unlikely that the public will consistently understand the organization's strengths.

The brand position statement is critical because it focuses the organization. It becomes the guidepost for promotional and marketing efforts. It becomes the consistent message that you communicate over and over to your community.

Morton Plant Mease Health Care in

the Tampa Bay area is an example of an excellent and succinct positioning statement: "Morton Plant Mease provides convenient access to everything you need to stay healthy."

It is important to understand that this is not an advertising tag line; it is never seen by the public. Rather, it is an internal benchmark against which all communications to the community are measured. When the CEO gives a speech, when a newsletter is developed, when an ad is run, or when a cause is supported, these communications must reinforce this statement.

The position statement also provides one other key advantage—because the organization knows the position it wants to have in consumers' minds, this makes it easy to measure the strength of the brand. Morton Plant Mease has been able to measure the growing strength of its brand over time: In 1995, 46 percent of the community preferred Morton Plant Mease; in 1999, that number was 63 percent.

Developing a brand position is not a simple process, but it need not be overly complex. Organizational leaders know their organization's strengths, and those become a key piece of the brand position. Understanding the market is also key. Finally, leaders must have an organizational vision to develop a strong brand position.

The brand must differentiate your products and services. A key purpose of a brand is to differentiate services in the marketplace and to ensure that these services are not unspecialized commodities. When an organization defines its brand position, three questions about differentiation are crucial:

- Is the brand differentiated in the marketplace? A brand that says, "We're a good quality community hospital" is not differentiated. A brand that says we have the most experience or broadest knowledge in a particular service may very likely be differentiated. It

depends on your market and your competitors.

- Do consumers place value on the differentiation? Is it important and relevant to consumers? The differentiation gives the organization an advantage only if it is valued.
- Is the brand position defensible? If

Figure 1.

You have a serious heart problem.
They say you need ventricular remodeling.
They can't do ventricular remodeling.
We can.

Jewish Hospital
The best place for your heart.

When it comes to the care of your heart, it doesn't make sense to go to just any hospital. Because there are new procedures and new alternatives to traditional heart care that most hospitals can't do. Every day, advances are being made that can reduce the trauma and pain of open heart surgery. Or reduce the time and amount of hospital care necessary. There are even revolutionary proce-

dures like ventricular remodeling, when nothing else will work. You need a hospital that not only specializes in hearts, but is nationally recognized as one of the pioneers in the field of cardiovascular medicine. And there's only one hospital in our area that is Jewish. For more information, call 587-4912 or 1-800-333-3236, or visit our Web site at www.jhs.org.

synonymous with helping people maintain health, and consumers value that. The position is defensible because other organizations are not likely to invest the resources required to compete. Finally, surveys show the organization is perceived differently by the community, not just in terms of health promotion but also in terms of quality.

It is important to note that differentiation not only helps the organization; it helps consumers by further explaining the strength of your organization or its products. A strong brand provides consumers with more information with which to make choices. More information boosts the confidence level they have in their purchase.

Keep your message simple. Complex messages are not likely to be understood by consumers, particularly in a complex industry such as health care. Messages that are not understood will not contribute to building a strong brand. In fact, they often weaken the brand by creating confusion.

"Just Do It," the branding message used by Nike, is simple and to the point. Likewise, an ad used by Jewish Hospital in Louisville (see figure 1) was simple and to the point. The ad focused on an organizational strength, explaining to patients that Jewish had the broadest array of heart services available. It conveyed a

simple but powerful message, a message so powerful that patients called from their beds in other hospitals to inquire about services.

The brand must reflect the organization's mission and values. If not, the brand will not be perceived as truthful, and users of the product will understand they have been misled. Your organization should not pursue a brand position that does not emphasize the strength of your organization.

If your brand emphasizes superiority in obstetric services, for example, the organization has to be committed to superiority. That means executives

the position can be easily and credibly duplicated, it is not defensible. The value of the differentiation will be short-lived.

