



A BALANCED BRAND IS A HEALTHY BRAND



Health systems with matched-strength brands—where health consumers give both the organization and its physicians high marks—are more likely to see better customer acquisition and retention and higher profit margins.

Major change is afoot in the provider landscape. Healthcare consumers have come into their own and expect superior customer experiences—better quality, more transparency and digitally-enabled care. At the same time, the industry is experiencing a wave of health system consolidation. In this climate, health systems must be more thoughtful and strategic about defining and strengthening their brands.

One way to measure brand strength is with Net Promoter Score® (NPS®), a customer experience indicator that measures consumer loyalty and willingness to recommend. NPS leaders across industries typically grow at more than twice the rate of the competition.¹ Using this measure, Accenture analysis shows that health systems with healthy brands demonstrate equally strong physician and organization brands and as a result enjoy greater rates of acquisition, retention and loyalty. In short: strong health system brands may get patients in the door, but strong physician brands keep them coming back.

WHAT IS A NET PROMOTER SCORE?

Net Promoter Score (NPS) is a commonly used customer metric. It is based on the premise that consumers' willingness to recommend an organization indicates future consumer behaviors that drive future revenue growth and value for the organization. To calculate NPS, organizations subtract the percentage of detractors (consumers who are least likely to make positive referrals) from the percentage of promoters (consumers who are most likely to make positive referrals).



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¹The Ultimate Question 2.0: How Net Promoter Companies Thrive in a Customer-Driven World, Revised and Expanded Edition by Fred Reichheld and Rob Markey, 2011

The Power of the Brand

Brands are more than iconic images and catchy slogans that live in the marketing department. Healthy brands that excel in customer experience fuel healthy financials and future growth for providers. Consider that hospitals that offer a superior patient experience tend to have **50 percent higher margins** than their peers.²

Healthy brands play a critical role in attracting and retaining patients. Take how people choose their individual healthcare providers. Recent Accenture consumer research reveals that convenience is the most frequently cited reason for choosing a provider. Convenient locations and convenient discovery through

an insurance provider directory were the top two provider selection drivers. In addition, 21 percent of consumers listed quick access to an appointment as the main reason for choosing their provider.

However, beyond the basics of convenience and access, patients choose providers based on reputation and recommendations from trusted friends. Nineteen percent of consumers listed a referral from a trusted friend as a main reason for choosing their provider. Reliance on peer referrals underscores the importance of establishing and sustaining a positive brand reputation among consumers.

Health Demands Balance

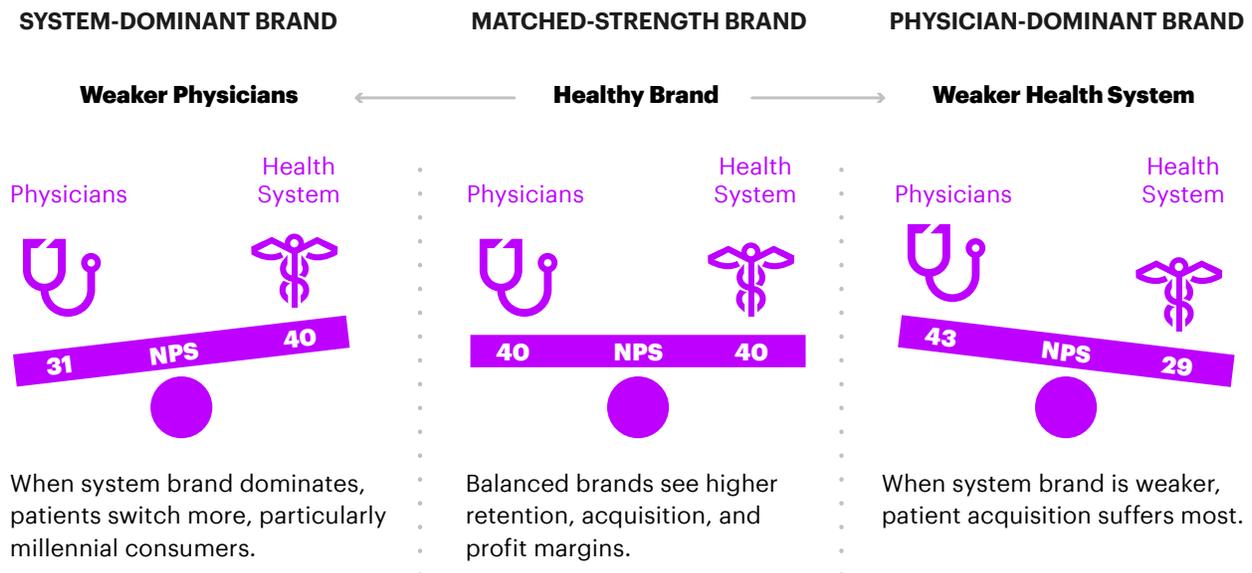
Developing brand strength is more challenging than most organizations realize. The interdependency between health system and physician brands make provider brands inherently complex. Accenture analysis confirms that all brands are not created equal. Three distinct provider brand models emerged (Figure 1):

