

Physician Marketing & Outreach

Growing Referring Physician Lifetime Value



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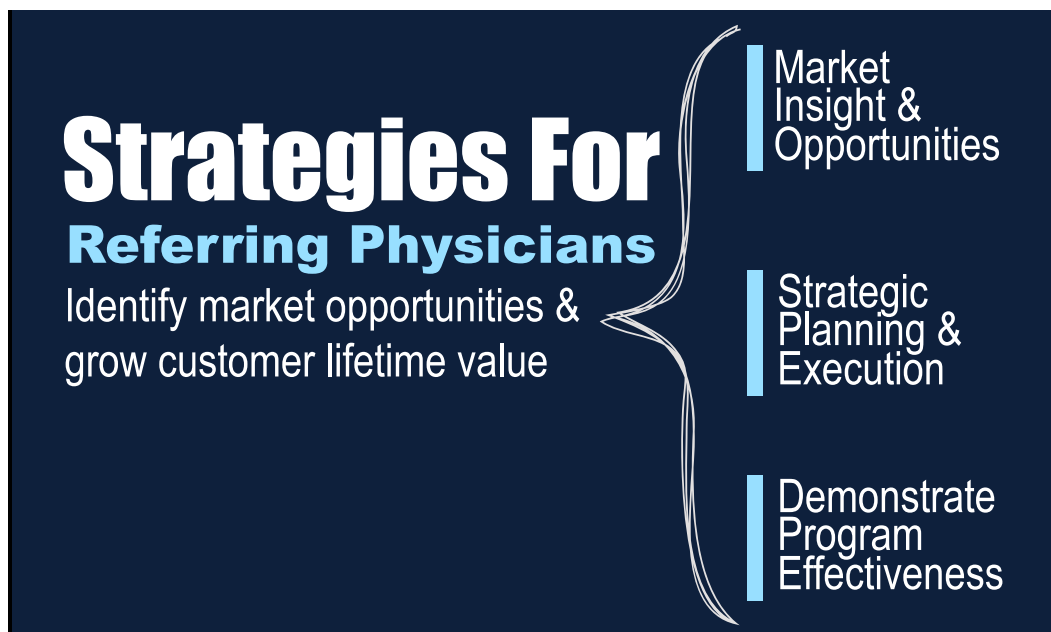
Overview

Today's hospitals and healthcare systems are increasingly becoming more focused on building and sustaining relationships with referring physicians as a key market segment. Many leaders are looking for new and innovative ways to engage referring physicians in an effort to grow referral volume and share of wallet. A common challenge is that referring physicians are becoming less interested in the typical outreach tactics employed by today's physician relations programs.

How can hospitals and healthcare systems increase awareness and build relationships with an audience that is becoming resistant to traditional methods of outreach and marketing?

Gelb has worked with a number of top-rated academic medical centers and hospitals to assess the referring physician experience and develop strategies to grow this unique market. We have interviewed thousands of referring physicians across markets and specialties, giving us a unique perspective in the goals, wants and unmet needs of this important market segment - one that may contribute to over 50% of new patient volume.

At Gelb, we believe that designing innovative strategies to target referring physicians requires three areas of focus: Market Insight & Opportunities, Strategic Planning & Execution and Program Effectiveness Measurement. Ideally, this is an on-going, iterative process - providing a method for continuous insight development and execution improvement. This white paper examines these three areas of focus and provides actionable insight and prescriptions to help leaders in physician relations and marketing identify market opportunities and grow customer lifetime value.



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Market Insight & Opportunities

With over 50 years in marketing research experience, we consider insight development as the foundation to the creation of innovative strategies. Generating market insight and identifying opportunities requires exploration of several areas of inquiry. Three primary goals of this inquiry are to segment the market in meaningful ways, to size the market for key services, and to assess the competition.

Market Segmentation

First, it is important to review your current market segmentation schema for referring physicians. Development of meaningful referring physician market segments and personae is key to strategic planning and effective execution. With the proliferation of tools and technology to enable 1:1 marketing and outreach, a robust market segmentation can help physician relations programs leverage these tools in ways to build substantive relationships with physicians.

