INDUSTRY SURVEY
HEALTHLEADERS MEDIA 2011

HealthLeaders Media | Intelligence

Marketing Leaders

WWW.HEALTHLEADERSMEDIA.COM/INTELLIGENCE

powered by

HEALTHLEADERS MEDIA Council

Access. Insight. Analysis.

Marketing Leaders Hesitant on Future Priorities

OF
MARKETING LEADERS
SURVEYED:

▸ 68
PERCENT
Describe patient experience at their organization as strong or very strong

▸ 18
PERCENT
Say their marketing efforts include no social media element

▸ 36
PERCENT
Say social media is effective or very effective in their marketing efforts

Amid the uncertainty of accountable care and the increased pressure of marketing to help boost the bottom line, marketing leaders are unsure of their role in physician sales. The majority of respondents indicated that they wanted to dedicate more FTEs to physician sales (47% say four or more FTEs is ideal, while only 25% have that many), yet 42% also said their strategy for marketing to physicians is neutral, not very aggressive, or not aggressive at all.

This discrepancy may be caused by marketers anticipating an emphasis on physician sales in the near future, but not yet dedicating resources in that area.

"With the push to define and then build ACOs, everyone knows keeping your network tight and keeping referrals in your network is going to be more important than ever," says Brooke Tyson Hynes, vice president of public affairs and communications for Tufts Medical Center in Boston.

Physician sales should be a strategic priority regardless of where an organization is in forming an ACO, says Patrick Buckley, president and CEO of Milwaukee-based PB Healthcare Business Solutions.

"Given how critical physician referrals are to a hospital's bottom line, the number of respondents who believe their organization is aggressively marketing to physicians should be much higher," he says.

Marketing leaders have increased their focus on physician sales in the past year, however. About 57% of this year's respondents said they routinely manage or influence physician relations or sales, compared with just 36% of respondents in the 2010 survey.

Another change in focus that marketing leaders have indicated is in their organization's top three priorities. This year, fewer marketing leader respondents rated quality/patient safety (21%, down from 43% last year) and physician retention (16%, down from 36%) as a top-three organizational priority, replacing them with cost reduction (40%, up from 34%) and reimbursement (23%, up from 13%). Patient experience maintained its spot as a top-three priority (37%, on par with 36% last year).

Again, a realization of the impact of reform may have caused this change in priorities, Hynes says.

"Everyone is thinking about how healthcare is changing even more dramatically than it's changed in the past and taking a deep look inside and asking, 'How are we going to do things differently? How are we going to reinvent what we do? How are we going to be innovative in how we approach all these changes?'" she says. "There's a real sense that things will change."

However, Hynes found the decrease of respondents listing quality as a top priority puzzling. "You can't separate reimbursement and quality, because we're going to be reimbursed on how well we deliver care," she says.

Marketing leaders also seemed torn in their approach to social media. About 61% of respondents said less than 10% of their marketing efforts include a social media element. However, 87% of respondents said they view consumers' use of social media as very positive or positive.

This inconsistency is likely because it is still hard for most marketers to prove return on investment for social media elements, Hynes says.

"While we all have our Facebook pages now and our Twitter feeds and we're trying to figure out how to make it work and we know how much consumers love it for social aspects, we're still not quite sure how best to use it or what return on investment it has."

Another area where marketing leaders lag is in being involved in the first stages of product or service development. A full 20% say they are rarely or never involved, which is marginally better than last year's 24%, but still worse than 2009's 13%.

"Everyone is thinking about how healthcare is changing even more dramatically than it's changed in the past and taking a deep look inside and asking, 'How are we going to do things differently?'"

This may be due to a universally fuller workload due to trimmed-down staff, Hynes says.

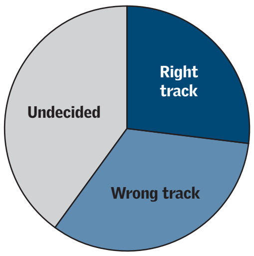
"We're all so busy and there's so much to do that there's a certain point where it's helpful to have marketing involved in the creation, but marketing isn't always needed in that very first meeting," she says. "We're all having to prioritize our time and we can let the operations and the finance leaders do that first stage and we can come in when the operational planning is beginning to gel more."

Despite the sometimes wavering opinions of this year's survey respondents, Hynes says she believes marketing leaders are optimistic about changes in coming years.

