

# Beyond Market Share

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HTK



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## BEYOND MARKET SHARE

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Remember when people actually packed a bag to go to the hospital? Though it sounds almost quaint today, we can all remember when the majority of patient care was delivered to patients who had been admitted to an overnight hospital bed.

In that not-very-distant past, healthcare marketing and communication leaders relied in large part on market share as the primary indicator of the success/failure of marketing efforts.

For a number of reasons we'll get into later, that's changed. That's changed a lot. But there are plenty of other ways we can measure our marketing efforts that go beyond market share. Healthcare systems, particularly those who own hospitals and employ their subspecialists, are in the catbird seat when it comes to having the resources to track episodes of care or specific touchpoints. And, that means we can go a long way toward easily determining the effectiveness of marketing efforts.

## The Case for Going Beyond

Most states collect hospital-submitted inpatient discharge data by DRG, collate it, and serve it back to hospitals where you, your CEO and other senior leaders can look at your slice of the brightly colored pie chart. Granted, by the time you receive it, the data is usually about six months old.

Unfortunately, gross inpatient market share—in some cases even service line market share—is becoming less relevant to the financial health of your organization. What's more, it shouldn't be the primary indicator of a well-implemented marketing plan, or used as the sole justification for budget and staff resources. Here's why.

### **INPATIENT DATA IS INCOMPLETE DATA**

It is probably not news to you that over the past 10 years, care that used to be delivered as inpatient care has migrated to one outpatient setting or another. Orthopaedics is one obvious example, but there is hardly a subspecialty that hasn't been affected. And it's not just hospital-based outpatient settings—a lot of what has left the hospital is being done in a physician's office, an outpatient surgery facility or stand-alone imaging center.

Since many states still don't report on outpatient discharges, market share no longer provides a comprehensive representation of where one health system stands in relation to its competitors. You may know how many procedures you have done, but you don't have a clue as to what your competition was up to during that same time period.

### **ALL SHARE IS NOT CREATED EQUAL**

Relying on market share as a sign of marketing success also makes the assumption that all patient volume is good volume. If you are losing money on every artificial hip, doing the most hip replacements around might give you experience to boast about, but it doesn't help your fiscal bottom line. As savvy CEOs and their clinical leadership know, there are some services that just don't contribute to profitability.

So where does a marketing leader go when market share itself provides more cloudiness than clarity?

The answer is beyond.

## Accountability. It's Good For You. Really It Is.

Articles and conference sessions about marketing's vaunted "return on investment" (ROI) seem to be dwindling due to a general sense of ennui around the topic among marketing leaders. As the senior marketing leader in your organization, you ought to be begging, yes, pleading, to have measurement systems in place to gauge the results of your targeted marketing efforts.

The path to success for you as a leader and for your organization's marketing effectiveness is to insist on measurement. To do that, you need to study up, reach out, be creative, and insist that tactical marketing plans go hand-in-hand with operations plans.

## Buddy Up.

It's more than incomplete market data and margin challenges that make it difficult to craft and execute a marketing strategy that makes a tangible impact on organizational performance.

Today, most marketers realize that there is no way they can be informed enough about the economics or day-to-day care delivery of a clinical service line to produce good results without an operations partner at their side. Most operations leaders know their business inside and out. After all, they, and not the marketing department, have been having their feet held to the fire to generate revenue and margin for quite some time now.

If you aren't working with a clinical operations partner, prepare for failure.

## GONNA GETCHA SOME MARKETING

Some of you may have tried working closer with operations with less than stellar results. You have met with "stakeholders" by the roomful. You listened to glowing descriptions of how good they are at what they do. You heard that Dr. Somebody is the "only one in the state who does this procedure." You've SWOT-ed yourself silly.

At some point, you have probably even asked your internal client the key question: "What do we want to get out of this marketing effort?"

Their response? "We want lots of youngish, insured people to get their knee replaced." Well, duh. Okay, we're on it.

