Executive Summary: As the hospital consolidation trend continues, the resulting larger entities will engage in “hyper competition” to attract patients to their most profitable service lines. The remaining independent and small chain hospitals will be forced to increase their marketing in order to remain viable. For both, there will be a push to attract patients to the departments that generate the most profits. The most successful hospitals will be those that have a plan of action supported by proven, measurable strategies and tactics.

Service Line Marketing is the Talk of the Town

As hospital mergers and acquisitions continue, competitive pressure is driving the CEO of your hospital to become even more focused on the need for profits. According to a June 2013 report from the American Hospital Association (AHA) and the Center for Healthcare Economics and Policy, 10 percent of the nation’s community hospitals have been acquired or merged in the six years prior. The total number of hospitals involved in mergers and acquisitions during that period was 551, most of which involved small scale consolidations of just one or two hospitals.

Also during this time, hospital mergers and acquisitions moved from being an anomaly to a full-blown trend. The AHA report showed that there were 36 consolidation transactions in 2009, 49 in 2010, 69 in 2011 and 71 in 2012.

Historically, hospitals have faced challenges to profitability, operating on relatively low margins while adhering to stifling government regulations that often require them to maintain departments that lose money. Today, savvy CEOs are thinking more about the return on their investment (ROI) and developing the strategies necessary to maximize profitability.
Competitive Pressure Drives Changes

Gone are the days when hospital care was considered the gold standard. Sure, there is still lingering public perception that a hospital is the place to go for treatment of many conditions, and certainly for emergency care. But today, advances in medicine combined with the ever-shifting ground that is the foundation of the healthcare landscape, hospitals have new competition, particularly from two new, formidable foes.

The first is the ambulatory surgery center (ASC). According to the AHA, the number of ASCs in 2013 approaches the number of hospitals. Nationwide, a recent count showed the number of surgery centers nationwide at 5,260, compared to 5,724 hospitals. The increase is startling. In 1988, the number of surgery centers was just 1,000. Today, the 5,260 centers perform 23 million surgeries annually — surgeries that would otherwise have been performed in a profitable hospital surgery department.

Surgery centers proliferate because they attract the cream of the surgery crop — the most profitable cases — and because many doctors want to remain out of the clutches of the local hospital.

The second threat is from the retail health clinic boom. According to an Accenture report released at the 2013 meeting of America’s Health Insurance Plans (AHIP) Institute 2013 in Las Vegas, the number of these deep-pocketed businesses is projected to double in the next three years, due to the anticipated increase of newly insured patients under healthcare reform.

While some hospital watchers see the retail clinic boom as a potential partnership opportunity, others recognize that retail clinics are themselves striving for efficiency and bottom-line results — something for which they will have no patience should their hospital affiliations fail to generate a sufficient return on investment. As a result, your hospital marketing department is under greater pressure to perform, that is, to drive patients to the service lines that best boost the hospitals bottom line.

AMBULATORY SURGERY CENTER GROWTH

(Source: Accenture)
How to Attract More Patients…

STEP ONE: Get buy-in

The first step is to meet with the hospital’s leadership to review your service lines and confirm that you are focusing your efforts in the correct areas. The mistake often made is to skip this step, to assume that you know when in fact, you may not have the most current information.

Clearly, one service line may be prized for its revenue potential, but there are other reasons for promoting another. A service line may also be important because of its value to or visibility in the surrounding community. That awareness creates priceless public awareness of the entire facility and supports an ongoing public relations effort.

Another service line may be valuable because it acts as a gateway to the hospital. One example is the hospital Women’s Center. Some Women’s Centers are not the profitable components that stakeholders would like them to be, however, a Women’s Center can produce downstream revenue by attracting patients for routine exams. And since women make most of the healthcare decisions in the home, they may be more likely to use your hospital’s other services for her entire family based on her experience in the Women’s Center.

Another benefit to this meeting is to create a greater awareness of your efforts in order to reduce or eliminate surprises to your hospital’s decision-makers. Getting this buy-in is critical to streamlining your service line campaigns.

This initial meeting may also have value to help you identify a possible champion for your cause. It is a fact that when a respected leader supports your cause, it is far more likely to come to fruition and remain viable despite any setbacks that may occur. Setbacks are common and it helps to have someone of influence in your corner when problems arise.

STEP TWO: Measure your progress through metrics

There is an old saying: “May you have the hindsight to know where you have been, the foresight to know where you are going, and the insight to know when you have gone too far.”

At the outset of your service line campaign, you should know the following:

- Current production levels (example: no. of cases) and/or revenue generation
- Goal of the service line campaign
- Time allowed to achieve the goals
- Budget required to achieve the goals in the allotted time

Without this important information you are prone to, among other things, bad decision-making. The bad decision-making comes into play when you are making choices based on whim or emotion instead of data, and when you make a decision based on the clock or calendar instead of what is fiscally or strategically prudent.

