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The real NHS: the benefits of a marketing approach



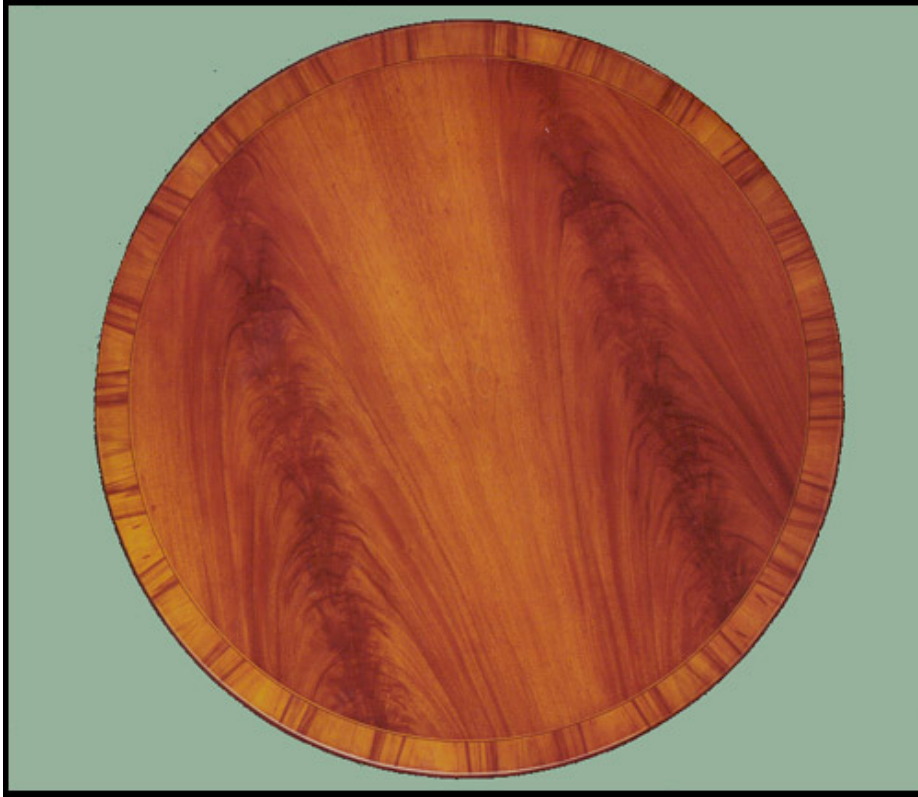
David Thorp

Director of Research and Information

Spring 2008

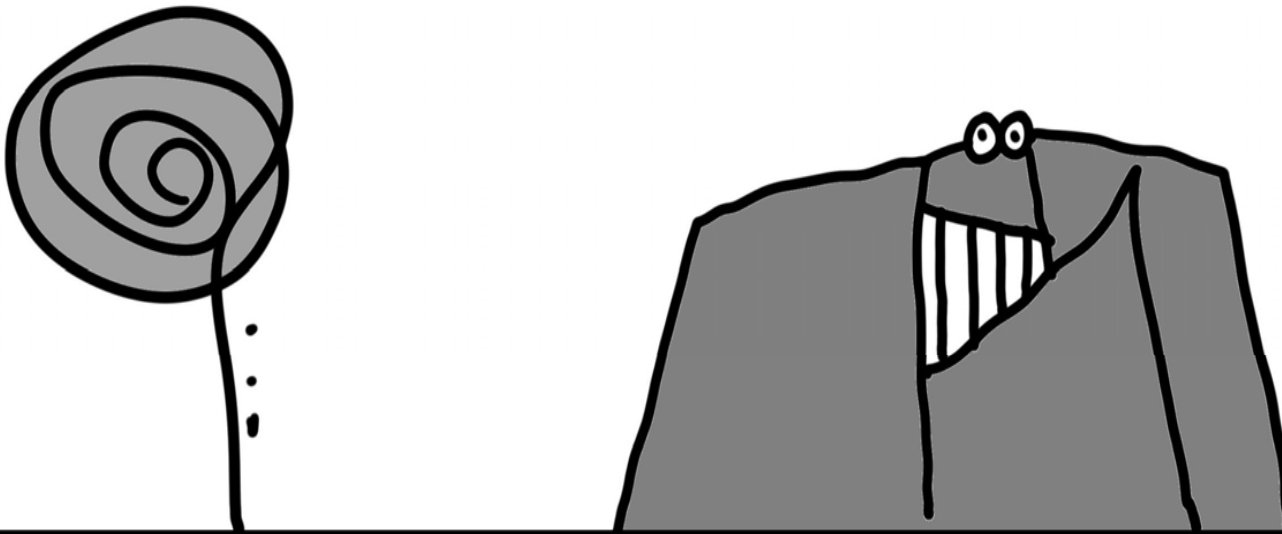
The Chartered Institute of Marketing

- A not-for-profit body established in 1911, we are the leading international professional marketing body, with members worldwide
- We exist to develop the marketing profession, maintain professional standards and improve the skills of marketing practitioners
- We encourage and promote leading edge thinking through our wide networks of practitioners, researchers and academics
- We do this via **Membership**, Professional **Qualifications** and providing **Training**, and a comprehensive **CPD** programme
- Anyone, at any level, with an interest in marketing can join us