FedEx is a great example of a differentiated brand, even with challenges by UPS. The company offers unique services that are valued by customers. The cost of trying to compete with FedEx is tremendously high, so the company's position is defensible. And FedEx invested in tracking and other resources to ensure it would remain differentiated in the minds of consumers.

Likewise, Morton Plant Mease is differentiated in its market. The name is

must allocate capital and operating dollars to ensure excellence, the service managers must seek high standards, and the medical staff must be high quality. If you can "walk the walk" as well as "talk the talk," you exponentially increase your chances of developing a strong brand.

In some ways, the attempt by Columbia HCA to develop a national brand is an example of an organization that did not back its promises. Despite

Figure 2.

Brand Assessment Tool

How do we want to be perceived by consumers and other constituents? (Answer in two sentences or less.)

Does this brand position differentiate us from our competitors? How?

How do we know that our brand is meaningful to consumers?

Is the brand position simple and understandable to consumers?

How difficult would it be for a competitor to duplicate our brand?

Does the brand reflect the organization's mission and values?

Does the organization properly allocate resources to support this brand and brand-building activities?

Does the brand reflect our organization's operational and clinical strengths?

Have our marketing and promotional messages been consistent over the last three years? Explain.

Are the messages we communicate consistent with the desired brand position?

Do we measure the effectiveness of marketing, promotion, public relations, and other brand-building activities relative to our desired brand position? How?

© Copyright 2000, Healthcare Strategy Group, LLC. Reprinted with permission.

efforts to develop a national position, there were problems, including a lack of consistency of the product, the fact that services are not that strong in some of the Columbia HCA markets, negative associations related to federal probes, and so on. Consistency was not a strong element of Columbia's vision. The effort by Columbia HCA to develop a strong brand, and have consumers believe it, was doomed to failure from the beginning.

Establish consistency. Unfortunately, executives sometimes have an expectation that running three months' worth of ads or promotional events will communicate a message that will stay with consumers. But consumers have limited attention spans, and many different messages are vying for their attention. Often consumers

have not absorbed the message before the organization quits sending it. Executives may be bored with an ad campaign before many consumers have noticed it.

Consistency also means the brand must be reinforced year in and year out through promotional efforts, advertising, brand building inside the organization, and so on. With each passing month, with each passing year, the strength of the brand should grow if it is properly managed.

Ivory soap demonstrates the value of consistency. In numerous studies, Ivory was the leading soap for most of the 20th century. It is interesting to note that in Ivory's first ad in 1889, two aspects of the soap were highlighted. The first was that "Ivory floats," the second that Ivory is "99 and 44/100s percent pure." One hundred and eleven years later, those remain the attributes people associate with Ivory. How's that for a model of consistent, focused communications?

Developing a Brand

Assessing your current situation is the first step in understanding your brand. The Brand Assessment Tool (see figure 2) can be a useful starting point. This list of questions will focus your organization on how it's adhering to the rules of branding and whether your organization is allocating adequate resources.

It's best that you as well as other organizational leaders complete the assessment. In most cases, there will be little uniformity of opinion on the first question. Depending on roles, different executives have different opinions on how consumers and other constituents should perceive the organization and its brand. After your organizational leaders complete the Brand Assessment Tool, compare your results.

If you can "walk the walk" as well as "talk the talk," you exponentially increase your chances of developing a strong brand.

Developing a brand that people are willing to pay a premium for is hard work, but it's critical to the success of a health care organization. The industry is marked by largely undifferentiated commodity products with an assumed level of quality and low prices.

Brand development offers a partial answer. By following the principles outlined above, you increase your likelihood of developing strong brands that are valued by consumers and that managed care companies are required to offer. Once a brand is valued by these customers, the opportunities to gain premium pricing grows exponentially. Consumers will reward your organization if they have confidence in your products. ■

David Miller, FACHE, is a partner with Healthcare Strategy Group, LLC, in Louisville, Kentucky. He can be reached at (502) 253-0263 or dwmky@aol.com.