Along the way, the baseline metrics you have established will keep you focused on your goal and allow you to make the most accurate possible course corrections, if necessary.

Your metrics will also provide a greater level of accountability and enable senior management to understand why you have adjusted your campaign accordingly. As an example, let’s say that you have launched your campaign using an optimized website, billboards and a series of direct mail postcards. As you monitor your campaign, you notice that two of the three campaign elements, the website and the mail, are generating far more responses than the billboards. The sensible thing to do is to shift your resources mid-campaign to the two elements that are working – a decision you can make because you created the metrics you needed before you began.
STEP THREE: Budget to win

Unfortunately, most hospital service line campaigns are budgeted in a traditional way that causes them to be doomed from the outset. Here is the typical format for a hospital service line campaign: Acme Hospital wants to drive more patients to its Oncology Center. A line item in the budget is created for a marketing campaign, and the marketing personnel use the budget to create what they believe will be an effective effort. That number is based on the costs associated with the various marketing tactics that will be used in the campaign, whether it is radio, billboards, a dedicated website, etc.

The problem with this old-fashioned funding method is that it has no relation to achieving the desired level of success. Instead of creating a number out of thin air, based on what the marketing costs, it is better to establish a budget based on what the marketing will produce.

Here’s how it works: Let’s say that you want to generate another million dollars in revenue in one year for your oncology wing. Under normal circumstances, someone in the marketing department will determine the costs of all of the advertising and marketing elements they believe will need to be used in order to reach the revenue or case load goals. That number becomes the budget. In other circumstances, a budget figure is assigned based on what is affordable. Still other budget figures are decided upon strictly because a decision-maker feels it is appropriate.

Unfortunately, feelings have no place in the budget process, nor is there room for whim or hope. There is a science to the process; a science that is determined and guided by your metrics.

Here is how this Return On Investment, or ROI, budgeting process works: Say you want to generate that one million dollars for your oncology service line. Instead of adding up costs to determine how much you need to spend to achieve your goal, work backwards, so to speak, and ask the question, “How much are we willing to invest to achieve the goal of one million dollars?”

A marketing investment return of 4 to 1 is a reality. In fact, given the rocky prospects of today’s hospital landscape, a 4:1 return on a marketing investment would be a cause for celebration. In real dollars, though, that translates into a marketing budget of about $250,000. That budget figure may not be realistic for your department so it is important to note here that the ROI budget is not always applicable. Sometimes, it serves only as a place to start a discussion and a smaller budget may be better for you.

When a service line campaign fails, it is sometimes due not to the messaging or the execution, but to the budgeting. Strapped marketing departments find themselves without the resources to finish what they have started. Be sure that you have the resources to see your campaign through.

STEP FOUR: Create a marketing plan

At your hospital, your service line campaign could be a part of the overall hospital marketing plan or it could be a stand-alone project. Either way, no service line marketing effort can survive without a budget, but no budget should be assigned without a marketing plan. In this section, we are going to focus on the tactics in your plan that you will use to achieve your goals and how they work together for success.

There are three key reasons for developing a detailed, comprehensive service line marketing plan:

1. Having a detailed marketing plan helps everyone understand what is going to happen, when it will happen, who is responsible for making it happen and how much it costs.
2. A detailed, comprehensive marketing plan is a statement of accountability. It sets expectations and helps everyone understand the goals.
3. Your marketing plan helps you stay on time and on budget.
There are certain elements of your marketing plan that are best described through a narrative process and some that work better on a spreadsheet. In both cases, your marketing plan should have these four elements present throughout:

**Clarity** – Everyone has an opinion on how to market and often, politics drives the choices that are made. To help get past the politics of marketing, those reading your plan should have a clear understanding of your purpose, your tasks, your timing and the methods you plan to use to achieve your goals.

**Measurability** – All tactics of your plan should be measurable, i.e., each one should be able to be tracked back to success or failure. If you cannot track a marketing tactic in your plan, it may not be worth executing.

**Realism** – The goals of your campaign should be achievable. Sure, we’d all love to achieve a 40:1 return on our marketing investment, but is that realistic? Probably not. Stay with what is reasonable. The earlier example of a 4:1 return may be a good place to start.

**Approval** – Review your plan with all higher-ups who may have some stake in the outcome and/or who may make decisions on the plan’s future (and yours).

One of the biggest mistakes to avoid is to spread your resources so thinly that you lose sight of your goal. Today’s hot topic is social media, which has the ability to attract patients that other strategies cannot.

