

Focus on Brand Identity Can Improve Market Share for Healthcare Organizations

An organization's brand identity, or image with consumers, often is not the first priority for CFOs who are allocating budgeted resources. But investing in successful brand development, while not strictly business development, can set the stage for gains in market share, according to Terrence Rynne and Jean Hitchcock of Rynne Marketing Group, Evanston, Illinois.

Increasingly, employees influence employers' choices of health plans. And, today's more active and complex market can hinder employees' ability to compare health plans and providers, according to Arthur C. Storm, Jr., of Sturm Rosenberg King and Co., Chicago. Rynne says, "As managed care panels become broader, reflecting the consumers' desire for choice, brand identity becomes more important."

Employees may make choices based on their impression of a "have to have" or "top of mind" provider. According to Robert A. Dickinson of BIC Advisors, LLC, San Francisco, "Leading healthcare organizations are now recognizing that a strong brand can create a perception of 'market indispensability' that will transcend the complexity created by the multi-party decision-making process."

Carolyn Merriman of Corporate Health Group, East Greenwich, Rhode Island, comments, "In a fee-for-service environment, it is important that an organization maintain top-of-mind preference for [employees'] health-care decisions. In a managed care environment, . . . it is important to continue to claim top-of-mind preference as employees are asked by their employers which providers to include in plan options¹ health plan selection, and provider options." Rynne adds, "It is all too easy for managed care companies and employers to exclude from their panels providers that don't have strong consumer loyalty."

According to a recently released study cosponsored by Watson Wyatt Worldwide, Washington Business Group on Health (WBGH), and HFMA, brand identity may be even more important if health plan liability legislation passes in the future. A total of 54 percent of the employers surveyed for the study say they would shift purchasing decisions to employees entirely if such legislation becomes a reality.

"Strategically," according to Rynne, "it is the job of all in senior management to make sure that the organization's brand is vibrant and preferred."

Additional source: The Alliance for Healthcare Strategy and Marketing

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