- How marketing cultures come into existence
- Building and cultivating awareness of marketing
- The division between social and commercial marketing
- The need for policy-driven guidance informed by a clear political agenda
- How marketing success might be measured in the Health Service context

Marketing is Everywhere.
God is Everywhere.
ERGO, Marketing is God.



@hugh

...foundation trusts should adopt the same marketing techniques as Tesco in their bids to win customers in the new choice-based NHS market.



Nigel Crisp
CEO NHS



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The Real NHS:
The Benefits of a Marketing Approach



Successful marketing sustains, broadens or deepens its markets. Good medical care does not do this. Good medical care instead works by talking, listening, examining, diagnosing, assessing risks and benefits, and making decisions on doing something or nothing or planning a later reassessment.



Margaret McCartney, GP
Financial Times article *More Evidence, Less Marketing* (5 August 2006)

The very idea that hospitals should spend taxpayers' money on advertising for patients instead of treating patients is ridiculous.



Karen Jennings
Head of Health
Unison

1993

We are marketing three things in the health business – change, health and services.



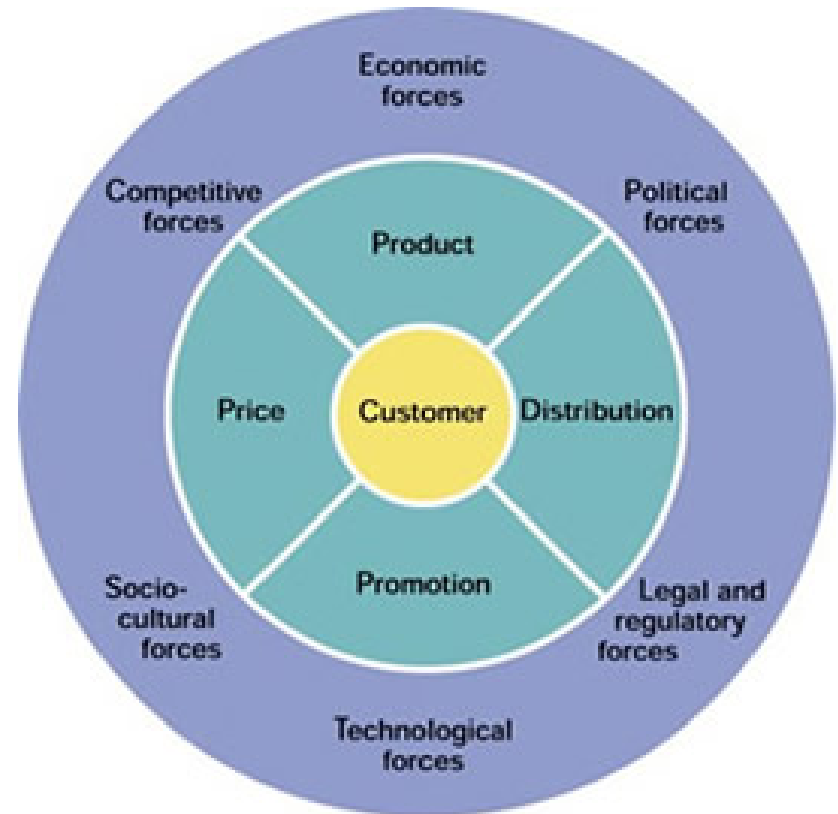
**Baroness Cumberlege
Parliamentary Under-Secretary of State
Department of Health**

Marketing is...

A management process for understanding markets, for quantifying the value required by the different customer groups in these markets, for communicating this to everyone in the organisation and for measuring the effectiveness of the actual value delivered.

What is marketing?

1. Understanding markets.
2. Identifying where you can add value.
3. Communicating with those within the organisation.
4. Communicating with those outside the organisation.
5. Measuring the effectiveness of the value you deliver.



