

# MARKETING & MEASUREMENT

by Ieuan Hyde



Mater Health Services won two National and four Queensland AMI Awards this year. Chief Marketing Officer, Ieuan Hyde, shares some secrets of Mater's marketing success.

**Imagine telling your marketing department that you've decided to give away the organisation's biggest brand, which just happens to be the market leader. Then imagine telling them that you're doing it to save the lives of sick kids. The sheer gall of it!**

In 2014 Mater Health Services will officially cease to operate Mater Children's Hospitals in favour of transitioning tertiary paediatric services to the brand new, government-owned, Queensland Children's Hospital (QCH). There are a bunch of clinical reasons why 'this is the right thing to do for the kids of Queensland' but in marketing terms it's a bit like sawing off your leg.

In the following case study Ieuan Hyde, Chief Marketing Officer at Mater Health Services, outlines his experience in helping Mater develop marketing measures to manage a living marketing strategy during a period of significant change for the organisation.

Mater Health Services is a not-for-profit provider of healthcare services through seven hospitals, pharmacy and pathology businesses and a research institute. Mater sees approximately 500,000 patients each year and is a top 100 privately owned Australian business.

**Step 1. Get comfortable with giving away your flagship brand because it's the right thing to do.**

The first thing to address was the decision itself. It's a part of Mater's mission, to meet the healthcare needs of the community. It is the view of Mater Health Services' Board and Executive that a single multi-disciplinary tertiary children's hospital is the right thing for a city

the size and shape of Brisbane. It will allow greater collaboration between specialist teams, efficient sharing of resources and better management of chronic paediatric conditions. So, the first step from a marketing perspective was to acknowledge that in being true to our identity (and our Mission), we had to accept that giving away one of our flagship brands is just, the right thing to do.

I will admit that it was a difficult pill to swallow at first. I am a marketer after all and giving away our leading brand felt like a big step for us to take. However, it was also an incredibly humbling experience to understand that I work for an organisation which is not only willing, but motivated to make difficult decisions on the basis of its beliefs. That, in essence, is our brand. So, it didn't take too long to get on board.

**Step 2. Calculate the fallout from making the right decision.**

So, once we were all on the same page, we had to figure out what it meant to the future of the brand. It doesn't take a genius to work out that kid's hospitals generate strong emotions within the community. Most people would be able to provide this kind of insight on gut feel and, strangely enough, that was all we had. There was an immediate and obvious need to fill the knowledge gap and start measuring the brand value of Mater's assets in the broader community.

We knew that the Mater Children's Hospital generated approximately 40% of Mater's free media coverage – which amounted to around \$8million per annum in advertising

value. Which, for a not-for profit, charitable organisation is a lot! But, it didn't give us a tangible measure of community perception let alone an idea of where individual hospital brands sat in the market.

Essentially, we realised that we had no idea about the fluctuating brand ranking or value of any individual hospital in the competitive market. Oops.

This is where we had to start thinking about consumers of the brand as being different to consumers of our services. I think that was the first real breakthrough. It seems simple now but I assure you it wasn't the way we were geared for thinking at the time.

It is generally assumed within the healthcare industry that consumer opinions about hospitals are covered by patient satisfaction data. Indeed, this data is commonly used to benchmark hospitals against peer organisations and in industry forums. In its way, patient satisfaction data does offer a great deal of consumer insight and can directly influence care, but it does not provide useful consumer insights in the broader context of the general community and is therefore limited in its usefulness for brand assessment.

On average, people only engage with hospitals as patients once in every seven years or so. As a result of relying so heavily on patient satisfaction data to influence service development and models of care, most hospitals remain generally unaware of their relative brand position within the broader community.

So, that was where we started.

**Step 3. Create a consistent model for measuring hospital brands.**

In July 2008, I commissioned an independent research agency to undertake monthly community perception surveys which provide baseline data about various aspects of the organisation's individual hospital brands in the community.