- 01 SYSTEM-DOMINANT BRANDS** (health system NPS is higher than physician NPS) have the lowest overall NPS and see lower patient retention as consumers, especially millennials, switch to other providers.
- 02 PHYSICIAN-DOMINANT BRANDS** (physician NPS is higher than health system NPS) have the lowest health system NPS and patient acquisition suffers the most.
- 03 MATCHED-STRENGTH BRANDS** (health system NPS and physician NPS are within 2 percent of each other) are the healthiest. They have higher overall NPS ratings and higher acquisition and retention rates.

A healthy brand requires matched strength between physician brands and health system brands, which has a positive impact on acquisition, retention and financial performance.

²Accenture, Patient Engagement: Happy Patients, Healthy Margins
<https://www.accenture.com/us-en/insights-happy-patients-healthy-margins>

Figure 1: A healthy brand requires a balance between physician and health system brands



Source: Accenture analysis



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On the other hand, mismatched brands are a liability. They result in higher rates of switching and lower overall NPS. When the individual physician brand is dominant, the collective brand of the overall system suffers. System-dominant brands—which on their face would seem to be a plus for health systems—have lower rates of retention and may not protect against patient switching. In fact, Accenture analysis shows a correlation between system-dominant brands and high rates of switching, which lead to lower overall NPS scores. Case in point: In system-dominant organizations, 28 percent of consumers left their provider over the past twelve months due to

dissatisfaction. Compare this to just 21 percent of consumers who switched in physician-dominant and matched-strength organizations. Millennials in particular are apt to switch in system-dominant organizations. Forty-four percent of them left their provider during the same period due to dissatisfaction, relative to just 34 percent for physician-dominant and 31 percent for matched-strength organizations.

Health systems ignore millennial switching rates at their own risk—millennials are the fastest-growing segment in healthcare.³ They are social media mavens who are three times more likely than baby boomers to write online reviews on a monthly basis according to Accenture

³Pew Research Center tabulations of U.S. Census Bureau population projections released April 2015, Pew Research Center

research.⁴ So the most dissatisfied customer segment is growing the fastest. What's more, millennials will amplify their discontent on social media, creating a snowball effect of negative recommendations that can impact acquisition and retention of consumers across all segments.

Balance is not easy

While matched strength brands offer health systems a clear advantage, they can be difficult to achieve. Many hospitals have some physicians who are employees and others who are affiliated, which means that they do not have total control over physician brands. In addition, the broad geographic footprint of large health systems further complicates this brand dynamic.

Even so, physician brands matter, and health systems must take responsibility for them whether or not they “employ” the physicians. It takes some creativity to essentially control the uncontrollable. But health systems have done this before. Take patient safety. When hospitals started to be held accountable for physician performance, they began to assert controls on what doctors did from a quality and safety perspective through new compensation models, enhanced reporting and monitoring, incentives, and non-optional service level agreements built into the contracts of both affiliated and employed physicians.

Health systems can also draw insights from industries that have franchise business models (see sidebar). Their operating models inherently accommodate defining, executing and measuring brand strategies while striking the right balance between protecting and strengthening the corporate brand and allowing for the appropriate autonomy for franchise owners.

HOW A GLOBAL HOSPITALITY FRANCHISE MODEL DELIVERED BRAND STRENGTH

Facing tough markets, digital disruptors and changing consumer preferences, the hospitality segment is investing in understanding and reinventing the guest experience to improve brand reputation and consistency. Here is what a global hospitality franchise did to enhance a consistent guest experience and attract new consumers.

