

Going From All About Us to All About Them: Retail Strategy Helps You Make the Move

By Carolyn Merriman

We live in a consumer-driven world, and healthcare, like virtually every other industry, is feeling the impact.

Healthcare now is being driven to deliver what the consumer wants in the manner and location they desire at a convenient time for them. The days of the physician and hospital making every decision for the patient are rapidly disappearing. Healthcare has changed from being all about us (the healthcare provider) to being all about them (the healthcare consumer).

Convenience is King

This consumerism in healthcare means less people are going to the hospital. After all, that's the place you go when you are gravely ill and want to get well. In fact, it's the place the average person wants to avoid at all costs.

Today's consumer doesn't want to wait for an appointment, is willing to communicate online or by phone and wants to find out all he can about his condition to be sure it requires full hospitalization.

He wants convenient diagnostic testing, rapid results, physician interaction and quick scheduling of any additional procedures. He wants a spa-like or hotel-type environment with amenities like wireless Internet access, evening and weekend hours, valet parking and personal service. He expects a wellness focus, fitness services, nutritional food offerings, preventative educational programs, mobile screenings, an eyeglass store, a "baby maybe" offering and the list goes on and on.

To capitalize on this trend, healthcare organizations must take the whole health experience and continuum of care and move it to an outpatient consumer model. Look at the success of the retail clinic concept across the country. Smart healthcare organizations will put a strong emphasis on this retail model as they move forward with planning new services.

In fact, these retail clinics are causing traditional healthcare providers to pay more attention to improving service and convenience. They also are causing consumers to ask "Why go to my primary care physician and wait 45 minutes to an hour to be seen or be told I can have an appointment in 2 weeks when I know I have a sinus infection and need antibiotics?"

The consumer then goes to the local drugstore clinic and takes advantage of its promise of a 15 minute wait. An added bonus is the lower cost of the visit.

For this consumer, it's all about the convenience of and accessibility to outpatient and ambulatory services. For hospitals and health systems, it's about selling the convenience of those services and driving consumers to select your center.

Recognize the Opportunity, Seize the Moment

According to the Health Care Advisory Board, nearly 80 percent of all procedures are now performed on an ambulatory basis. As a percentage of total procedures in the United States, outpatient procedures increased by 59 percent from 1981 through 2003. This shift in the care delivery system is considered to be the most significant transformation in healthcare in the last 25 years.

The opportunity to sell these services is huge. A few business savvy healthcare organizations are well ahead of the curve in responding to this consumer craze. Others are contemplating getting on board. As for the rest, they'll soon be historical monuments to a long gone era of hospital- and physician-driven care if they don't wake up.

Memorial Hospital and Health System in South Bend, Indiana, has been on an innovation course for the past seven years. The emphasis was on growth of existing programs, development of new services and extending current business. When the organization looked at how to extend its 25-year history of emergency and urgent care, it became the first organization allowed to place a walk-in, retail-based primary care clinic in Wal-Mart. Today, there are six Med-Point Express locations with plans to expand to other retail locations.

Med-Point Express is not like most businesses you find in the front of a Wal-Mart store. Those businesses tend not to be a destination by themselves. Instead, they depend on impulse buying such as the shopper who decides to have her hair cut while in Wal-Mart. Med-Point Express customers seek out the location, an attractive byproduct for Wal-Mart because it draws in new shoppers.

"Many of our patients typically have not been in Wal-Mart," says Diane Stover, Memorial's Vice President of Marketing and Innovation Strategy. "Convenience is a main driver. The space itself is like a huge billboard with exposure to the more than 50,000 people who come into a Wal-Mart in one week."

Look at your market, your healthcare consumers, your competition. Is it time to redefine the delivery model and take care to the consumer where, when and how they want it? Have this discussion at your leadership table and seize the moment before someone else in your market does.

Redefine the Focus, Recapture the Market

Consider home care. Many hospitals sell home care products through the pharmacy or on a shelf in the gift shop. Some suggest local vendors by giving patients a map with addresses and phone numbers. Others rely on the chain drugstore down the street to carry the right products.

Now, consider this. You want to build loyalty and deliver a positive customer experience through your outpatient retail strategy. You rely on the 17-year-old part-time cashier at the local chain drugstore to come out of the photo processing area and help your patient select from seven different glucose monitors. That's no strategy – that's guaranteed customer dissatisfaction!

That is exactly what Russ Gronewold, Vice President of Retail and Ambulatory Care at Alegent Health in Omaha, Nebraska, found when he visited some of the national chains that were providing home health supplies in his market.

“People leave the doctor’s office, just having been diagnosed with diabetes. Who is going to help them make a decision on the right product?” Gronewold says. Among Alegant’s first retail initiatives was a move to provide home care expertise through multiple home medical equipment retail spaces.

Design of the space itself is just as important as product offerings and expertise to assist customers. The traditional home care store model where products are arranged by illness won’t work today. Consumers don’t want to stand under the large “Ostomy” sign that tells the world about their illness.

Memorial responded to that consumer preference with a new model that makes the home care shopping experience more intuitive and respectful of the patient. The stores are arranged around living well, following the theme “Expert care to help you rest, heal and live well.”

