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Health Care Marketing and the Internet

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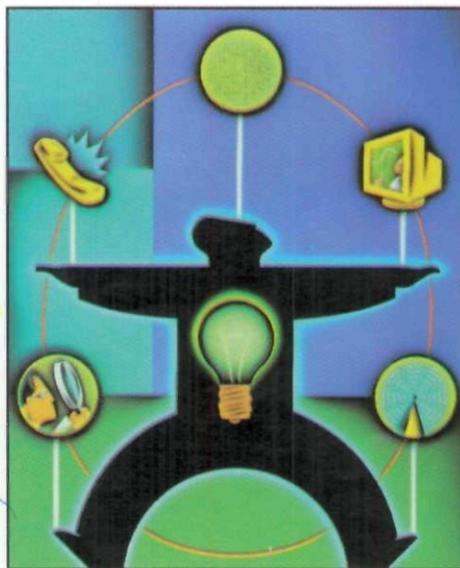# Health Care Marketing and the Internet

By C. David Shepherd and Daniel Fell

As more health care providers use the Internet and it becomes more accepted as a health care marketing tool, marketers are seeing changes in the way that consumers seek health care-related information and in the way managed care companies and health care providers acquire and present data. And the trend of using the Internet isn't likely to subside anytime soon. In fact, our most recent research has shown a 25% annual growth rate in the number of hospitals using the Internet for marketing efforts. Our research also has led us to the following conclusions:

• The Internet is here to stay and increasingly will become a part of our daily lives.

• Consumers increasingly will rely on nontraditional sources—such as the Internet—for health information and medical advice.

• Health information will be a commodity on the Internet.

• Health care marketers will use the Internet to help build a closer relationship between providers and customers.

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• Online health information management is where physician referral services were 10 years ago. However, with the rapid growth of the Internet, that gap is rapidly being bridged.

• Online marketing will provide an opportunity for health care marketers to expand their responsibilities in customer service and patient/member retention.

• Marketers will be expected to design, develop, and manage Internet-related technologies within their organizations.

Not long ago, health care marketers were asking if their organizations should be online. Today, the question has become how quickly can an organization go online. Marketers, whether through self-driven interests or management mandates, increasingly are facing the daunting task of coordinating online strategies for their organizations. But while most of us are intelligent enough to sketch out the basics of what a Web site might look like—corporate logo here and a list of services and products there—few marketers seem prepared to fully integrate interactive marketing strategies into their existing marketing efforts. For example, as health care providers begin to integrate the Internet in their marketing plans, the following questions will emerge:

Management Issues

Who should manage the Internet and interactive marketing programs within an organization? What training or new knowledge is needed? Will it require the creation of one or more full-time positions? Which duties should be outsourced, and which should be managed inhouse? How much time should be dedicated to interactive initiatives? Who should manage specific components of programs, such as e-mail? What is the best way to involve other departments and affiliates?

Large organizations with multiple facilities or product lines often struggle with deciding who should develop interactive marketing initiatives and how to maintain them. Because programs as simple as developing a Web page can incorporate many parts of an organization, it is not always clear how to divide labor and assign responsibility. As result, many organizations are slow to move forward when no department or individual drives the process.

Strategy and Planning

So an organization has a Web site—

then what happens? How does an organization promote new interactive programs? What will the organization do differently online that is wasn't doing before the advent of the Internet? How does an organization's target customers use technology? How will they in the future? Is the organization building for today's technology or planning for growth?

Capitalizing on emerging technologies comes at a significant price, both in energy and capital. The answer to these questions, along with other "what if" scenarios, will help management determine if such an investment is warranted given the objectives of the organization. In a broader sense, understanding how technology is changing all industries, not just health care, will help marketers to broaden the scope of the planning discussion from one about immediate needs to one centered on long-term vision and resource allocation.

Budgeting

How much does an organization budget for electronic commerce? What is a reasonable maintenance fee for a Web site? What do organizations spend to promote an interactive program? Is online advertising cost-effective?

With good reason, questions regarding how much money to spend often are the first issues marketers deal with when

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managing an interactive marketing program or selling new concepts internally. Unfortunately, little data exist regarding the amount of money organizations spend to get started, and even less data exist regarding costs to maintain specific interactive programs. Further, the range of investments is so broad that it is almost impossible to make meaningful comparisons. In addition, the cost of the technology itself is only a fraction of what organizations will spend investing time to manage these efforts effectively.

Tracking and Accountability

Can an organization expect a healthy return on investment from interactive marketing? Is a "hits" measure really a useful way to measure activity in Web sites? How is it possible to market to millions of people and just one at the same time? How does an organization integrate a data base management system into its interactive marketing strategies?

The promises of the Internet have yet to materialize for many organizations, but an increasing number of organizations are pleased that their investments are at least paying off. What can we learn from these organizations that will help us justify the investments our organizations must make and minimize the learning curve?

Answers

In the coming issues, we will try to answer some of these questions as we take an indepth look at the challenges health care marketers face as they integrate the Internet into their organizations' marketing mix.

For those willing to jump head first into the waters of high technology, the opportunities may be as unique and the rewards as great as at any time in history. And for those wading in a little slower, you can be confident that in knowing that good planning and strategy often will more than make up for any lost time in implementing tactics. ■