

 **Health Foundation**
for Western & Central New York
Investing in Better Health for People and Communities

Hitting the Mark



***Achieving success through high quality services
and financial sustainability***

Track 1: Strengthening Your Customer Focus

Workshop I: Meeting Customer Needs

Bob Stevens – Nov. 12 & 13, 2013



Profile – Bob Stevens

Strategic health care marketing



Health Centric
Marketing Services

Innovative marketing research, strategy, & education

- Marketing research & strategy
- Adjunct instructor: Gillings School of Global Public Health, UNC-Chapel Hill
- Textbook co-author
- Education:
 - B.A. Colgate University
 - M.A. Duke University
 - M.B.A. Kellogg School of Management @ Northwestern







“Meeting Customer Needs” Workshop Objectives

- 1. Who are your customers, really?**
- 2. What do your customers need and what *will* they need?**
- 3. How can you increase your margin* through customer loyalty?**

* *“No margin, no mission.”*



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I. What is strategic marketing?

“Create, communicate, and deliver

value

to a target market profitably.”



The marketing imperative

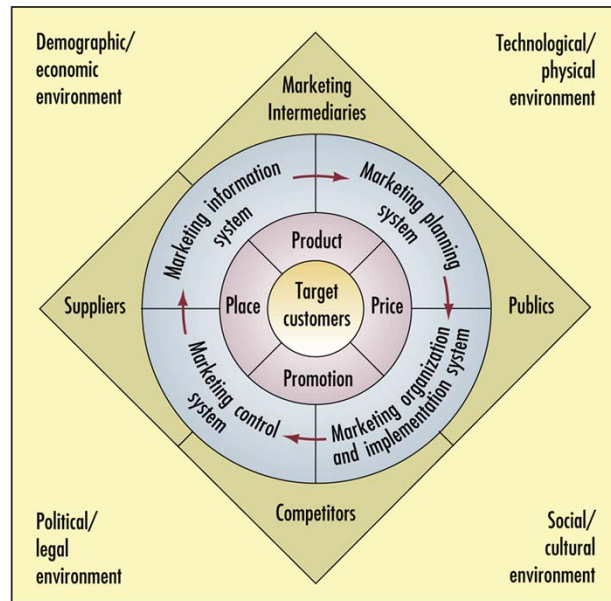
1. Target the right customers and build *relationships*
2. Offer solutions that meet their *needs*
3. Define quality packages that are *differentiated* and have a competitive advantage

“The aim of marketing is
to make selling superfluous.”

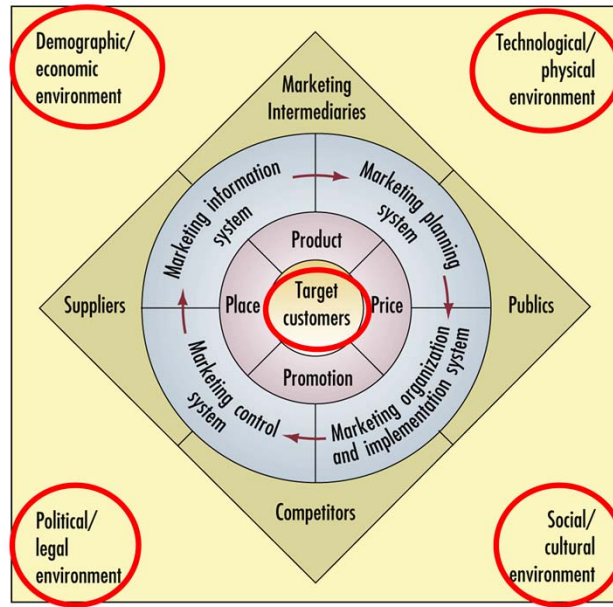
– Peter Drucker
Management Guru



Strategic marketing overview



Our focus today





Begin with data

1. Internal records system
2. Competitive intelligence
3. Secondary marketing research
4. Primary marketing research

II. Who is your target customer?

A. How are your customers referred?

1. Self-referred ____ %

2. Clinician-referred _____%

[Hint: Check your internal records]

B. Who influences the purchase decision?



III. What do your customers need? – *Part I*

- A. Begin with the environment
- B. Secondary marketing research
- C. Market opportunities and market threats