“We’ve got wheelchairs and oxygen mixed with the art and science of living. You’ll find jewelry for people with allergies and DNA art where you swab your saliva and turn it into artwork,” says Stover.

Look for ways to provide expertise to consumers both in the hospital and in the retail market. Design the offerings around the customer’s wants and needs. You won’t generate the same income as a major service line but you will extend your brand while building loyalty and repeat business.

Identify the Need, Sell the Benefit

Traditional healthcare is reactive. A person gets sick or injured. He goes to the doctor. The doctor prescribes a course of treatment. The person gets well and doesn’t think about healthcare until the next episode that requires care.

That model has worked for decades, but it must change to meet the demands of today’s 76 million aging baby boomers. This group is focused on wellness and prevention, and smart hospitals will develop strategies to meet their needs in that category. Yet, of the nearly 6,000 hospitals across the country, only 875 have a wellness center according to the Medical Fitness Association.

Gronewold paints a vibrant picture of why a proactive retail strategy and a non-traditional approach are necessary. “People don’t wake up, decide to be healthier and go to the hospital. Instead, they go exercise, they eat healthy foods, they make better lifestyle choices – none of which ever touch us. We realized that we needed a strategy to put Alegant in the middle of those needs,” he notes.

Hotels have capitalized on the demand by business travelers for exercise facilities, the surging interest in spa services and the desire for wellness packages. Some even go a step further and deliver equipment to your room for a more private workout. They are using this increased consumer focus on health and fitness to enhance loyalty to their brand and increase revenue.

Why should hospitals and healthcare organizations be any different? Wellness-based retail strategies provide an incredible opportunity for hospitals and healthcare organizations to look at themselves from the outside in.

How can we meet their wellness needs and keep them attached to our brand? How can we move from being a hospital campus to a healthcare campus? This approach delivers a continuum of health and wellness services, making the organization more attractive to the desired customer in a healthy way.

Go back to those boomers. Wired magazine recently described this group as, “the most affluent generation in history, willing to spend it all on health.”

Boomers will pay more out of pocket for service. They know their dollars have clout. Nordstrom has capitalized on that attitude by delivering outstanding service and valuing its customers. Sales associates are helpful. Returns are easy. Service outweighs the fact that Nordstrom’s prices are typically higher than other retail outlets.

Healthcare consumers want the total package, just like they get at Nordstrom. Instead of looking to your organization to provide piece-meal risk assessments or once a year screenings, they want you to provide ongoing education, activities, resources and follow-up. Your hospital becomes a central point of access to everything healthy. That’s the benefit to sell to your targeted customers.

Identify the desired customers, the needs they have and how your hospital can meet those needs, whether it’s home care products or a prevention and wellness focus. Package your hospital’s offerings in a manner that is attractive to the target and that exceeds their expectations every time through convenience, outstanding service, quality products and access to expertise.

It Comes Back to Convenience

Look around your organization and you may be surprised at how many retail services you actually provide. The challenge becomes pulling all those together under an organized retail strategy.

Park-Nicolette Health Services in Minneapolis, Minnesota, is a good example of a retail umbrella. It offers The Stores @ Park Nicolette with stores and products ranging from cancer products for women and eyeglasses to hearing products and kitchen aids. Convenience is enhanced with purchase options via the Web site, telephone and retail stores.

The growing trend in drugstore-based walk-in clinics is evidence of this consumerism move that puts convenience at the top of the benefit list for transactional, one-time healthcare encounters. Outpatient services fall in the same category because they are typically one-time screenings, services or visits that don’t require an ongoing relationship with the provider.

Some disease-based centers do lend themselves to an ongoing relationship with the consumer. Back pain, cancer care and chronic diseases such as congestive heart failure require integration of care and services. Even so, these consumers still demand and expect convenience, timeliness and service.

Ask These Questions

1. *Why would someone make an appointment eight weeks out at your hospital-based diagnostic imaging center when the retail imaging center or mobile service can see her tomorrow?*

Apply this question to your organization’s various retail offerings from the gift shop to the imaging center, the wellness facility to the online medical library. Look for ways to improve convenience and access. Ask your target audience about the factors influencing their decision – was it solely based on wait time? Position your organization’s expertise as added value.

2. *Who are you competing against?*

Chances are the competition is not the hospital across town. Instead, your retail strategy likely will pit you against retail and online outlets that operate with a very different strategy. Shop the competition and learn from them. Then, develop retail strategies that fill the void left by the competition, exceed the expectations of your targets and differentiate yourself in the market.

3. *What retail services do you already offer and who owns them?*

Chances are your organization already has the options and pieces for a retail strategy but they likely reside in different departments under different leaders with different strategies. Look at how these services can be pulled together and packaged to meet the new expectation levels of your customers.

Do Your Homework

Take off your “us” (the healthcare provider) hat, and spend a day or two next week being “them” (the healthcare consumer). Look at your organization’s various retail offerings. Place yourself in the consumer’s shoes and evaluate your offerings. Shop the competition. Talk to people who are using those retail services about what works and what doesn’t.

Now, develop a list of non-health retailers and online outlets that attract you and that deliver a positive customer experience. Develop a list of the attributes that keep you coming back to that retailer. Compare your findings and use them to develop your retail strategy.

Look at everything from the outside in. Remember, your retail strategy has to be “all about them” if you want to succeed.



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