We recommend going beyond basic demographic segmentation by incorporating both psychographic and behavior-based data into the development of referring physician segments. This approach will enable you to design a custom approach to target your communications and tactics. Below are some segment characteristics you may consider:

Category	Example
Demographic	<ul style="list-style-type: none">• Geography (in Market/Extended Market)• Years in Practice• Organization/Practice Structure• Affiliations• Specialty
Psychographic	<ul style="list-style-type: none">• Communication Preferences• Professional Interests• Wants/Unmet Needs• Need for Personal Relationship• Attitudes and Perceptions of Brand
Behavior	<ul style="list-style-type: none">• Referral Patterns• Practice Referral Process (Makes Appts. for Patients vs. Patients Make Appts.)• Level of Engagement with Brand

Once a market segmentation has been defined, analysis of the composition of your current referrers versus the composition of the market can help you understand what segments are currently attracted to your brand and highlight opportunities for growth.

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Market Sizing

The ability to quantify the size of the market is an important component in prioritizing marketing and outreach activities as well as for goal setting and measurement. Market sizing is a means to approximate the current and potential volume for a service line or service/procedure. Depending on the tools and data you have available, there are several methods to approximate market size.

Using third party data sources, typically based on claims data, it is possible to determine the volume of procedures that a physician, practice, or hospital is performing. Summing up the total procedures for providers in a particular market can provide you with the size of the market, or total “pie”. Rolling up procedures by service line can extend the analysis to provide a summary of market size by service line.

From here, additional analysis can be performed to assign a revenue value to this market as well as the ability to calculate an organization’s market share for this particular service. Understanding share of market for a service/procedure is important in identifying “care path” leakage. Do you have a high market share for diagnostics versus a low market share for certain treatment options? It may be that marketing and outreach tactics can be utilized to create awareness for underutilized services through targeting and messaging.

Understanding market share and referral patterns by procedure or service can surface opportunities for growth and highlight areas for improvement.

Competitive Landscape

A final component of market insight and opportunities is assessing the competitive landscape. Here is where things can get complicated. Hospitals and healthcare systems compete for referrals with each other, with practices and even with physicians. Competitors may vary based on service and location. Other factors that impact competition include affiliations and employment agreements.

Many organizations look to tracking and analyzing referral chains to understand competitors. This is difficult to perform without resorting to black box algorithms. While tracking and analyzing referral chains may provide some competitive insight, we have found that there is often more value in knowing *why* a physician chooses to refer a patient to a particular provider over another. Researching what we call Physician Decision Factors, we assess the competitive landscape in a market in terms of brand (awareness, reputation, preference, satisfaction and likelihood to recommend), referral experience and marketing/outreach effectiveness.

Decision Factors research can identify key competitors as well as surface how a physician chooses to refer to a particular provider. This type of research provides prescriptive insight into how to influence the decision-making process through positioning, marketing and outreach.

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Key Takeaway – Market Insight and Opportunities

Developing innovative strategies to engage referring physicians and grow referral volume requires deep insight into your addressable and available market. A solid foundation for strategic planning means incorporating segmentation, market sizing and competitive assessment techniques to develop market insight and to identify opportunities.

- Market segmentation helps to segment prospects and customers based on their goals, wants and unmet needs, providing a framework for crafting and delivering relevant messages and for designing 1:1 marketing and outreach.
- Market sizing can be utilized to prioritize program activities and focus on opportunities by targeting certain physician segments to gain market share, building awareness of underutilized services, and identifying leakage in the path to care.
- Whether it is reputation, relationship, experience or even convenience, knowing how a physician chooses a care provider, a competitive assessment provides a basis for how to influence referring physicians through competitive positioning, marketing/outreach and message.

Strategic Planning & Execution

Armed with deep market and customer insight, our next area of focus is strategic planning and execution. When developing strategies for referring physicians, we begin with business goals and objectives. These typically consist of objectives like growing volume for certain service lines or programs, improving the referral experience, etc.