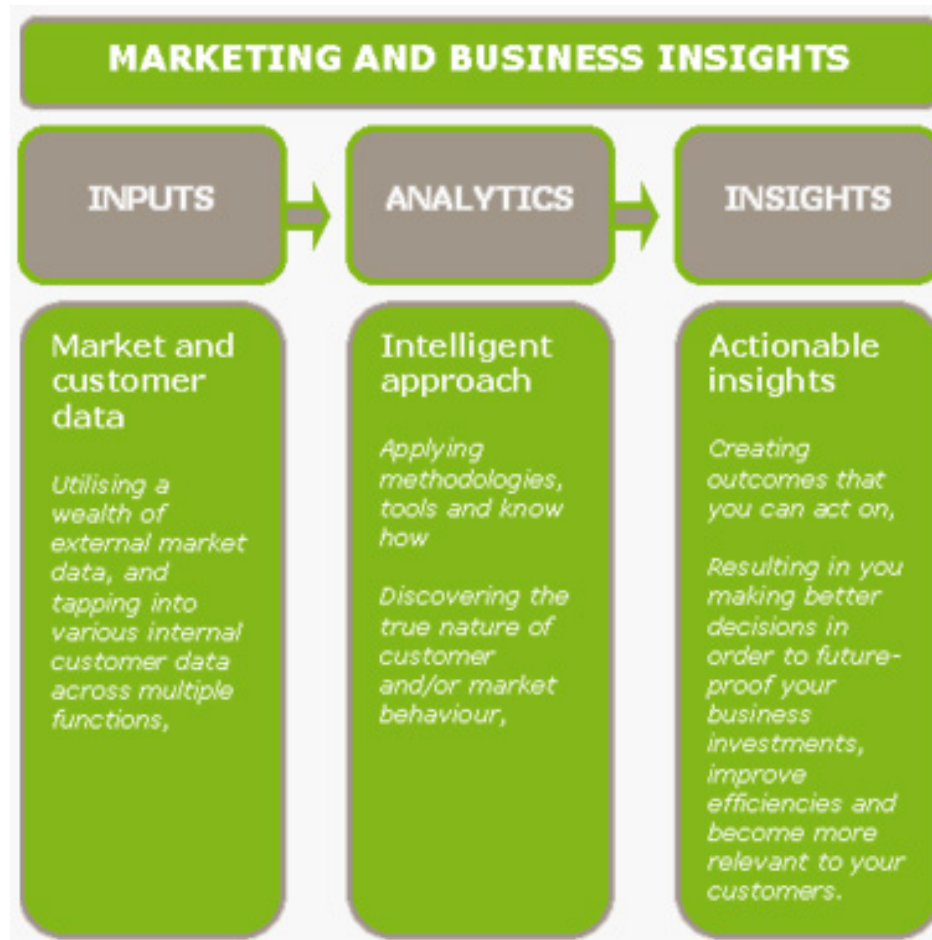
Marketing Services

- Experiences
- Performed for the Consumer
- To meet very definite and exacting expectations when they buy an experience from the service provider

What is a service?

- A product without any physical features
- Characterised by a bundle of performance and symbolic attributes designed to produce customer-want satisfaction
- Those engaged in services businesses are there to sell performance

1. Market Research
2. Segmentation
3. Database Management
4. Customer Relationship Management
5. Integrated Marketing Communications





What do Tesco do that's so good?

LOYALTY

Where does the NHS find its loyal customers?

- ✓ Doctors
- ✓ Segmented customers
- ✓ Marketing online
- ✓ The right information in the right place at the right time
- ✓ Market value
- ✓ Adapt to the new world of choice

Where does the NHS find its loyal customers?

- ✓ Understand purchase decision-making
- ✓ Look inwards: address the internal marketing challenge
- ✓ Employee branding
- ✓ Change your mindset

4 Major Steps: Step 1

The NHS must ensure that it listens to its customers and provides its services where they are needed, when they are needed. A process should be out into place to capture and exploit customer insights.

4 Major Steps: Step 2

True choice only comes with knowledge of all the possibilities and their alternatives. The customers of the NHS need a constant and meaningful supply of accessible information and providing this information to each and every customer is therefore a given for a patient-led service.

4 Major Steps: Step 3

Both of the first two steps will lead nowhere unless NHS employees are helped to understand what a patient-led service will mean in practice and what their part is in delivering this. New customer-focused skills and competencies will need to be developed and embedded.

4 Major Steps: Step 4

The development of a commercial orientation will be an essential element of creating a successful Health Service for the future. It is therefore vital that Health Trusts begin to recruit staff with appropriate commercial skills who will deliver the vision and begin to develop the next generation of health service commercial specialists.

Benefits of a marketing-led approach:

- Better understanding of the market
- Delivering the service that patients want and need
- Aligning managers and clinicians to work more cooperatively
- Drawing more value from existing budgets
- Filling spare capacity before moving on to generating new income
- Better staff efficiency and effectiveness
- More effective communication of benefits
- More positive relationship with stakeholders

Benefits of a marketing-led approach

- Focus on prevention rather than cure
- Moving from a change-resistant culture to one that embraces positive change
- Minimise conflicts between patient desires, clinical judgement and availability of resources



If marketers are to be accepted, they need to change commonly understood “marketing” terms to commonly understood “NHS” terms.

Thank you.