Psst! Leveraging Word-of-Mouth Attracts Customers and Saves Money!

by Anthony Cirillo, CHE, ABC

In the latest benchmark study of hospital marketing practices, mass media advertising continued to grow and outpace all other forms of "marketing." In fact, a quick glance at hospital practices might equate marketing with advertising.

Consider these facts:

- The auto industry, which has a tangible product that people readily need, increased its mass media spending 1,378 percent during the last 20 years. Of course, sales were up during that time – by 17 percent for new vehicles. Estimates indicate the industry spent $4,000 per vehicle sold on marketing and incentives in 2005. Hospital health care is a service almost no one wants, and it may be years before consumers "purchase" it.
- According to McKinsey, two-thirds of the U.S. economy is influenced by word-of-mouth. The management consulting firm notes that:
  - One word-of-mouth referral is equal to 600 advertising exposures.
  - Seventy-one percent of people prefer a friend's recommendation to advertising.
  - In six years, traditional advertising will be one-third as effective as it was in 1990.
  - The saturation of the market with advertising accounts for a 37 percent decrease in advertising effectiveness.

Get the picture? Hospitals are spending millions of dollars on mass media advertising that is often influenced by competitor practices, knee-jerk reactions, and physician demands. There is a better way.

WOM

That way is word-of-mouth marketing. It is spread by what I call "customer crusaders," those who use your services, are passionate about you, and recommend you to others. If they are not crusaders or loyalists then they can be antagonists, spreading negative news about you with equal passion. Only 4 percent of those unhappy complain; 96 percent go away; 91 percent never return.

You can leverage word-of-mouth marketing and identify loyalists, antagonists, and influencers. You can expand your team with an army of no-cost marketers. How do you attract and influence this army? First, ensure that those who encounter your service have a great experience and spread the word. Second, intersect with the non-health care priorities of those who currently have no interest in your services.

The experience

Not every experience carries the same value. You pay several pennies to buy whole beans to make a cup of coffee. Pay a little more to Dunkin' Donuts for the cup. Go to a restaurant and add in a little more for service and overhead. But then you gladly pay $3 to $5 for a cup of coffee at Starbucks. Going to Starbucks offers more than good-tasting coffee and a caffeine jolt. It is a place to socialize. You can sit there all day and buy nothing, and no one will bother you. You can connect to the Internet and conduct business. It's a place to experience music, talk about books you've read, and more. In short, Starbucks offers community and a total experience.

Delivering a great experience involves three key elements:

- Collecting the data
- Auditing the experience
- Monitoring the environment

Collect data

When you collect detailed data about prospects and customers, you collect information that helps create a better experience. You gather information that can help tailor and target your marketing programs. The information starts to reveal loyalists and people of influence.

There are no privacy concerns as long as people willingly opt in to what you have to offer and you remain compliant with HIPAA regulations. It's important that you collect as much information as possible about prospects. Sometimes that may require an offer of an incentive. Be sure to ask those questions most relevant to your particular circumstances. In any case, ask if the person often recommends products and services to others. Ask prospects if they are seen as experts in some area by their family and friends. Identify the resident health care expert, and you will have a hub from which you can transmit messages. You will want to capture all of this information in a robust customer relationship management system.

Here are some ways to capture information:

- Inventory all of your feedback loops. How robust are they? How quickly can you gather and act on information?

- Collect detailed information on a request form on your Web site. Collect basic health data, observing HIPAA regulations, and information about interests, activities, children, and parents. Have Web site visitors opt into a newsletter. Provide an incentive for them to give you detailed information. Test various forms to request information, including pop-up surveys.

- Post photos and e-mails of the executive staff on the Web site. It sends a strong message when people know they can communicate directly with the top of the organization.

- Observe people interacting with the brand. Often what people believe or think contradicts what they say when asked directly. A focus group environment where there's group pressure at work can mask true feelings. Some companies are arming consumers with cameras to record their interaction with the brand. Mystery shoppers, long employed by retailers, have become a method for some hospitals to check on their processes, staff, and physical environment. At the very least, consider in-depth one-on-one interviews as a data collection method of choice.

- Conduct CEO listening sessions in the community. Invite a select number of influencers to lunch or dinner to give their views. Then have your CEO give them an update on what is taking place in your facility.

- Hold regular brainstorming sessions with employees. They are the frontline ambassadors for your facility, and they know what is going on and what people want. Listen to their ideas and pick and support the best ones. This technique also contributes to employee satisfaction and retention.

- Make strategic use of change-of-shift reports. Don't just compare clinical notes but experiences as well.

- Collect information on visitors to your facility. Engage and woo them. Many businesses – some hospitals included – have adapted their environments to provide business centers complete with wireless connections, copiers, and fax machines. Think what this means to the busy visitor who wants to spend time with a loved one and complete some work at the same time.

- Know the patient's story before the individual comes through the door. Assign a concierge to that person – a practice that shouldn't just be reserved for VIPs. Hospitals outside the United States that cater to medical tourists engage concierges.

So now what? From an experience standpoint, take your findings and fix whatever you can do now – immediately. When you act on people's concerns quickly, they notice and they talk about it. Trend the other information so that over time you can incorporate more of the suggestions into actual practice.

