Is Your Healthcare Brand Portfolio Built to Increase Marketing ROI?

By Eric Brody, President of Trajectory

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Question

When was the last time you stepped back to consider whether you're managing your marketing investments in ways that drive the greatest ROI? In light of ObamaCare and the resulting deterioration of hospital finances, healthcare systems and hospitals must find efficiencies wherever they can — including their marketing budgets — and that time is now. And it starts with evaluating the health and well-being of your healthcare portfolio.

Thinking About Your Healthcare Brand Portfolio

Your healthcare brand portfolio consists of all of the programs and services that your organization offers to its different internal and external audiences. It comprises all of the names and logos that fall underneath your organization; reflects how you organize, manage and market all of your offerings; and together creates an expectation of what it's like to do business with you. It's the bridge that ties your customers to your business.

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At Trajectory, our premise is that all else being equal, the fewer portfolio brands that you have to support and that your audiences have to navigate — the better off, in both tangible and intangible ways, you both will be. As is usually the case, simpler tends to be smarter.

A well-designed brand portfolio that supports growth across service lines and market segments:

- helps consumers to easily shop and choose among their desired offerings (e.g., Marriott, Courtyard by Marriott, SpringHill Suites by Marriott)
- demonstrates a clear and consistent brand hierarchy across the family of brands (e.g., driver brands, co-brands, endorsing brands)
- includes brands that complement and are compatible with one another (e.g., Apple iPod, iPhone, iPad, iTunes)
- allows consumers to delineate between offerings through consistent naming conventions (e.g., FedEx Express, FedEx Ground, FedEx Freight)

- increases share of purchases by addressing key yet distinct market segments (e.g., Gap's portfolio, which consists of Old Navy, Gap, Banana Republic, Piperlime, Athleta)
- facilitates extending into new services and profitable growth areas (e.g., Gillette, Dove, Mayo Clinic)
- contains branded differentiators to defend against commoditization (e.g., Westin's Heavenly Bed)
- and ultimately optimizes your marketing spend

Think of your brand portfolio as a finely tuned soccer team and the playing field as your market. When the team is really jelling, where everyone is moving together and holding their positions, you're operating in perfect harmony. It's truly a beautiful game that you're poised to win. But when your cohesiveness and coordination starts to break down, when you're overlapping more than you should, you're headed for trouble. You expose open spaces, fans become anxious, and you allow competitors to easily penetrate your defenses.

NOT ALL BRANDS ARE CREATED EQUAL. NOT ALL ARE BUSINESS-WORTHY, LET ALONE BRAND/LOGO-WORTHY.

Common Portfolio Management Pitfalls

Given the nature of our branding work across healthcare systems, hospitals and specialty physician groups — portfolio management is always an important agenda item. And more often than not, our initial client conversations go something like this:

We know we have way too many brands and logos in our portfolio. Certainly, there are more than we can support. Many have been handed down to us. Others are created when someone just decides that we should introduce a new service or their area warrants the recognition. And yet, others are the result of new partnerships that need to be featured. In the end, our portfolio just continues to grow — with not enough purpose, strategy or support resources behind it.

The truth is, not all brands (whether programs, services or practices areas) are created equal. Not all are business-worthy, let alone "brand/logo–worthy." Particularly in this economic environment, **energy and resources must be focused on supporting those brands that best align with vision and business strategy, build strategic and financial value back to the organization, and meet customer/stakeholder current and future needs.**

Top portfolio management pitfalls:

- letting internal opinions and personal judgments drive brand portfolio decisions
- not linking portfolio decisions to strategic business goals and core objectives
- not understanding how brand linkages affect equity of other brands in the portfolio
- not appreciating the roles of different brands in the portfolio to help prioritize marketing investments
- not really addressing how people "shop and buy" your services
- not having one team ultimately responsible and accountable for brand practices and guidelines

Evaluating Your Portfolio

How do you determine if you're spending as efficiently and strategically as possible behind your brands? And how do you know if your portfolio is "optimized" based on having the right mix of brands to support your business strategy?

We use a tool that we call "The 7 Portfolio P's." Presented in summary fashion here, they'll provide a good starting point for evaluating your brand portfolio.

Purpose. Do each of your brands reflect your organization's vision, business goals and strategies?

Perspective. What story is the brand portfolio telling from a customer perspective?

Place. Do each of the brands in the portfolio have a clearly defined role; are relationships clear; is there sufficient separation/synergy between them?

Potential. How do your different brands contribute in building strategic advantage, and current/future growth and profitability?

Performance. Do you sufficiently cover the market given the needs of your priority services and key audiences?

Potency. Does market attractiveness (size and potential growth) merit investment?

Pink Slips. For those brands that don't meet these criteria, what is your plan for phasing them out?

In Conclusion

Today, your reality as a healthcare marketer is likely being in the position of having to do more with less. Don't waste your precious marketing resources on a brand portfolio that's not yielding a fair return. Similar to periodically evaluating your financial portfolio to ensure that you're protecting your wealth now and into the future, do the same with your brand portfolio.

ABOUT THE AUTHOR: *Eric Brody is President of Trajectory. His company specializes in energizing the brands that inspire and support people to live their healthiest lives. Prior to founding the company in 1999, Eric was EVP Management Board member at Interbrand. He can be reached at eb@trajectory4brands.com, through Twitter @ericbrody or on LinkedIn at linkedin.com/in/ericrbrody.*