

Healthy Competition

Six Brand Principles to Compete in the New Healthcare Ecosystem

Creating and Managing Brand Value™

InterbrandHealth



THE ROLE OF BRANDS is expanding rapidly for healthcare decision makers and consumers. While it is increasingly clear that brands powerfully affect how physicians, third-party payers, and health customers make choices, it has often been less clear in the healthcare C-suites just what role brands should play and at what levels of corporate and product strategy. At InterbrandHealth, we believe in bringing the discipline of branding to the

business of healthcare. We have witnessed the impact it can have on the bottom line. As we assist our clients in competing in the increasingly complex healthcare ecosystem, we have seen six guiding principles emerge as “must-haves”—key prescriptions for building great healthcare brands. Based on these guidelines, how healthy is your organization’s approach to creating and managing brand value?

1



Treat brands as business assets, not just communications tools

Brands are far more than trademarks, logos, symbols, or slogans. Instead, they are living business assets—the perception of a company, product, or service. When it is managed well, a brand drives premium, preference, and loyalty. And in healthcare, most companies are realizing that brands are becoming differentiators more than in the past, especially in areas such as pharmaceuticals where intellectual property (IP) has slowed. Your brand, simply put, demands executive attention. If managed properly, it can effectively differentiate your organization and/or product from competitors in ways that customers find meaningful.

Strong companies view their brands as more than just marketing or communications tools. To these organizations, the brand is an expression of business strategy. Consequently, a strong brand strategy should pervade all levels of an organization—from compensation strategies in human resources to incentives for R&D.

Brands bring consistency, differentiation, and inspiration to both what you offer and how you provide it. Just as the C-suite weighs in on major undertakings regarding financial and physical assets, such as plants and equipment, it is imperative that brand decisions be made with senior management guidance. The business strategy should drive

the brand strategy, and when this is made a top priority, strong corporate brands have the potential to drive future business strategies more successfully.

2



Be discerning about what you choose to brand

Healthcare has been slow to recognize what many other industries already know and practice: it is more efficient to bring a few strong brands to market than to introduce a plethora of less significant ones. Too many healthcare companies support far too many individual brands, each telling different and often conflicting stories. Gone are the days when healthcare companies had only one or two products going to disparate customers. Today, healthcare companies market broad portfolios targeting the same customers. Consider the depth of your brand relationships instead of focusing on the breath of brands your organization offers.

Your corporate identity can be a unifying force for your key product brands. The impact of corporate brands on purchases is increasing faster in healthcare than in any other sector. Interbrand research is showing that the role of corporate brands ranges from 10 percent to more than 40 percent in influencing the choice of pharmaceuticals, and from 25 percent to more than 50 percent when it comes to selecting medical devices. Business models have changed drastically in healthcare, and brand models must respond accordingly.

Many corporate healthcare brands, having been built myopically and with a narrow

business-to-business or investor focus, are poorly equipped to support product competition. A strong corporate brand, with a reputation for supporting certain issues or values, can help differentiate a product whose features and benefits closely resemble those of earlier market entrants.

Be discerning:

► **MAYO CLINIC**

There’s a reason why the Mayo Clinic scored #1 in five categories in U.S. News’s Best Hospitals 2013–14. The strength in the Mayo Clinic brand lies in its collaborative philosophy, bringing the best and the brightest together for excellence in patient care, and in its high level of recognition as a leader in its field by consumers. Despite working across a number of therapeutic areas and categories, the brand the company chose to leverage has always been Mayo, and it has been diligent not to dilute the corporate brand with unnecessary sub-brand deviations, thus benefiting the entire portfolio.

3 **Be clear on your brand's role in your customers' lives**

Far too often, healthcare companies create brands with an attitude of “this is what we make, come buy it” versus “this is our critical role in your world.” As a result, we see many product brands built on purely functional attributes and corporate brands positioned as innovating for a “healthier world.”

“The most powerful brands connect to customers on an emotional as well as a rational level.”

Today's strongest healthcare brands tell stories about their impact on customers. What does your corporation or product brand do to improve the lives of your customers? What role do you play in their world? How does this role connect meaningfully and authentically with your customers' core concerns?

The most powerful brands connect to customers on an emotional as well as a rational level. This enables them to fend off competitors, or, at a minimum, slow their adoption, even if those competitors show apparent functional advantages. A well-branded innovator drug that is first to transform what clinicians can do within a disease category can leave its prescribers with such a strong feeling of empowerment and positive experience that clinicians may be reluctant to part with it, even as new agents reach the market. An emotional connection can change consumer perception so much that it drives value beyond price. Relevant emotions include things such as trust, confidence, renewal, optimism, authenticity, and a sense of connection with one's life.

Too often, the pharmaceutical world focuses only on how innovative its products are. For example, leaders of many pharmaceutical companies allow their product teams to focus their strategies on product features: dosing frequency, outcomes data, delivery forms, etc. While these and similar functional attributes are important, they lack the ability

to strongly connect with decision makers. When a new product comes along, or when a close competitor loses patent protection, influencers and consumers don't care enough about these functionality-focused brands to resist abandoning them.