"The exciting part of that is it's a chance to be a first in something—to be an innovator," she says. "It is stressful and it is it frustrating, but there's a bit of excitement because the traditional mix of what made an institution successful isn't necessarily going to mean success in the future."

—MARIANNE AIELLO

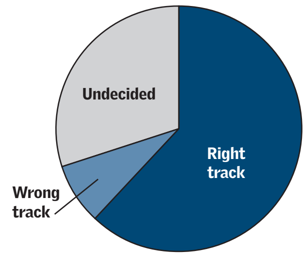
1. Overall, how do you assess the current state of the healthcare industry?



Right track – 27%
Wrong track – 33%
Undecided – 40%

BASE: 63

2. Overall, how do you assess the current state of your own organization?



Right track – 62%
Wrong track – 8%
Undecided – 30%

BASE: 63

3. Rank your organization's top 3 priorities for the next 3 years.

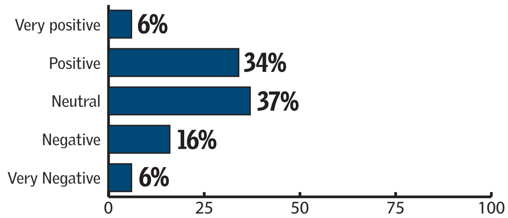
	Priority 1	Priority 2	Priority 3	2011 Percent selected	2011 Rank	2010 Percent selected	2010 Rank	2009 Percent selected	2009 Rank
Cost reduction	16%	16%	8%	40%	1	34%	4	21%	6
Patient experience/patient satisfaction[1]	18%	8%	11%	37%	2	36%	3	29%	3
Reimbursement	3%	8%	11%	23%	3	13%	9	16%	8
Mergers and Acquisitions	8%	6%	6%	21%	4	6%	14	NA	NA
Care coordination	6%	5%	10%	21%	5	13%	10	NA	NA
Quality/patient safety	5%	10%	6%	21%	6	43%	1	72%	1
Developing an accountable care organization	10%	5%	5%	19%	7	NA	NA	NA	NA
Technology system/equipment	5%	10%	5%	19%	8	15%	7	12%	11
Physician recruitment and retention	2%	8%	6%	16%	9	36%	2	33%	2
Construction/capital improvements	8%	2%	3%	13%	10	21%	5	27%	4
Leadership development	5%	0%	5%	10%	11	4%	17 (tie)	1%	15
Dealing with uncompensated care	3%	2%	5%	10%	12	6%	15	NA	NA
Revenue cycle	3%	2%	5%	10%	13	6%	13	19%	7
New clinical products/services	2%	5%	3%	10%	14	19%	6	16%	9
Physician staff ventures/realignment	2%	3%	5%	10%	15	11%	11 (tie)	22%	5
Physician employment	2%	3%	3%	8%	16	NA	NA	NA	NA
Employee satisfaction	3%	3%	0%	6%	17	15%	8	8%	12
Episode of care/bundling	0%	3%	2%	5%	18	4%	17(tie)	NA	NA
RACs	0%	2%	0%	2%	19	2%	19	NA	NA
Nurse/staff recruitment and retention	0%	0%	0%	0%	20	4%	16	12%	10
Base				62		47		89	