All this listening and talking and planning together may have made you believe you had a great operations partner. Based on what you learned, you went on to develop and get that ever-elusive stakeholder approval of a brilliantly conceived advertising effort, combined with a take-no-prisoners physician referral strategy. You drink your coffee on Sunday gazing dreamily at the ad in the newspaper.

A couple of weeks later you pass your partner in the hallway. You are feeling upbeat. You ask, "How's it going?"

They're harried. They're preoccupied. They say, "Well, it's hard to tell if we got more calls. Our call wait time is about 15 minutes, so a lot of people get frustrated and hang up." Or, "Unfortunately, two of our four doctors were on vacation when the campaign ran, so we couldn't really make appointments and people gave up."

What went wrong? You thought you had an operations partner but you really didn't. What you had was someone who was told by his or her boss to "get some marketing." And that's what they did, and now it's you that is on the hook for the results.

**So, how do you solve this problem?  
Here are a few suggestions to get you started.**

# Do These Seven Things

**Find the information mining resources within your organization.** Ideally, you have a marketing analyst on your own staff, but even if you don't, make it your business to thoroughly understand what data is generated from your electronic medical record (EMR) system, quality improvement initiatives, finance/decision support, and information technology.

**Don't just get an assignment. Get a definition of what success will look like. The more specific, the better.** Defining exactly what will be roundly acknowledged as a "success" can help ensure that both you and your operations colleagues are held accountable for optimizing the internal processes necessary to get there. It also keeps the rules from changing part way through the game (e.g., what starts out as an image campaign can't turn into "Why didn't we get more appointments scheduled?").

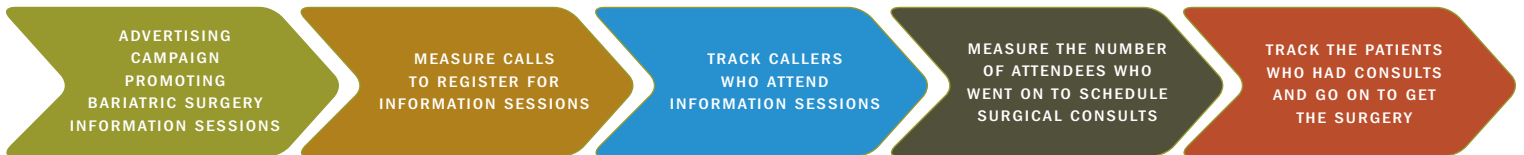
**Go deep. Identify and measure the action closest to your objective.** What is the ultimate goal? (Not just calls, but appointments? Not just education session attendees, but consults? Not just consults, but procedures?) Once you have identified the objective, work backwards to find the trackable transaction(s) that come as close as possible to it. Remember: If you can bill for it, you can measure it.

*"If you can bill for it, you can measure it."*  
- JOANNE CIRILLO

**If you have to create a fake "storefront" through which you will funnel activity generated by your advertising and marketing, do it.** Particularly if you work in a smaller organization with fewer data mining resources, consider using a dedicated phone line, a response code on a direct mail promotion, or a Web site URL—whatever it takes to isolate newly generated business from what you would have received, if you hadn't done any marketing at all.

**Make the tracking and measurement metrics rigorous enough to be indisputable later on.** Sometimes healthcare organizations don't reward success very well. Even if you have great results, it will be surprising how many people will greet the news with skepticism. Physicians especially seem to love to pick apart any data that isn't a double-blind study from JAMA (*Journal of the American Medical Association*).

## ANATOMY OF A RESULTS-DRIVEN ADVERTISING CAMPAIGN



**Be as bold as possible with your advertising creative.** To get really good results, you will need to break through the clutter of "status quo" healthcare advertising in your market. The good news is that since you have worked hard to get a very definable goal, your agency should be able to develop a very targeted message and call to action. This is not the time for nuances.