Be clear on your role in your customers' lives:

► **REBIF**

Multiple sclerosis embodies an uncertainty that goes beyond just a set of symptoms, creating both a physical and a psychological burden. Rebif was positioned to move beyond its role as a self-injectable therapy—requiring the least amount of annual doses compared to competitors—to a brand that offers a life-support experience, including access to assistance professionals, as well as lifestyle and financial services for patients and their families. This integrated physiological and psychological approach empowers people to re-engage, and ultimately live fuller, more confident lives.

► **CIGNA**

Cigna was one of the first big U.S. health insurance companies to put the consumer front and center in its brand proposition. Cigna's people positioning and “Go You” campaign make it clear that it is a brand that exists beyond products and services and also empowers consumers to participate in shaping their own health. The brand engages both customers and providers with easy to use online services and tools, ensuring active partnerships and the best service possible.

4 **Make the brand an experience**

A brand should define an audience's experience, not just shape a communication. This is a new way of thinking for many healthcare companies. By thinking of brands as potential experiences, we recognize the ecosystem in which they live and the different influences that shape where, when, and how they are used. We start to think of how services play a role. Should our product brands behave more like service brands? How does our brand affect the way we set up a conference or how our sales force engages with users? How does it affect our choices of strategic partners and sponsorships?

“Experience” means thinking about where, when, and how the consumer and the brand meet, as well as where their journey will take them. It is about hearing the stories the consumer tries to tell about his/her needs, interests, and concerns. It is about the stories that the consumer and the brand create together. It is about a past, a present, and a future.

“Should our product brands behave more like service brands?”

Today's reality is that consumers and clinicians seek out and engage with healthcare brands differently than before. In an earlier era, the physician entertained the detailer in his office. Today's clinicians are frequently in a hallway between examining rooms, cruising the Web from a smartphone or tablet. Yesterday's physicians relied on monthly journals, but today's physicians are awash in health information 24 hours a day, seven days a week. Their health information no longer comes to them in the dry, sterile language and technical form of the past; it is served up in full-color video and shared via Tweets and Sermo posts. And today's patients are more assertive and knowledgeable. That means the brand experience will occur in an increasingly transmedia and paperless environment. Pressed for time as never before, clinicians and consumers require Twitter-like compression from brand communications. Ideas must be reduced to their essentials.

*Make the brand an experience:***► ONE MEDICAL**

This U.S.-based primary care practice is turning the typical doctor's office model on its head. For a small yearly subscription, on top of accepting most insurance plans, it offers a much more intuitive and pleasant approach to seeing your doctor—including same-day appointments, direct email communications with your physician, and even letting you decide how much time you need with your doctor when you make the appointment. And gone are the days of the nurse bringing you back to take your vitals; the doctor actually greets and escorts you to a room at the precise time of your appointment. By making the brand experience a hallmark of its operation, One Medical is making waves in what is a relatively standardized and dissatisfied healthcare space.

5

**Form an army of brand ambassadors**

Once it is clear on what your offer is to the market, then it is clear why your employees go to work every morning. So often we see companies shape their brand strategy based on what employees want over what their external customers desire. This is not to say that the employees are not instrumental to the success of your brand, but that your brand must be made relevant and clear so that they can embody and live it every day. Your employees are a potential army of brand ambassadors. They are the human face of your brand. They enact the story of the brand in

their engagements with others—customers, colleagues, family members, and friends. Your employees are an integral part of building the bond of trust and comfort your organization seeks to establish with decision makers.

Developing an internal brand engagement strategy takes time and resources, but it will be time and money well spent. Building an internal brand engagement strategy will help bring the brand to life and foster future growth.

6

**Brands can (and should) be measured**

Many large healthcare companies don't measure or track their brands. While they may conduct some obligatory reputational research, they rarely have a small, defined set of branded attributes that they can measure

*Form an army of brand ambassadors:***► GENENTECH**

Genentech has successfully positioned itself as a leading biotech company by keeping its finger on the pulse of innovation and by making its employees and culture the heart of what makes it different—so much so that Roche decided to leave the Genentech brand intact when it acquired it in 2009. Its employees continue to be a crucial element of its brand strategy and success. Genentech engages employees with a shared mission and sense of purpose to improve the world around them in a multitude of ways and has been honored as one of the healthiest companies to work for: best for mothers, best for LGBT, and best in opportunities for minorities.

“Your employees are an integral part of building the bond of trust and comfort your organization seeks to establish with decision makers.”

on a regular basis. Benchmarking the attitudes and perceptions around your brand strategy can be incredibly effective, not only in shaping your future brand but also in impacting your future business strategies.

Many companies are moving from corporate values and behaviors to branded values and behaviors. They are also starting to link performance around external brand perceptions to compensation, especially at the executive level. How is your company measuring its brand?

Summary

The role of brands is expanding rapidly as a driver for healthcare decision makers and consumers. Those healthcare leaders who let their organizations lag when it comes to leveraging their brands can expect erosion of investment support and the tightening of margins. Conversely, those healthcare leaders who fully embrace the importance of their brands will see their organizations both develop more meaningful relationships with consumers and experience significant growth.

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