[1] In 2009, asked as Consumer satisfaction

4. How will the following healthcare issues impact your organization in the next 3 years?

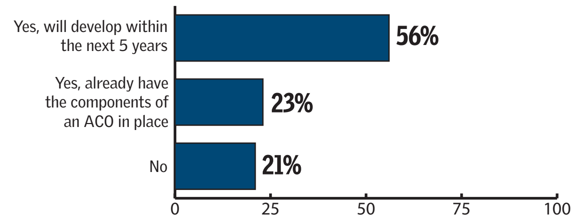
	Strongly Positive Impact	Positive Impact	Neutral	Negative Impact	Strongly Negative Impact	Base
EHR adoption	36%	28%	23%	13%	0%	61
Patient experience, patient-centered care	28%	53%	15%	3%	0%	60
Increase of insured patients	22%	45%	23%	7%	3%	60
Quality improvement initiatives	22%	57%	18%	2%	2%	60
Comparative effectiveness research	18%	36%	39%	5%	2%	61
Medical home	17%	50%	23%	10%	0%	60
Accountable care organizations	16%	44%	33%	5%	2%	61
Mergers and acquisitions	15%	26%	43%	15%	2%	61
Episode of care/bundled payments	10%	31%	28%	25%	7%	61
ICD-10	8%	17%	58%	17%	0%	60
Meaningful use criteria	8%	44%	33%	13%	2%	61
Medicare/Medicaid/Tricare reimbursement rates	8%	3%	20%	46%	23%	61
Increased regulatory scrutiny	7%	8%	31%	41%	13%	61
Physician supply, primary care	7%	13%	36%	43%	2%	61
Private payer reimbursement rates	7%	12%	32%	38%	12%	60
72-hour payment window	7%	21%	48%	20%	5%	61
Nurse supply	5%	10%	52%	33%	0%	61
Physician supply, specialty care	5%	23%	30%	38%	5%	61
RACs	5%	7%	60%	22%	7%	60
Uncompensated care	5%	7%	26%	41%	21%	61
Malpractice concerns	3%	5%	61%	28%	3%	61
Stimulus package	3%	25%	52%	11%	8%	61
Organized labor	2%	5%	59%	23%	11%	61

5. What is your assessment of the Patient Protection Act?



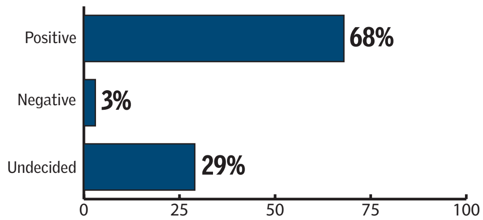
Base: 62

6. Will your organization be part of an accountable care organization within the next 5 years?



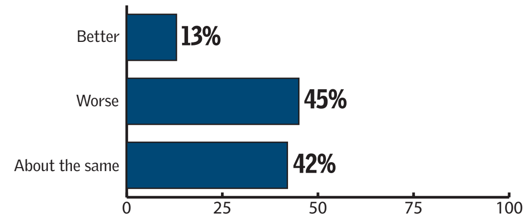
Base: 61

7. How do you view the growing role of mid-level providers in primary care?



Base: 62

8. What is your expectation for your payer-provider relationships in the coming year?



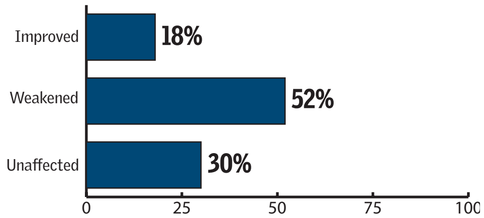
Base: 62

9. Rank your organization's top 3 drivers of healthcare costs.

	No. 1 Driver	No. 2 Driver	No. 3 Driver	2011 Percent	2011 Rank	2010 Percent selected	2010 Rank	2009 Percent selected	2009 Rank
Labor costs	22%	22%	19%	63%	1	22%	7	39%	2
Government laws and mandates	25%	19%	8%	53%	2	49%	1	64%	1
Clinical technology	20%	17%	15%	53%	3	29%	6	34%	4
Patient lack of responsibility[2]	7%	12%	12%	31%	4	38%	3	17%	9
Overutilization of service[1]	5%	8%	10%	24%	5	42%	2	20%	8
Pharmaceuticals	3%	5%	10%	19%	6	18%	8	39%	3
Physician inefficiency	8%	5%	3%	17%	7	13%	10	3%	10
Medical devices	5%	3%	5%	14%	8	13%	9	30%	6
Health plan overhead	0%	3%	10%	14%	9	29%	5	30%	5
Hospital errors	2%	2%	5%	8%	10	9%	11	3%	11
Malpractice litigation	2%	3%	2%	7%	11	38%	4	22%	7
Base				59		45		88	

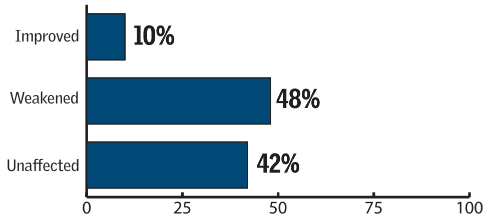
[1] In 2009, asked as Duplication of services
[2] In 2009, asked as Noncompliant patients