**Communicate the results broadly. Even if it didn't go perfectly.** Work with your boss and/or your operations partner to get a chance to report—in person—on the results in every forum you can. Get in front of administrators, physicians and staff. Don't be afraid to discuss everything, even what could have gone better. Even with the best conceived plan and a thorough tracking process, you can't expect to hit it out of the park every time. Be straightforward. It will earn you street cred.

## Creating New Demand for Orthopedic Services

### THE CHALLENGE

An integrated healthcare organization owns both a tertiary care hospital, a network of primary care clinics and sub-specialty physician practices. Their primary patient service area represents a population of around 400,000. Their marketing vice-president was given the challenge of creating new demand for orthopedic services.

### THE CAMPAIGN OBJECTIVE

Increase patient appointments in the Orthopaedic Clinic, which provides both medical and surgical services.

### THE CREATIVE

The campaign that was developed targeted middle-aged consumers who may have stopped doing the activities they enjoyed due to an untreated injury or pain. The campaign used a blatant retail strategy that included several mediums and frequent insertions of small space ads, radio and television spots as well as busboards. The campaign ran for approximately 8 weeks.

Total cost of the campaign creative and media placement was \$147,000.

### THE RESULTS

**A quick post-campaign review of the campaign's effectiveness showed:**

- In the 6 weeks prior to the campaign, the daily average of orthopedics was 137; during the 8 weeks of the campaign, the average jumped to 155 per day—an average increase of 18 appointments per day.
- When compared to the same time period of the previous year, the average appointment volume per day during the 8 weeks of the campaign was 161 compared to 133 respectively.
- In addition, during the 6 months prior to the campaign, the physical therapy department averaged 38 patients per day. Since the campaign, volume has increased to 45 patients per day. Average margin for a physical therapy encounter is \$39.42. Applying that charge to the total increase of 7 encounters per day (280 over 8 weeks) equals another \$11,037.60 in net revenue.
- Revenue associated with ancillary services such as diagnostic imaging was not included in the initial analysis, but is generally known to be a high-margin generator.

INITIAL POST CAMPAIGN TRACKING

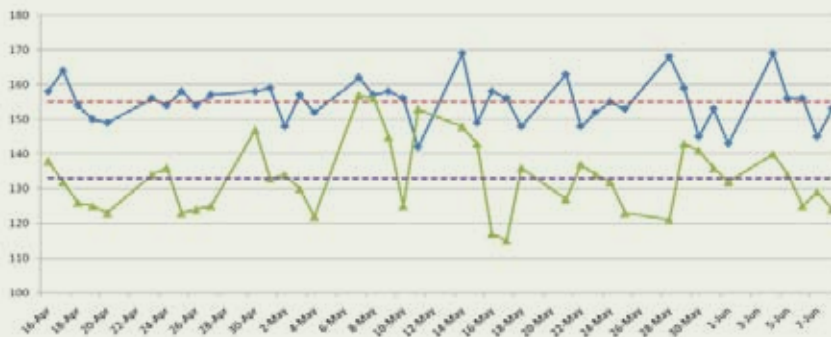


DAILY APPOINTMENTS



Campaign start date: April 16 Pre-campaign average: 137 Post-campaign average: 155

SEASONAL APPOINTMENTS



Post-campaign average: 155 Last year's average (same time frame): 133

Activity Translated into Net Revenue

Later in the year when orthopaedic physician RVU volume reports were compiled, RVUs generated during the campaign and for a period of 8 additional weeks after the campaign (to account for the delay between consults and surgeries) were above budget. This represented net revenue of \$631,512.

SAMPLE CAMPAIGN MEASUREMENT CONTINUED

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RESOURCES

Kushner, Therese and Patterson, Laura. "Tackling the 'Too Hard' Pile of Marketing Accountability." Marketing Profs 30 September 2008

Patterson, Laura. "Managing Marketing Performance: The Role of Data, Analytics and Metrics." Marketing Profs 26 August 2008

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