We have found that there are three key areas of strategic focus to achieve these goals and objectives: attract and attain new physician relationships, engage and convert, and grow customer lifetime value and advocacy. Strategic planning that incorporates these three components ensures your marketing and outreach activities are targeted toward growing relationships across the customer lifecycle.

Attract & Attain

Selecting tactics to attract and attain prospects and leads begins with institutional strategic focus and market sizing. Once certain service line/service priorities are set, the next step is to explore outbound and inbound strategies for identifying and attracting prospects and leads.

Outbound strategies may include tactics like purchasing lists of physicians in your market who are not current referrers based on set criteria (e.g. service line priority). This list can be utilized for targeted marketing and outreach- such as email marketing and field visits.

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Inbound strategies require an assessment of offline and online content available and in use. In our research with referring physicians, we have found that online resources rank high as useful materials for choosing a care provider. Reviewing collateral in terms of vehicle, content, message current usage will be important.

For example, if pediatric neurology is a strategic priority, it will be important to assess the materials available and current usage. How frequently are the pediatric neurology related website pages visited? What are the page paths to conversion? How are paid search campaigns performing? The purpose of this assessment is to determine if current content is easy to find and access and will facilitate the path to referral.

Both outbound and inbound tactics should be designed to support strategic priorities as well as tailored to market segments. As an example, if our primary target is in-market pediatricians and it is determined that this segment's goal is easy, convenient, family-centered care, then we will assess content for messages that align with this goal- for both inbound and outbound tactics.



Engage & Convert

Developing strategies for engaging and converting physicians requires a slightly different approach than those for attracting physicians. Once your facility is within the consideration set, the ability to convert a lead to a referral can be impacted by both access and the referral process.

From an operational perspective, careful analysis of the referral channels to assess the referral experience is important. Below is a grid that Gelb uses to track marketing channel by referral channel health:

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Channel		Marketing					Sales/Outreach					Support	
		Outcome Books	Print Publications	Email Marketing	Paid Search	Web Advertising	Field Visits	Faculty Visits	Phone Calls	Networking Events	CME	Referral/ Access	Patient Care
Response/Engagement													
Offline	Liaison/Conceirge						+	+	-			+	+
	Call Center/Access Center	-	-									-	+
	Service Line											-	-
	Physician to Physician								+			+	+
Online	Website	+	-		-	-						-	-
	Physician Portal											-	+
	Email			+								-	+
Offline/Online	Other (Event)									+	+		

Snapshot of satisfaction, effectiveness and engagement by channel

For institutions that have centralized access for referring physicians, it is helpful to populate this grid for each market segment. For institutions that have decentralized access or multiple access points, this grid can be created for each market segment and service line.

From a marketing perspective, messages about access and ease of access at key touchpoints for strategically important services can be helpful in moving a physician through the funnel, from a lead to referral.

Grow CLV & Advocacy

Building relationships with referring physicians begins early in a physician’s career and lasts long into retirement. We often hear physicians describe how their perceptions of hospitals and healthcare systems develop over time. It may be an experience in medical school or a relationship with a colleague. Either way, referring physicians represent a unique market segment with the potential for a tremendous customer lifetime value.

In our work, we often work with leaders in physician marketing and physician relations to identify ways to maximize this potential. Interestingly, preferences really vary by physician market segment. Physicians in your local market have different expectations and needs than those who may be in your extended market. Specialists and primary care physicians are also different in how they prefer to engage with hospitals and healthcare systems.

Despite the nuances between segments, most referring physicians expect to be treated with respect and to have a mutually beneficial relationship with care providers. It is imperative to ask yourself and your leaders- do you demonstrate respect for referring physicians, for their business and for their patients?