10. Describe the impact healthcare reform is having on your organization's financial position.



Base: 60

11. Describe the impact healthcare reform is having on morale at your organization.



Base: 60

12. How would you rate the current quality/status of these aspects of your organization?

	Very Strong	Strong	Neutral	Weak	Very Weak	Base
Dedication to mission	49%	38%	13%	0%	0%	61
Fiscal management	33%	51%	13%	3%	0%	61
Patient safety	31%	56%	13%	0%	0%	61
Medical quality	30%	54%	15%	2%	0%	61
Nursing staff	28%	46%	25%	2%	0%	61
Construction/capital improvements	16%	34%	23%	23%	3%	61
Patient experience	16%	52%	25%	7%	0%	61
Physician staff	15%	46%	28%	11%	0%	61
Care coordination	13%	51%	23%	10%	3%	61
Prospects for growth	13%	48%	31%	7%	2%	61
Physician recruitment and retention	10%	43%	34%	13%	0%	61
Dealing with uncompensated care	3%	30%	39%	25%	3%	61

	2011 Very Strong/Strong	2010 Very Strong/Strong	2009 Very Strong/Strong
Dedication to mission	87%	74%	80%
Patient safety	87%	N/A	N/A
Fiscal management	84%	89%	79%
Medical quality	84%	93%	97%
Nursing staff	74%	77%	78%
Patient experience	68%	76%	78%
Care coordination	64%	N/A	N/A
Physician staff	61%	71%	77%
Prospects for growth	61%	77%	78%
Physician recruitment and retention	53%	N/A	N/A
Construction/capital improvements	50%	N/A	N/A
Dealing with uncompensated care	33%	N/A	N/A

13. Describe your overall job satisfaction.

	2011 Percent	2010 Percent	2009 Percent
Very satisfied	26%	45%	43%
Satisfied	56%	47%	46%
Neutral	15%	6%	10%
Dissatisfied	3%	2%	1%
Very dissatisfied	0%	0%	0%
Base	62	47	89

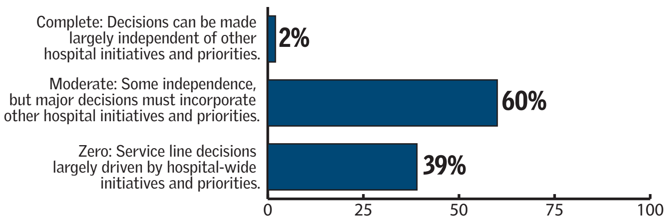
14. Would you encourage your child to enter a career in the healthcare industry?

	2011 Percent	2010 Percent	2009 Percent
Yes	84%	74%	85%
No	16%	26%	15%
Base	61	47	89

15. Please rank the following service lines for growth potential within your organization in the next 3 to 5 years:

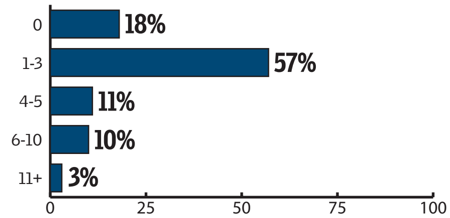
	Grow 6% or more	Grow 1%–5%	Remain flat	Decline 1%–5%	Decline 6% or more	Base
Geriatrics	35%	29%	35%	2%	0%	55
Cancer/oncology	27%	45%	27%	2%	0%	56
Orthopedics	24%	53%	24%	0%	0%	55
Heart (cardiology, cardiovascular, pulmonary medicine, vascular surgery)	22%	40%	36%	2%	0%	55
Primary care	20%	48%	29%	4%	0%	56
Pain management	20%	39%	36%	5%	0%	56
Wellness	19%	30%	49%	0%	2%	57
Emergency medicine	16%	59%	25%	0%	0%	56
Imaging/radiology	16%	46%	36%	2%	0%	56
Hospitalists	16%	40%	42%	2%	0%	55
Spine	16%	36%	45%	2%	2%	56
Psychiatry	12%	21%	51%	12%	4%	57
Women's health, OB/GYN	11%	45%	35%	9%	0%	55
Physical medicine and rehabilitation	10%	48%	40%	2%	0%	58
Transplant center	10%	10%	65%	4%	12%	51
Intensive care	9%	49%	40%	2%	0%	55
Sports medicine	9%	43%	48%	0%	0%	54
Neurosurgery	9%	35%	50%	4%	2%	54
General surgery	7%	52%	38%	4%	0%	56
Pediatrics	7%	34%	46%	13%	0%	56
Sleep	7%	23%	59%	9%	2%	56

