



Benchmarking Your Marketing and Communications Efforts

- Forum for Healthcare Strategy
- 23rd Annual Healthcare Marketing & Physician Strategies Summit



Peter Miller
Administrator
Division of Marketing & Communications



John McKeever
Executive Vice President
Healthcare

[For More Information About this Study](#)

AGENDA

Our Time Together Today



Today's Objective

To share lessons learned and insights from our new marketing & communications benchmarking survey.



PURPOSE

By Healthcare Marketers for Healthcare Marketers

Filling the Void in Benchmarking Data

We recognized the need to think bigger than a one-time survey – engaging a steering committee for guidance, and utilizing a dashboard for distribution.



Seed Idea

Create a datastore of how marketing and communications resources are allocated to justify budgets.

Comparable

Ensure that the benchmarks are true peers on a variety of dimensions.

Meaningful

Asking the right questions of the right people. Tested with steering committee.

Accessible

Make data viewable, downloadable, and presentable for many internal audiences.



QUESTIONS

Key Elements We Included

Gathered These Data

- Overall Marketing & Communications Budgets
- How Funds Are Spent Across the Marketing Mix
- Areas that Marketing Function Supports
- Staffing Levels
- Hospital Profiles – Size, Total Employees, Revenue
- Competitive Intensity and Share of Voice

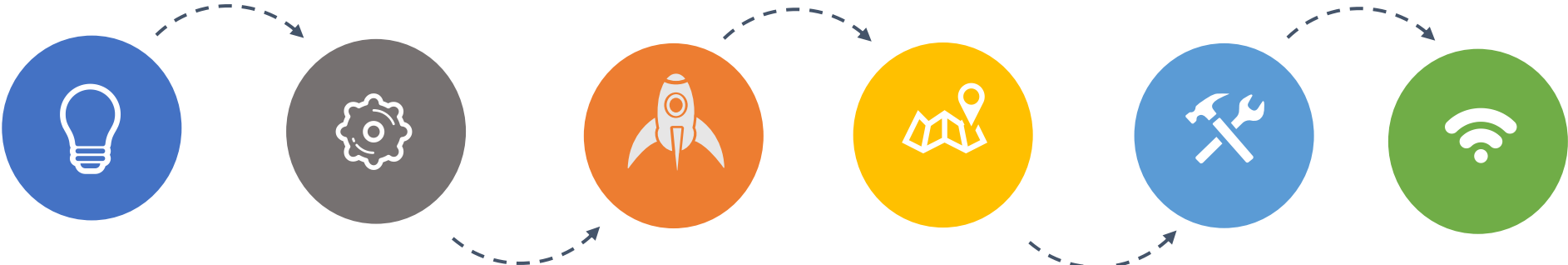
And Filtered By:

- Organization Type
- Budget levels
- Institution Size
- Marketing Organization Size
- Areas Supported by Marketing
- Geographic Reach
- Rankings



APPROACH

A Comprehensive Process to Ensure Data Quality



Idea



#01 Recognized industry need for benchmarking specific to the needs of the largest, most complex healthcare systems

Design



#02 Identified and recruited leading organizations to help design the benchmarking survey

Deploy



#03 Fielded survey to include select organizations based on size and stature

Field



#04 Online survey fielding to include offline version for data gathering

Validate



#05 Validation of information through follow-up communication and third-party data sources

