

MARKETING THE INTANGIBLE

Written by: Carolyn Merriman, President, Corporate Health Group, Omaha, NE

In writing about the marketing of services, Harry Beckwith knows whereof he speaks. His new book is based on 25 years of experience with thousands of business professionals and is replete with thought-provoking examples from service providers such as Federal Express, Citicorp, a travel agency and an ingenious babysitter.

He takes us back with him to the beginning. As he sat down to write his first ad for a service, Beckwith realized he couldn't show the service doing anything, because "services are invisible; services are just promises that somebody will do something." Because a service is intangible, people typically buy it without utilizing any of their senses. This is diametrically opposed to the product purchasing model that relies on sight, touch, taste, smell and of its "invisiblence," a service is difficult to define in terms of established processes, deliverables and outcomes. And services are usually purchased from people whom the consumer has been referred to, knows, or has done business with before.

High purchasing anxiety

All of these elements lead to a buyer with high purchasing anxiety, which requires service industries like healthcare to shift their marketing focus and change their way of thinking about and valuing the customer. Services must be positioned as benefits addressing the customers' needs and delivering added value.

The first step is to assess the service offering – evaluate what we are taking to market and make sure that it meets the customers' needs and expectations and deserves their ultimate praise – their trust in us, our organization and how we do business.

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Rather than approach our market as "getting the word out," we should focus it internally on the service itself. All service companies should strive to "Create the possible service; don't just create what the market needs or wants. Create what it would love."

Marketing is not a department

Beckwith is a believer in market research, provided it's done correctly. But even those service organizations that do conduct research may not be gathering good input or analyzing and valuing the input, he says.

He exhorts organizations to ask for input and to remember that "even your best friends won't tell you, but they will talk behind your back." We need to build methodologies for continuously seeking input at all stages of the relationship with the customer.

Remember we are selling to individuals and, therefore, we should constantly ask questions and have dialogues with individuals, not groups.

Beckwith insists that "marketing" is not a department. Rather: "Every act is a marketing act. Make every employee a marketing person." He reminds readers that customers are buying an experience. People buy for emotional reasons and justify the purchase for task or logical reasons. Therefore – "before you try to satisfy the client, understand and satisfy the person." This is the foundation for claiming, capturing and demonstrating the organization's position with customers.

Some wonderfully fun sections are included. For example, "Planning: The Eighteen Fallacies" addresses many of the incorrect assumptions we face each day in our sales and marketing efforts. This would be a good reading to share during strategic planning, budgeting and brainstorming sessions – or to refer to on a really bad day to monitor our sense of reality.

Relationship accounting

Beckwith stresses the concept of "relationship accounting." While it is important to have acquisition strategies for all of our key customer populations, we can't afford to lose sight of retention and growth strategies for our current customers. It is more cost-efficient and effective to keep a customer and increase his or her business with our organization than to acquire a new customer.

The final chapter focuses those concerned with healthcare marketing positioning on the basics of human behavior and the need to focus on "customer delight" rather than merely satisfaction. By exceeding customers' wants, desire and expectations, we set the new standard so that they will always come to us for their healthcare needs.

Beckwith's book is a welcome addition to the library – both personally and professionally. It provides an opportunity to sit back and look objectively at the work we do, with key learnings that are easily applied to specific organizational behaviors and insights for applying new methodologies. I return to these pages for quick pointers and to challenge myself to continue to push for positioning, differentiation and customer delight. I keep coming back because Beckwith strikes a chord in his accuracy in addressing healthcare sales and marketing.

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Articles

- "Predicting the Demand for Healthcare," by Wendy D. Lynch, D.W. Edington, & Alan Johnson, *Healthcare Forum Journal* (January/February 1996), 20-24
- "What is Strategy," by Michael E. Porter, *Harvard Business Review*, 74 (September-October 1996), 61-78
- "Internal Stakeholder Group Participation in Hospital Strategic Decision-Making: Making Structure Fit the Moment," by Reuben R. McDaniel, Jr. and Donde P. Ashmos, *Journal of Health and Human Services Administration*, 18, 3 (Winter 1996), 304-327

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