Health care environment info sources

1. Commonwealth Fund commonwealthfund.org
2. FierceHealthCare fiercehealthcare.com
3. HealthLeaders Media healthleadersmedia.com
4. Center for Studying Health System Change hschange.com
5. Healthcare Finance News healthfinancenews.com
6. Kaiser Family Foundation kkf.org
7. Deloitte Center for Health Solutions deloitte.com/centerforhealthsolutions
8. Hospital & Health Networks hhnmag.com

Health Care Environmental Analysis Framework

Eight Participants	<i>Six Environmental Trends</i>					
	Demographics	Economic	Social-Cultural	Natural	Technological	Political-Legal
Patients						
Providers						
Payers						
Employers						
Government						
Prof. Assocs.						
HC Advocacy Groups						
HC Suppliers						

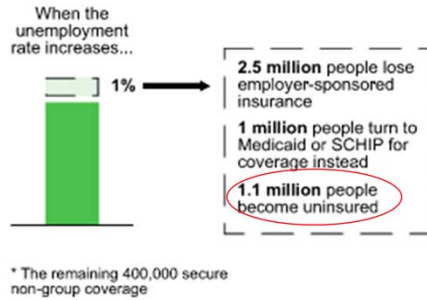
Participants in the environment

1. Patients and consumers
2. Care providers
3. Payers
4. Employers
5. Government
6. Professional associations
7. Health care advocacy organizations
8. Health care product and service companies



Environmental forces

1. Demographic
2. Economic →
3. Social / Cultural
4. Natural
5. Technological
6. Political / Legal



Environment analysis exercise

137,000 in WNY get health care discontinuation notices

Approximately 12.5% of those at BCBS of Western New York, Independent Health and Univera Healthcare, according to numbers the three insurers provided to *The Buffalo News*.

Partners for Prevention faces looming budget crisis Bracing to lose \$125,000 – 40% of its funding – as a 10-year grant comes to an end. Organization aims to reduce alcohol, drug and tobacco is funded entirely through grant money.

Access to health care increases Rx opioid abuse

Researchers find that increased health care access is associated with higher rates of opioid abuse. The structure of local health care systems at the county level is a major determinant of community-level access to opioids.

Budget office : More employers than previously estimated will drop health coverage About 7 million people, nearly double the earlier estimates, will no longer get health insurance from their employers because of changes to the tax code made by the health law, according to CBO projections.




IV. What do your customers need? – *Part 2*



Most customer surveys...

1. Not useful
2. Low response rates
3. Results not timely or actionable
4. Management unconcerned

Customer loyalty measure

- Net promoter score
“The One Number You Need to Grow”
by Frederick Reichheld 
- Goal: Profit growth
- Strategy: Increase your percentage of net promoters



Loyalty

...is the willingness to make an investment or personal sacrifice to strengthen a relationship.



Existing loyalty measures

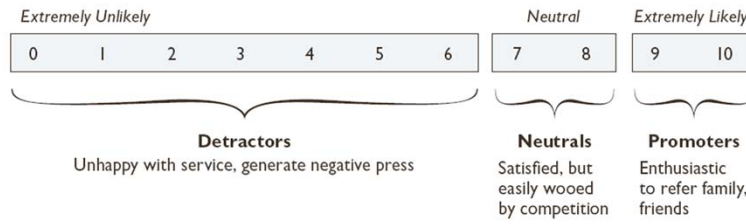
- Retention rates measure customer defections
- Customer-satisfaction
- American Consumer Satisfaction Index

Net promoter score

The Ultimate Question

Net Promoter Methodology

"How likely are you to refer us to a friend?"



$$\text{Percent Promoters} - \text{Percent Detractors} = \text{Net Promoter Score (NPS)}$$

How to use net promoter scores

1. Survey
2. Limit questions – add “Why?”
3. Compare – Regions, segments, sales people, competitors

Median NPS = 16%

**Apple, eBay, Amazon, USAA =
75% - 80%**

Marketing Plan Schematic Diagram





Conclusions - How to meet your customers' needs

1. Identify and build relationships with your target customers
2. Scan the environment relentlessly
3. Be market-driven. Ask your customers what they need. Give them what they need.

Questions?