Share

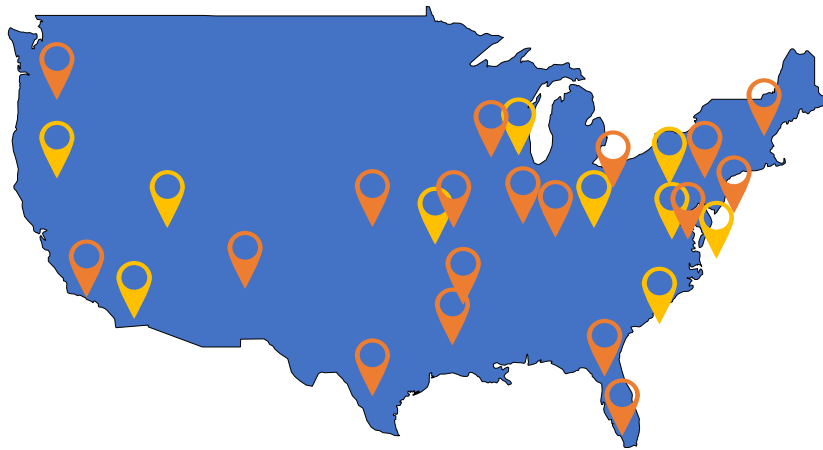


#06 Release of data to all participants and sponsors via dashboard



PARTICIPANTS

Today - Over **50** Recognized Healthcare Marketing Leaders



Sponsors

- Avera Health
- Beaumont Health
- Cleveland Clinic*
- Dana Farber
- Duke Health*
- Emory Healthcare
- Henry Ford Health System
- Indiana University Health
- Intermountain Healthcare*
- Jefferson Health
- Johns Hopkins Medicine
- Mayo Clinic*
- MD Anderson Cancer Center
- Mount Sinai
- OHSU (Oregon Health & Science University)
- Penn Medicine
- Scripps Health*
- Stanford Health Care
- The Ohio State University
- Texas Children's
- University of Colorado Health
- University of Virginia

Participants

- AMITA Health
- Baptist Health of Northeast Florida
- Boston Children's
- Boston Medical Center
- Greater Hudson Valley Health System
- Inova
- Jackson Health System
- Methodist Health System
- Methodist Le Bonheur Healthcare
- National Jewish Health
- Nebraska Medicine
- Piedmont Healthcare
- Roswell Park Cancer Institute
- Temple Health
- The Ottawa Hospital
- ThedaCare
- Truman Medical Center
- Tufts Medical Center
- UC San Diego Health
- UCLA Health
- UnityPoint Health
- University Health System- San Antonio
- University of Arkansas for Medical Sciences
- University of Iowa Health Care
- University of Utah Health
- University of Vermont Medical Center
- UW Medicine

*Steering Committee

[For More Information About this Study](#)



USER EXPERIENCE

Ability to Customize Benchmark Groups

Choose Hospital System

Net Patient Revenue

Marketing and Communications Budget

Adjusted Discharges

Select State

Net Patient Revenue

Less than \$1 Billion \$1 Billion to \$3 Billion More than \$3 Billion

Adjusted Discharges

Less than 50,000 50,000 to 100,000 More than 100,000

Marketing and Communications Budget

Less than \$10,000,000 \$10,000,000 to \$25,000,000 More than \$25,000,000

Filter

Available Systems				
System Name	Net Patient Revenue	Adjusted Discharges	Staffed Beds	State
Inova	\$2,500,000,000	203,055	1,800	VA
Jefferson Health	\$2,670,346,000	129,074	1,824	PA
MD Anderson Cancer Center	\$3,527,102,284	86,523.6	661	TX
Texas Children's Hospital	\$1,858,024,000	3,569,163	767	TX
The Ottawa Hospital	N/A	N/A	1,122	ON
Thomas Jefferson University and Jefferson	\$1,200,000,000	N/A	2,500	PA

Peer Group Systems. Select at least 5 Hospitals (40 Selected)

System Name	Net Patient Revenue	Adjusted Discharges	Staffed Beds	State
AMITA Health	\$1,732,155,000	155,233	1,468	IL
Avera Health	\$1,600,000,000	106,800	1,168	SD
Baptist Health of Northeast Florida	\$1,300,000,000	123,350	1,168	FL
Baumont Health	\$4,145,285,000	359,394	3,429	MI
Boston Children's Hospital	\$1,138,192,000	212,917	404	MA
Boston Medical Center	\$2,800,000,000	25,228	400	MA

Save Benchmark

[For More Information About this Study](#)

Key to value – allow meaningful comparisons.



BUILDING EFFICIENCY

Putting Complex Filtering in the Hands of Users

Summary | Detail | Respondents | Google Analytics Daily Overview | Facebook Ads - Overview | Google AdWords Account Overview

Filter Dashboard

View Benchmark Group

*Selected Group includes your system

Marketing & Communications

Budget Spent on Marketing & Communications Components

50%

Net Patient Revenue

- All
- Net Patient Revenue
- Adjusted Discharges
- Marketing and Communications Budget
- Staffed Beds
- Employed Physicians
- Marketing FTEs
- Geographic Spread
- Share of Voice
- Percent of Inpatients from Out of Region
- National Ranking

Adjusted Discharges

- Less than 50,000
- 50,000 to 100,000
- More than 100,000

Academic Medical Center

Filter

48 Systems

● Your Response ● Average - of Group

Multiple iterations based on user feedback for what matters most in filtering.