Corporate headquarters invested in the overall brand and developed universal guidelines for the franchises to ensure brand compliance. The company also recognized that consumers seek different experiences based on mindset, lifestyle and age. It emphasized initiatives that optimized the right brand and experience for each consumer, recognizing the need to account for changes over time to ensure consumer lifetime loyalty.

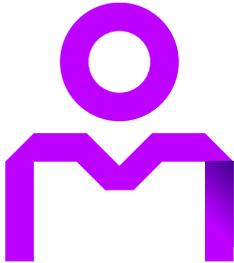
Implementing tailored programs meant navigating roles and responsibilities for corporate and franchisees. Franchisees could not opt-out of core elements of the program. However, headquarters worked with owners to ensure that guidelines were applied to properties with limited burden.

The focus on a balanced brand led to a deeper understanding of the company's consumers and faster resolution of any issues. Continued investment in this area grew sales, increased loyalty and delivered stronger brand reputation.

⁴Accenture analysis, Accenture 2017 Consumer Transparency Survey

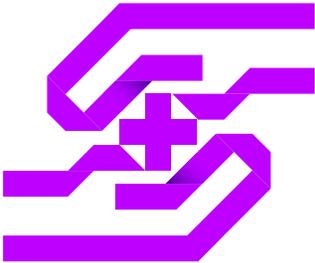
Back to Basics

Amid the complexities of consolidation, health systems often overlook the importance of the brand. This is a slippery slope. Brand is a critical indicator of customer experience and loyalty that translates into both reputational and financial value. The better health systems become at harmonizing their brands with physician brands to reach matched strength, the more value they can expect. Here are some fundamentals for getting started:



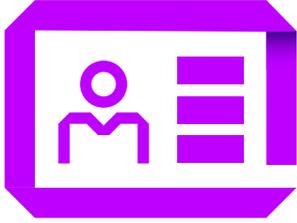
KNOW THYSELF.

Strengthening any brand starts with the fundamentals of identity, the brand promise—what an organization does and does not want to be known for in the market. Once a health system clearly defines its strategic intent and competitive differentiation, only then can it determine the experiences and capabilities needed to optimize the brand.



ASSIGN PATIENT EXPERIENCE ACCOUNTABILITY.

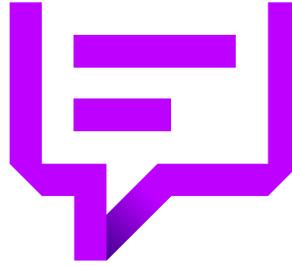
An organization’s ability to deliver on its brand promise will be largely determined by the experiences it delivers, both at the health system and at the physician level. Successful organizations will be those that intentionally define and deliver personalized patient experiences versus expecting that great experiences will consistently “just happen” over time. Leading practices from the hospitality industry and other customer experience leaders indicates that this requires C-level accountability for the patient experience and a dedicated customer experience team with clear decision-making authority and responsibilities.



ALIGN THE ORGANIZATION.

With an understanding of their brand identity and patient experience accountability, health systems can focus on aligning with physicians to support the brand strategy and become a true matched-strength brand. Health systems must prepare to navigate complexity and nuance specific to both owned and affiliated physician models, and get creative to bridge gaps. An important part of this is determining whether to centralize or decentralize critical capabilities—such as unified customer vision and strategy, CRM, feedback loops and call centers—and operationalizing these choices for better efficiency and customer experiences. In making these decisions, health systems must protect patient access, convenience, seamless care experiences and driving peer referrals, all of which are critical to strengthening the overall brand.

Health systems that double down on their own brands, assign patient experience accountability, and create enablement systems to empower and align physician brands for matched strength status can expect to improve customer acquisition and retention and achieve higher growth margins. Because healthy brands are balanced brands.



RESIST THE ECHO CHAMBER.

In the old days, this kind of foundational brand work was done in a vacuum, without real-time consumer input. Digital technologies have changed this dramatically. Customer feedback management platforms enable organizations to capture and act on real-time feedback to ensure that the brand remains relevant to target consumer segments.

FOR MORE INFORMATION



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METHODOLOGY

Accenture's National Patient Experience Provider Benchmark Study surveyed 5,500 US consumers to understand how healthcare providers in the region perform across 10 key healthcare consumer touchpoints. The research was conducted online in July and August 2017. Respondent data was aggregated and normalized for age, income, region and gender.

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