Then, we developed an algorithm for determining 'RENOWN' among a subset of hospitals. The very simple formula uses data from ongoing community perception surveys to set a valid reference point by which all hospital brands in a defined group can be measured. This is nothing new and not particularly ingenious. It just hadn't been done before in any consistent way to measure hospital brands.

The formula is as follows: Prompted Recall (r) x Perception (p) = RENOWN

Prompted Recall is a percentage of people who identify a particular brand (hospital) when asked whether they have heard the name before. The percentage is then expressed as a whole number for the purposes of multiplication. That is, 62% becomes 62.

Perception is a score out of ten which is attributed to each brand (hospital) in response to the survey question which asks participants to rate individual hospitals of which they are aware.

"I'd now like you to rate the following hospitals on a scale from 1 to 10, where 1 means you think a hospital is terrible and 10 means you think it's perfect. It doesn't matter whether you have been a patient or



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CMO, Mater Health Services

not – we’d like your opinion on the hospitals you’ve heard of.”

The Perception score (p) is then multiplied by the Prompted Recall score (r) to obtain a RENOWN score out of a possible 1,000 points. For example, a hospital with a Prompted Recall score of 76% (r = 76) and a Perception score of 7.32 (p = 7.32) would have a RENOWN score of 556.32.

$$(r 76) \times (p 7.32) = 556.32$$

Feel free to try it among your friends and colleagues. Pick a category then a group of brands and ask the questions about recall and perception. Obviously, the larger the sample group the better the data but it’s a simple enough exercise and will certainly give you a result for a defined group. You could try vacuum cleaners, perceived safety of fast-food chains or even suitability of various breeds of cats.

#### **Step 4. Measure, respond and report consistently.**

To effectively gauge brand value in the community, we applied the RENOWN algorithm across all hospitals in a defined catchment area. That allows us to consistently report to the Mater Board of Directors about the brand performance of Mater’s individual facilities in the context of the broader competitive market.

Mater facilities can now be realistically measured (using simple graphs) against key competitors across both public and private markets within any defined catchment area. Further, deep analysis of survey responses can reveal certain preferences for people by gender, age, insurance status or ethnicity. This goes beyond the usual demographic studies of community perception in that it draws a direct

brand comparison between Mater facilities and their competitors in key markets and helps to determine the drivers in those market segments.

In healthcare marketing where people tend not to engage with a brand unless it is absolutely necessary, it is vital to understand ‘latent’ triggers and brand value for the establishment of fundraising, service development and brand extension initiatives. In addition to the RENOWN algorithm, the Mater Marketing Department monitors media activity as well as patient satisfaction and business metrics to understand the triggers for brand engagement in the community.

Our model has been particularly useful in the context of shifting brand recognition and support from paediatrics to other services without reducing the value of the overarching Mater brand. It is a

strategy which has involved all aspects of our business committing to what would appear to be a subtle shift in the community but which has already seen significant results.

In transitioning a significant part of the Mater brand it was never the aim to increase the volume of patients to any particular Mater hospital (that is managed through an entirely different set of strategies) but rather to enhance the ability of the organisation to engage with the broader community on a more consistent and relevant basis.

Indeed, much of the motivation for shifting focus for the brand has been a simple business requirement to maintain relevance, to not lose financial support and to somehow bolster the corporate brand. In addition, through effective data analysis and consumer insight, we

have been able to identify new markets, build a more meaningful system of brand measurement and provide timely advice for managing competitive opportunities.

***Ieuan Hyde has been CMO at Mater Health Services since 2006 and is a member of the Queensland Council of the Australian Marketing Institute. He can be contacted on 3163 1524 or via email at [ieuan.hyde@mater.org.au](mailto:ieuan.hyde@mater.org.au) and is happy to answer questions about this case study.***

***If you have a marketing case study you would like to share, please email us at [qld@ami.org.au](mailto:qld@ami.org.au) with a brief outline of your proposed case.***