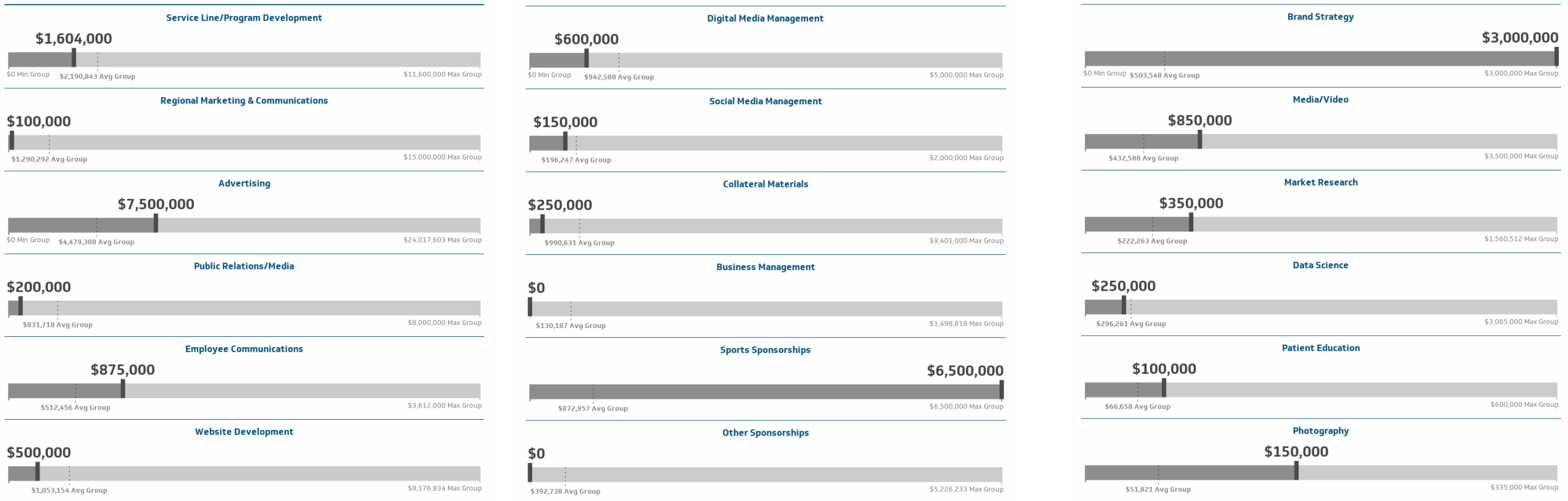
[For More Information About this Study](#)



ENSURING SCALE

Deploying a Platform that Satisfies a Variety of Needs

Your Marketing & Communications Mix



Contracting, Physician Outreach, Development, Events, Government, Strategy/Business Development, Patient Experience, Auxillary, Call Center, and Medical Illustration have too few responses to display.

Dashboard designed to export charts directly for presentations.

[For More Information About this Study](#)

[Transition to online demo](#)

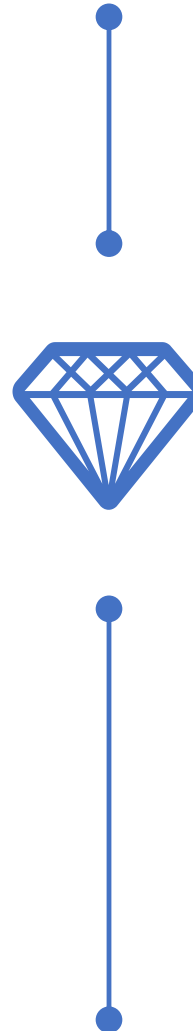


BUDGETS

Proportion of MarCom Expenses Below Out-of-Industry Benchmarks

Hospital Systems' revenue range from
\$100 million to \$11 billion

Total Marketing & Communications
Expenses vary greatly per organization,
from \$2 million to **\$82 million**.



MarCom Expenses averaged only
.7% of Net Patient Revenue. This is
well below broad industry
benchmarks of 5-8%.* The highest
ratio was only 3% in our sample.