With both social media and traditional media, stay focused on generating response. Nice-looking, branded ads, banners and other messages may be politically expedient they may even win an award. Unfortunately, awards can’t use the phone to call you or click-through to inquire about your service line.

Online, pay-per-click advertising is usually a sensible investment because unlike other advertising tactics, you don’t pay for the universe and settle for a few leads – you pay only for qualified leads.

Staying focused on response means giving the prospective patient a reason to contact you. If all you are conveying in your advertising is “Here we are!” you are far less likely to generate sufficient response than if you say, “Here we are and we have a special offer for you!” Your offer allows the prospect to experience your hospital environment without obligation. Call it a baby step. Typical offers include:

- A screening relevant to the service line you are promoting
- Seminar
- Webinar
- Premium (e.g., free book)

Whether you choose to invest in social media, traditional media, or both, the message you convey can make or break your campaign.

**STEP Five: Convert your inquiries**

You’ve probably heard the old saying, “You can lead a horse to water, but you can’t make it drink.” The same is true of your service line campaign. After all of the time, energy and resources you’ve used to generate response – leading the horse to the water – it is crucial that your inquiries are responded to by trained staff (getting it to drink).

Someone who is trained to field inquiries from an advertising campaign has a far different approach to a phone call than someone who answers all types of calls each day (receptionist or hospital operator).
Starting with the very first word out of his or her mouth, a skilled phone person understands not only that a first impression is being created but also that the first impression, if properly created, will lead from converting an inquiry to creating a patient.

Unfortunately, one common and drastic error made by hospitals is to have a “nice person” or “people person” to field inquiries. While those qualities are important, they are no match for someone who has had the proper training and comes prepared every day to increase the caseload in your service center. Fielding the inquiries and making the follow-up contacts is not easy. On a busy day, your staff member may be spending all his time responding to new inquiries and following up on old ones. If he has no experience making and taking calls all day – every day – you are setting yourself up for failure.

Prepare your inquiry people by letting them know where you are advertising and what message and/or offer you are conveying. There are few phone faux pas worse than calling to take advantage of an offer, only to have the person answering the phone say something like, “Free skin cancer screening? I don’t know anything about that.”

Your staff should know when and where you are advertising, the duration and the message/offer.

Most important, though, is training to overcome objections. This training is required so that polished responses are delivered to the variety of reasons a prospective patient may decline your service line services. Typically, those objections include:

- Too far
- Too much
- No time
- Need to get permission from spouse or other person

Without answers designed to move your prospect to take action, you are far less likely to convert the number of inquiries necessary for a successful service line campaign.

It is important not only to have the right people in place, but to make certain they are maximizing every opportunity.

- The odds of calling to contact a lead decrease by over 10 times in the 1st hour.
- The odds of calling to qualify a lead decrease by over 6 times in the 1st hour.
- After 20 hours every additional dial your staff make actually hurts your ability to make contact to qualify a lead.
- The odds of qualifying a lead if called in 5 minutes versus 30 minutes drop 21 times.

STEP SIX: Use multiple marketing channels

Just as a financial advisor would never tell you to put all of your investment capital into gold or municipal bonds, it is not advisable to concentrate your marketing in just one are. Marketing works best when it is layered, that is, when multiple marketing channels are in play at the same time and supporting each other’s efforts. For example, a radio campaign centered on your service line will be far more effective when it is supplemented by direct mail, or e-mail or a home page presence. Or all of them. Or, all of them and more, because no single medium has the ability to reach all of your prospects.

An online campaign may be in order, but it may miss the older demographic who makes the healthcare decisions in the home. The converse is also true. You can send out a postcard series, but that will miss the younger crowd who conducts all of her business from her smartphone.
And speaking of postcards… Don’t let the ease of e-marketing lull you into a sense of complacency; of the belief that an online presence is all that is necessary to be successful. A study released in June 2012 by the Direct Marketing Association showed that “… direct mail boasts a 4.4% average response rate, compared to email’s average response rate of 0.12%…” Further, “Depending on how one crunches the numbers, direct mail has a response rate of up to 10 to 30 times that of email — and even higher when compared to online display…”

The mistake is to rely on either eMedia or traditional media. Both shine when used together.

Also important is repetition. A general rule of thumb is that it will take a minimum of six impressions before your prospect remembers the name of your hospital, and a few more before she takes action. Others believe that a minimum of three months of steady marketing to a new target audience is required to gain any worthwhile traction.

STEP SEVEN: Develop your “Feet on the Street”

In the rush to attract cases for your service line directly from patients, don’t overlook the value of experienced representatives, a.k.a. liaisons, to help shore up relationships and referrals from the physicians in the community.

The goal of your liaison team is to drive physician-referred cases to your hospital and to keep them coming.