16. How much autonomy do the service line leaders have to make strategic and purchasing decisions?



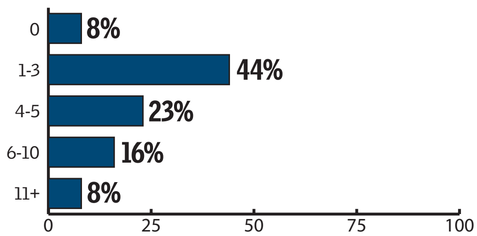
Base: 62

17. How many marketing FTEs focus on physician sales/referrals?



Base: 61

18. Ideally, how many marketing FTEs are needed to focus on physician sales/referrals?



Base: 61

19. What percent of your marketing efforts include a social media element?

	Percent
0%	18%
1%–10%	43%
11%–20%	16%
21%–30%	13%
31%–40%	5%
41%–50%	0%
51%–60%	2%
61%–70%	2%
71%–80%	2%
81%–90%	0%
91%–100%	0%
Base	61

20. Which social media platforms do you use to promote your organization?

	Percent
Facebook	79%
Twitter	62%
YouTube	47%
LinkedIn	43%
Blogs	30%
Base	53

21. How effective is social media in helping your marketing efforts?

	Percent
Very effective	4%
Effective	32%
Neutral	53%
Ineffective	9%
Very ineffective	4%
Base	57

22. Which of the following marketing functions do you routinely manage or influence?

	2011 Percent	2010 Percent	2009 Percent
Brand management	82%	N/A	N/A
Competitor research	80%	58%	61%
Public relations	77%	81%	65%
Advertising	77%	83%	65%
Market research	77%	75%	70%
Internal communications	73%	85%	63%
Social media	70%	N/A	N/A
Business strategy	63%	49%	60%
Business development	60%	53%	52%
Physician relations or sales	57%	36%	38%
Patient experience and satisfaction	43%	36%	30%
Community benefit/Form 990	35%	30%	N/A
Base	60	47	88

Multi Response

23. In the next 3 years, which of the following marketing functions will gain in importance at your organization?

	2011 Percent	2010 Percent	2009 Percent
Patient experience and satisfaction	78%	77%	65%
Business strategy	68%	51%	59%
Social media	68%	N/A	N/A
Business development	58%	58%	59%
Public relations	50%	45%	49%
Physician relations or sales	50%	62%	64%
Brand management	50%	N/A	N/A
Market research	47%	34%	40%
Internal communications	42%	34%	39%
Competitor research	35%	30%	27%
Advertising	33%	28%	27%
Community benefit/Form 990	27%	21%	N/A
Base	60	47	88

Multi Response

24. How valued are the marketing department's efforts to the following internal stakeholders?

	Highly Valued	Valued	Neutral	Not Very Valued	Not at All Valued	Base
CEO	37%	48%	3%	12%	0%	60
Board of directors	24%	49%	22%	3%	2%	59
CFO	22%	35%	27%	12%	5%	60
Physicians	18%	53%	17%	12%	0%	60
Staff	10%	47%	25%	17%	2%	60
Organization-wide	10%	57%	30%	3%	0%	60

25. What is your organization's reputation within the community?

	2011 Percent	2010 Percent	2009 Percent
Very strong	39%	51%	41%
Strong	41%	36%	42%
Neutral	16%	4%	13%
Weak	2%	9%	5%
Very weak	2%	0%	0%
Base	61	47	88

26. How involved is your department in developing the overall strategic plans/decisions for the organization?

	Percent
Very involved	43%
Involved	35%
Neutral	8%
Not very involved	12%
Not at all involved	2%
Base	60

27. How aggressive is your hospital in marketing to physicians in order to maintain or increase referrals?

	Percent
Very aggressive	18%
Aggressive	40%
Neutral	27%
Not very aggressive	13%
Not at all aggressive	2%
Base	60

28. Which of the following initiatives does your organization regularly undertake to increase or maintain physician referrals?