[*2016, The CMO Survey](#)

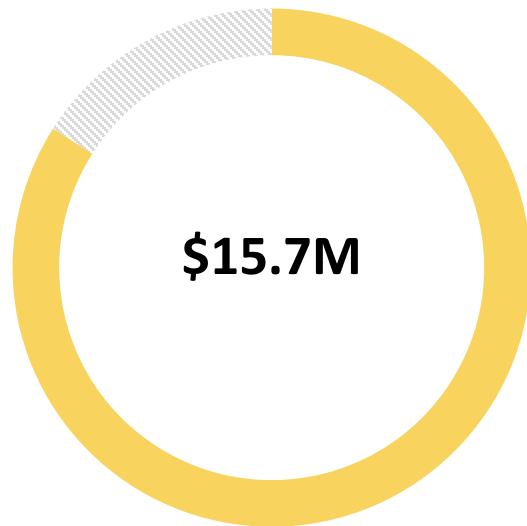
[For More Information About this Study](#)



EFFICIENCY

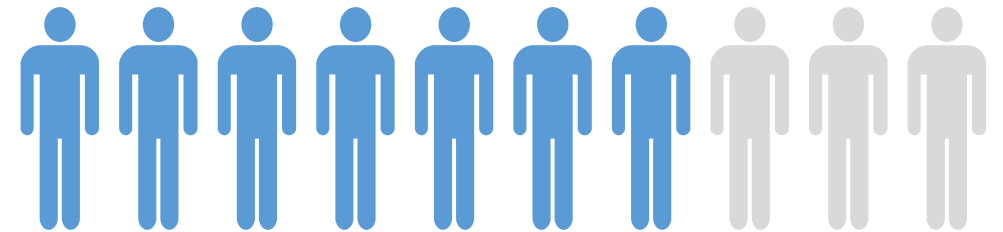
Few People Power Healthcare Marketing

Average MarCom Budget



Marketing and Communications expenses vary widely, from \$2MM to \$82MM depending on the size of the system.

Average MarCom FTE to Total Employees: 379.3



MarCom expenses per FTE average \$970.

ALLOCATION

Advertising By Far Most Common Tactic

Advertising expenses in this total sample was **\$210 million** and about **30%** of total marketing expenditures.

The average spend on advertising is **\$6.6M.**



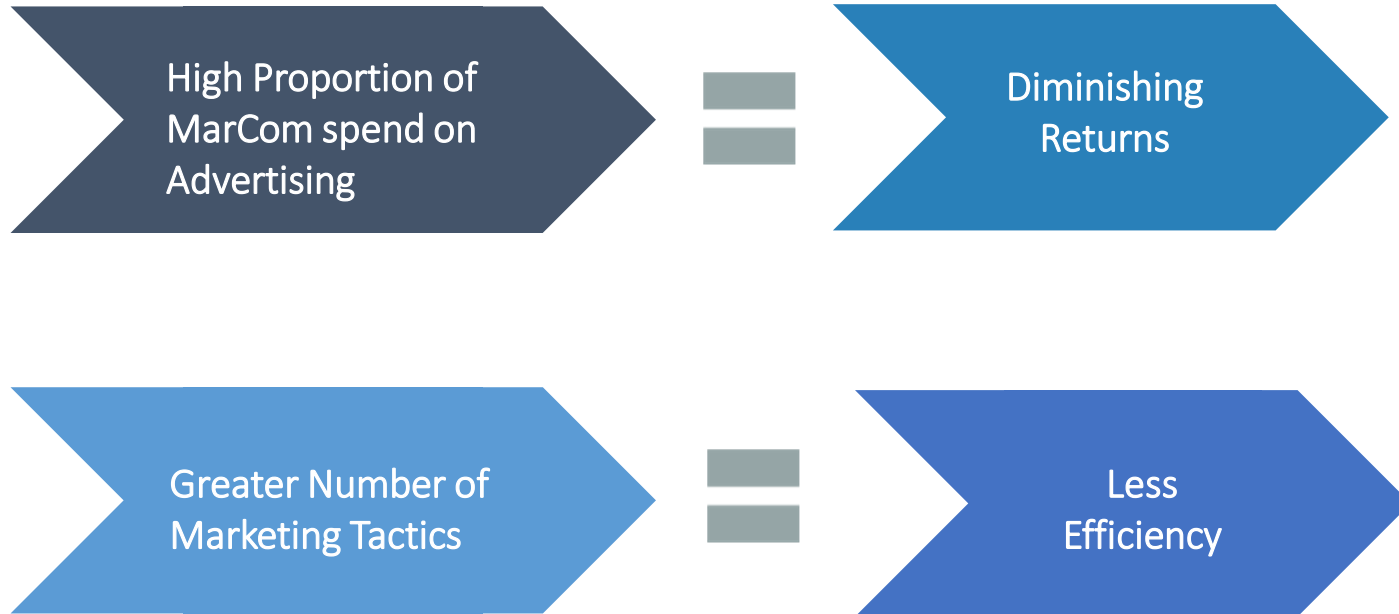
Emerging digital tactics are currently less supported:

- Website Development – 6.3%
- Digital Media Management – 5.6%
- CRM/Data Sciences – 1.7%
- Social Media Management – 1.1%

While traditional advertising leads the pack, we're optimistic of the progression for higher use of digital platforms and analytics.

RECOMMENDATION

Smaller Budgets Should Focus on Fewer Tactics



MY ACTION

What I've Shared With My Execs...with Valid, Reliable Comparisons

- Right on the benchmark spend for regional/national systems
- Just above the benchmark for USN&WR Honor Roll systems
- Gaps
 - **Lower** proportional spend on: **collateral/physician outreach**
 - **Higher** proportional spend on: **SEM/national advertising/sports sponsorships**
- Demand for benchmarks is even higher than estimated



SHARING THE INSIGHTS

Properly Making Decisions Based on the Data



What We Already Knew

- Marketing & Communications Leadership Must Justify Their Expenses
- Every Health Care System Is Unique
- Existing Benchmarks Are Inadequate
- There is No Simple All Encompassing Benchmark
- Cleveland Clinic Uses “Net Patient Revenue” As Expense Context



Apples to Apples

- Budget broken down by components (n=28)
- Identify list of comparative organizations
- Consider context – do they have the same priorities
- Select only those items that are relevant to your organization
- Look at those budgets against “accepted metrics”



Context is Critical

- Size
- Location(s) and Geographic Distribution
- Number of Locations...not only hospitals
- Volume of Customers Served
- Medical Education
- Research
- Insurance
- Primary Market
- National?



LOOKING AHEAD

Launching 2018 Benchmarks

[For More Information About this Study](#)



Expand Surveys

Given the success of this effort, we are in conversations with sponsors to execute shared data gathering activities in the near future which could include:

- Physician Relations and Physician Needs
- Development and Public Relations Benchmarking
- Consumerism and Healthcare



Improve Reporting Capabilities

As we receive feedback, we are developing dashboard improvements including adding more filters (e.g., pediatrics and oncology), updating benchmarking group selections for sponsors, and trend analysis.



Improve Participation / Sponsorship

We seek to recruit *additional* respondents to go beyond the 30% of AMCs participating and increase the percentage of other not-for-profit hospitals (about 10%) represented.



Improve Survey Tool

We have a baseline created, so we will use third party data to decrease the level of effort by participants. In addition, they can compare / update responses from last year's submission.

[For More Information About this Study](#)



SHAPING THE FUTURE

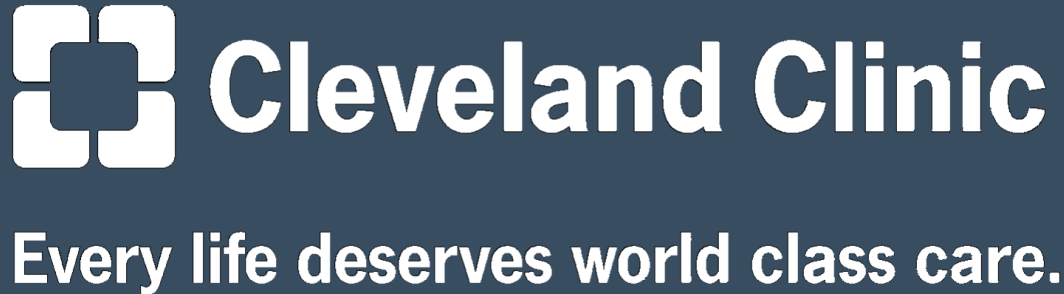
What Does the Ideal Marketing & Communications Expense Benchmark of the Future Look Like?



[For More Information About this Study](#)



THANK YOU



Peter Miller



www.clevelandclinic.org



millerp@ccf.org



216-448-0824

John McKeever



www.endeavormgmt.com/healthcare



jmckeever@gelbconsulting.com



800-846-4051