Whether you already have a liaison team or need to start one, use referral data that shows both current and potential referrers. Current referrers, subcategorized into A-B-C designations will help the liaisons understand where most of their activity should take place.

Wooing prospective referring physicians will often take multiple impressions before any tangible results are achieved.

How many liaisons do you need?

One option is to secure liaisons based strictly on the bed count in the hospital, but this is unrealistic because while the bed count will always be the same (provided there is no major expansion), the number of referrers could grow dramatically and create a lower level of service in the field.

Another formula is to create a liaison team based on what is affordable, which could prove to be disastrous for the same reason.

Ideally, your liaison team should consist of one person for every thirty-day call cycle (a call cycle is the number of days it takes the liaison to see all of her prospects). Using this process ensures that all referrers are given the appropriate attention to help your liaison create and manage these important relationships.

It is only through creating, assigning and managing specific sales territories that a coordinated, strategic referral program can become successful.

One common mistake committed when forming a liaison team is the tendency to use existing staff to provide these important services. Acting as the outside representative for your hospital – as the ambassador, so to speak – is not a job for the inexperienced and no place for on-the-job training as there is too much at stake. Someone on your staff may be nice, and may even be a “people person,” but if she has not had experience managing accounts and handling rejection, you are setting yourself up for failure.

STEP NINE: Track everything and coach regularly

Each of the marketing channels you employ in your service line campaign should have a way to trace inquiries back to their source. If, for example, you run a series of newspaper or magazine ads, each one should have a separate, distinct phone number so that when the prospect calls, you can trace that lead back to the source.
This is not as difficult as it seems – there are a number of phone-based tracking services from which to choose. Many of these services also have the ability to record the incoming calls, which will give you the opportunity to correct any bad habits and commend those who are handling the calls well.

The key to correcting bad phone habits is to catch them early and be constructive. By catching them early, you are putting the person or people on notice that you are not just going through the motions; that the role these people are playing is important to the success of the program, and that creating the best possible phone experience is their goal.

Being constructive means no finger-pointing or unprofessional remarks. When a staff member is approached with suggestions for improvement, help her understand why you are coaching by stating something such as, “We are trying to create the best possible phone experience so the caller chooses us over another option.”

In those terms your staff member will know that she is not being singled out and that she is a key part of a larger program that will help benefit all employees.

**SUMMARY**

In order to be successful, attracting more patients to your most profitable service lines requires strategic thought, constant communication, a coordination of effort and properly allocated resources. When all of these elements are in place, your hospital will have a much better chance of making your service line campaign successful.

**SERVICE LINE BONUS: Get professional help to ensure success**

If there is one point that you take away from this paper, it’s this: If you are getting ready to attract more patients to a key service line, don’t go it alone. Get professional help.

But at the same time choose carefully.

There are a lot of companies out there that can supply some pieces of the puzzle.

You’ll find that most agencies will be there to help create your marketing materials and ads. Some may help you create a marketing plan (but many will expect you to develop it on your own). Others will help you with your media planning and buying. But most, if not all, stop there.

Getting your staff ready to deal with the changes that a successful advertising program can make is not something you are likely to find with any typical advertising or marketing agency. It’s not their problem.

At Healthcare Success Strategies, we look at things a little differently.

For more than 20 years, we have been working to market hospitals and their most important, most profitable service lines.

As a company we pay close attention to what is working in the area of hospital marketing and advertising.

We follow new media and adapt them for hospitals.

The things that we recommend to our clients are based on our experience, what we read in our journals, and more importantly, what we see work with our own clients. Then, we test.

A long time ago we came to the conclusion that developing great marketing is only half the battle. Some of the toughest work comes once the new patients start coming through the door.

That’s why we built our company to encompass all parts of a marketing program.

We often start with educational programs and seminars that can help you personally become a strong hospital service line marketer.

In addition we offer marketing consulting – where we can help you develop a marketing plan — using best practices — that will clearly help you reach your objectives.

Next, we provide a full-service advertising agency. We’ve built a staff of some of the best healthcare and direct response writers and artists in the country to help you develop creative materials that will deliver the new patients you need. And, we do online and off.

But we did not stop with creative. We are also there to help you implement. We have an experienced media department and we’ll teach you the secrets of tracking efficiently.

Finally, we have brought together some of the top staff training professionals anywhere. These are people who have solid track records of successfully building practices from within, who will teach your staff what they need to know to build better patient relationships, convert new patients to appointments, and even train your liaison to build referrals to your service lines.

In other words, we offer one-stop shopping for helping you to build your hospital, and attract the patients you want to the service lines that are most important to you.

So if you have found the information in this paper enlightening, please give us a call at 800-656-0907 or email us at info@healthcaresuccess.com for a free, no-obligation consultation about how we can help you make your service line campaign a success.