Below is a list of best practices to incorporate into strategic planning for demonstrating respect and growing customer lifetime value:

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Category	Example
Communication	<ul style="list-style-type: none">• Provide patient updates/communication in a clear and concise manner (one-page summary)• Provide frequent and timely updates regarding patient treatment and status• Identify, track and utilize the physician’s preferred communication channel (e.g. fax, portal, email) for patient and marketing communications
Coordination	<ul style="list-style-type: none">• Closely monitor and track the referral experience by channel (call center, portal, fax)• Provide accurate and transparent information about access and acceptance criteria• Provide a smooth transition when transferring a patient back to referring physician for continuation of care
Care	<ul style="list-style-type: none">• Provide an exceptional patient experience• Identify opportunities for faculty and staff to make personal connections with referring physicians (e.g. personal phone call thanking the physician for a referral or to provide a patient update)• Provide a variety of opportunities, both in-person and digital, for physicians to engage in meaningful interactions with your brand

Key Takeaway – Strategic Planning and Execution

Combining market insight with strategic planning and execution can accelerate the growth of your physician marketing and physician relations work. The ability to target and segment your market is essential to your ability to design and execute marketing and outreach tactics that really connect with your physician audiences to attract and retain relationships.

When it comes to execution, a solid Physician Relationship Management (PRM) platform is key to supporting your program in terms of both sales and marketing activities.

Demonstrate Program Effectiveness

Most physician marketing and outreach programs rely on lagging indicators, such as referral volume as a means to measure program effectiveness. While business metrics, like referral volume, are very important metrics, we believe that a balanced approach includes other measures, as well.

When designing a measurement strategy for physician marketing and outreach programs, at Gelb we recommend a top down approach. This means starting with your organization’s business goals and developing program objectives to support each. From there, drilling down to measures and

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metrics that demonstrate each objective is the next step. Finally, setting goals and targets for each metric completes the process.

Some of the key performance indicators we incorporate in measuring physician marketing and outreach programs include measurement of the quality of the relationship (satisfaction, Net Promoter Score, referral experience), length of the relationship and level of engagement (emails opened, CME courses attended, attendance at special events).

Technology also plays an important role in demonstrating program effectiveness. The ability to capture and integrate data from a variety of sources, analyze the data and then visualize the findings can really simplify reporting while providing a means to share insights with your program as well as other stakeholders. Choosing the right reporting and dashboard tool can reduce the amount of time required to source, integrate and analyze the large volume of data required to demonstrate program effectiveness.

Key Takeaway – Demonstrate Program Effectiveness

The inability to measure and demonstrate program effectiveness can become a barrier to execution of even the most well-thought strategies. Knowing what is working and what is not – can provide decision makers with the insight required to make mid-course corrections and maximize effectiveness of effort.

Access to reporting and dashboard technology can accelerate the process, from collecting data collection to insight development, providing real-time knowledge for decision-makers.

Taking Action

In conclusion, designing innovative strategies to target referring physicians requires three areas of focus: Market Insight & Opportunities, Strategic Planning & Execution and Program Effectiveness Measurement. An integrated approach that includes these three areas can help your organization identify opportunities and market segments to explore, move leads and prospects through the funnel and build strong lasting relationships that grow customer lifetime value and advocacy.

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About Endeavor

Endeavor Management, is an international management consulting firm that collaboratively works with their clients to achieve greater value from their transformational business initiatives. Endeavor serves as a catalyst by providing pragmatic methodologies and industry expertise in Transformational Strategies, Operational Excellence, Organizational Effectiveness, and Transformational Leadership.

Our clients include those responsible for:

- Business Strategy
- Marketing and Brand Strategy
- Operations
- Technology Deployment
- Strategic Human Capital
- Corporate Finance

The firm's 50 year heritage has produced a substantial portfolio of proven methodologies, deep operational insight and broad industry experience. This experience enables our team to quickly understand the dynamics of client companies and markets. Endeavor's clients span the globe and are typically leaders in their industry.

Gelb Consulting Group, a wholly owned subsidiary, monitors organizational performance and designs winning marketing strategies. Gelb helps organizations focus their marketing initiatives by fully understanding customer needs through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional experiences and launch new products. Gelb can help you to develop and implement the right strategies. Using advanced research techniques, Gelb can help you to understand the complexities of your market, to develop your strategic decision frameworks and to determine the best deployment of your resources and technology to monitor your successes.

For over 50 years, Gelb has worked with marketing leaders on:

- Strategic Marketing
- Brand Building
- Customer Experience Management
- Go to Market
- Product Innovation
- Trademark/Trade Dress Protection

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