	Percent
Information-seeking (communication to learn what their concerns are)	78%
Information-sharing (communication to them about us)	76%
In-the-field sales visits	63%
In-house programs	56%
Full staff commitment	32%
No regular initiatives	7%
Base	59

Multi Response

29. How will the following likely impact your organization's marketing function in the next 3 years?

	Very Positive	Positive	Neutral	Negative	Very Negative	Base
Consumers' use of social and new media	32%	55%	10%	3%	0%	60
Leadership's support level of marketing efforts	25%	47%	20%	7%	0%	59
Informed patients who participate in their care	24%	56%	15%	5%	0%	59
Increasing competition for market share	19%	31%	19%	29%	3%	59
Leadership's support of new types of marketing, such as social media	19%	51%	22%	7%	2%	59
Patients who base their healthcare choices on price and quality data	18%	46%	28%	7%	2%	57
Increasing competition for physician referrals	17%	32%	29%	20%	2%	59
HIPAA standards	8%	8%	73%	8%	2%	59
New types of competition	8%	12%	41%	37%	2%	59
Patient Protection Act	7%	17%	57%	12%	8%	60
Local economy	3%	29%	39%	25%	3%	59

30. In the next 3 years, how will your organization measure the ROI of marketing efforts?

	2011 Percent	2010 Percent	2009 Percent
Mix of anecdotal and financial measurement	80%	81%	85%
Financial measurement only	10%	5%	7%
Anecdotal evidence only	5%	15%	8%
No plans to measure	5%	NA	NA
Base	60	47	89

31. How often is the marketing department involved from the first stages of product or service development?

	Percent
Always	22%
Sometimes	58%
Rarely	13%
Never	7%
Base	60

 |

32. How long have you been in your current position?

	Percent
0 – 6 months	3%
7 – 11 months	10%
1 – 2 years	16%
3 – 5 years	26%
6 – 10 years	26%
11 – 20 years	13%
21+ years	5%
Base	61

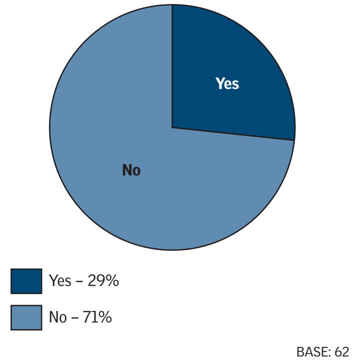
33. Which best describes your healthcare organization?

	Percent
Hospital or health system	70%
Health insurance plan	8%
Multispecialty group practice	7%
Disease management/wellness plan provider	7%
Ambulatory or outpatient center	3%
Academic medical center	2%
Single-specialty group practice	2%
Physician-owned specialty hospital	2%
Critical access hospital	0%
Base	61

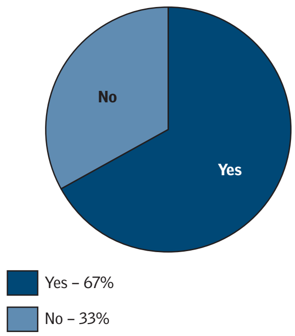
34. Which best describes your organization by number of beds?

	Percent
1 – 25 (critical access)	4%
26 – 50	4%
51 – 200	32%
201 – 500	26%
501 – 1,000	6%
1,001+	28%
Base	47

35. Is your healthcare organization in a rural area?



36. Is your hospital a community hospital?

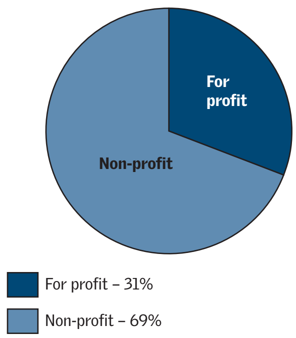


BASE: 46

37. What best describes your primary market area?

	Percent
Northeast	23%
Southeast	23%
Midwest	34%
Southwest	5%
Northwest	5%
West Coast	3%
Other	7%
Base	61

38. Which best describes your type of organization?



BASE: 61

39. Please indicate your age range.

	2011 Percent	2010 Percent	2009 Percent
35 or younger	8%	2%	12%
36 – 45	31%	34%	30%
46 – 55	36%	40%	38%
56 – 65	23%	21%	19%
66 or older	2%	2%	0%
Base	61	47	89

40. What is your gender?

	2011 Percent	2010 Percent	2009 Percent
Male	48%	40%	35%
Female	52%	60%	65%
Base	61	47	88