Be sure to publicize your successes. It doesn't have to be extravagant or expensive. For example, every time I go to my grocery store, I present my reward card. As the cashier hands me my receipt, he/she tells me how much I saved, and the receipt reflects that as well. American Airlines announces its on-time arrivals by saying, "Welcome to Philadelphia and our on-time arrival." The Westin Hotels and Resorts chain promotes its Heavenly Bed. The Do Not Disturb sign reads, "I cannot come to the door now. I'm still in heaven."

Think about tasteful signs or announcements that get the point across that you are listening and improving all of the time.

Next, look at the information to start identifying influencers and loyalists. They will have certain characteristics. They attend public meetings, are active in the community, write letters to the editor, or have their own Web sites or blogs. They could be leading the support groups you host or be members of your affinity programs. They could even be donors.

Audit the experience

Take an inventory of all of your audiences – community residents, patients, donors, suppliers, regulators, physicians, and others. Then inventory every touch point you have with them.

Conduct in-depth interviews with selected audiences to uncover their touch points. Ask them to define their ideal experience. When were their expectations exceeded and how? How can the experience be improved?

Compare your inventory to interview results. Does the map of touch points you constructed match that of interview subjects? What needs to change? What are their needs and expectations at each stage in the process? What do they need to know, and why, at each stage? What resources did they seek? How well did those resources meet their needs?

You now have a blueprint for mapping a great experience that people will then talk about.

Monitor the environment

People are talking about you, and you don't know it. Have you ever "googled" your facility? Try it and see what search engines unearth about your facility. In addition, research negative phrases related to the industry, such as medical errors, and see if your facility pops up.

There are 12 million people writing blogs, and their numbers are increasing each day. Fifty-seven million people are reading them. You need to not only find positive and negative word-of-mouth, but engage in the discussion. If someone is trashing your facility in a blog, and the blog has a comment section, you need to respond. Or start your own blog. Start CEO blogs and patient blogs as a way to expand your reach and create viral marketing opportunities. Treat blogging as a vital part of your public relations responsibilities.

The two main sites to find what bloggers are saying about you are www.technorati.com and www.blogpulse.com. Also review your database. Who has a blog, a Web site, an e-zine, or a popular site on MySpace or YouTube? These people have an audience that is willing to listen.

Engage loyalists

Here are some ways to build relationships with loyalists:

- **Give something away.** Borrow from retailers' use of loss leaders, giving something at reduced cost or free just so people will sample your services. Remember that hospital care is something few people want, and it may be years before it is needed. But when they need it, people will have years of information, thoughts, and emotions about where to go. What you are building by giving something away are "tipping points" for people to choose you. Let's say you and a competitor offer essentially the same services at the same price. Quality and satisfaction ratings are equal. How do people choose? Of course, word-of-mouth is one way. But they also reflect back on any experiences they may have had directly with your facility. If it was a positive experience, then you have created a tipping point and an advantage for that person to consider you over your competitor. There are any number of loss leaders, including the following:
  - Offer an in-home safety assessment to seniors. Local vendors might participate and benefit. It is a way to introduce your hospital to community members and caregivers who might need your services down the line.
  - Provide geriatric assessments.
  - Start an affinity program and offer discounts from local discounts.

- **Create community.** Harley-Davidson has its road rally; Saturn has its picnic. Both companies bring together communities of people who congregate and communicate. They talk about the very thing that brought them together – the company. They then go home and talk to others about it. Like the commercial said, "They told two friends, and then they told two friends." Find a reason to bring communities of people together.

Shouldice Hospital in Canada has an annual reunion dinner for hernia repair patients. The hospital's word-of-mouth accounts for 96 percent of admissions.

- **Develop services that naturally extend your brand.** Michelin was just a rubber company when the automobile was invented. The company created the Michelin Guide as a way to spur interest in road travel, providing drivers with help in finding good lodgings and food. As people became more interested in travel, car sales increased. They also needed rubber for automobile tires. The Michelin name is now synonymous with tires.

Having a pharmacy or fitness center in your facility is a brand extension. So is having a concierge service for patients, families, and employees. The more time a family member can spend with a loved one, the better for both. While the two are visiting, someone else can arrange for errand services for the patient or family member – having a car serviced, dropping off dry cleaning, picking up a prescription, or running to the grocery store. That quality time reflects back on your facility.

Make their priority your priority

There are many people who have no immediate interest in and need for your services. But in time, they or their loved ones will. The only way to build a relationship with them is to understand their priorities in life now and intersect with those key issues. Healthy baby boomers may not need you, but they may have grandchildren, and anything you do right by the grandchild is right by the grandparent. So traditional events such as soccer sponsorships take on a new meaning.

Home Depot recognized that there were many people leaving the traditional workforce and opting to go out

on their own. Consequently, the company hosted entrepreneurial workshops in its stores. These programs had nothing to do with any of Home Depot's products and services. It was a goodwill gesture that built relationships and tipping points. You can be sure that the next time attendees were shopping for a home improvement item, all things being equal, their cars steered toward Home Depot.

Word-of-mouth is not nebulous. It can be managed for success through a systematic process that requires rigorous data collection. The endeavor really is as simple as asking customers what they want and giving it to them. Psst. Pass it on.

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