



Board Brief: Considering the Consumer

By Ryan Donohue, Corporate Director of Program Development, National Research Corporation

The radical idea that regular, everyday people have newfound motivation and purchasing power to heavily influence their local healthcare ecosystem is a transcendent issue facing the industry. Consumerism is forcing hospitals and health systems to take stock in their current strategies and rethink how they operate to ensure consumer perspective is included and sufficiently valued. After all, consumers consistently expect more from healthcare than any other industry. And consumer expectations matter—consumers are now the fastest growing payer of healthcare services in the U.S.¹ As consumers pay more for care, they are looking to hospitals and health systems to justify their value. Organizations that ignore the consumer risk losing touch with decision makers and may lose the ability to influence consumers on where and when they seek care. To this end, in-depth research and examination of consumer perception and behavior have become issues so important they must be dealt with at the top.

The Board's Role in Addressing Consumerism

At first glance, the board of directors may seem justifiably removed from the winds of consumerism, but, upon closer examination, board responsibility is more intertwined with consumers than it may appear. Charged with influencing the organization without being a native part of it, board members must utilize and even represent the outside perspective of the community. They have the credentials—

¹ William Blair Customer-Centric Healthcare Report, 2016.

many arrive on the board following successful careers in other, more consumer-centric industries.

But this experience alone cannot serve as a true proxy for the everyday healthcare consumer. Unlike board members, consumers lack familiarity with healthcare organizations and understand little about the inner workings of the hospital. Board members and consumers do, however, share an outside perspective of the healthcare world and have a common, altruistic goal of improving healthcare from the outside in. For the board, this endeavor cannot be fulfilled without a deeper, more representative understanding of local consumers and the wants, needs, and even demands they bring to the hospital doorstep. Without this perspective, board members may not reach their increasingly important potential as community-based, mission-driven, and consumer-aligned agents of healthcare change.

Market Insights, a service of National Research Corporation, has been working with healthcare organizations to better understand consumer needs for 35 years. Market Insights captures the consumer perspective through a trusted survey approach that aims for balance and representation from local consumers. Board members and executive leaders must understand how consumerism will affect the organization they shepherd. Market Insights offers immediate answers, trended results, and the ability to search deeper into the healthcare consumer psyche. This need to understand and listen to consumers will only increase in importance as the value era sets in.

Market Insights Solution Spotlight

- Fielded in the top 250 markets across the U.S.—offering local, regional, and national perspectives
- Census Bureau-inspired sample plan ensures population representativeness
- Current and historical data on more than 3,200 hospitals and health systems in the U.S.

Nearly a thousand healthcare facilities utilize Market Insights every month to better understand consumer perspectives, motivations, and ultimately their own market opportunity. A few key uses include:

- Gain an unbiased and complete portrait of the local healthcare consumer, and how this consumer views the organization.
- Understand if patient satisfaction and experience translates into external reputation and if it influences consumer decision making.
- Track media spend and validate or correct organizational marketing efforts.
- Test new ideas, innovations, and even major acquisitions with the audience who matters most.
- Keep a watchful eye on competitors and understand which brand is best and why.

Critical Implications of Consumerism

As healthcare leaders plan for the future, consumers should always be in the spotlight. Market Insights surveys have revealed several critical implications of consumerism to pay special attention to:

- Consumers are the fastest growing payers of healthcare services in the U.S.
- Hospitals and health systems are not top-of-mind for many consumers and they must improve their standing:
 - In the average market, three in five consumers feel a lack of familiarity with their local hospitals.

- Healthcare experiences are disorienting for consumers:
 - Confusion is the number one emotion felt during care consideration.
 - Three in 10 consumers delayed medical treatment in 2015.
- Consumer trust in hospitals and health systems is waning:
 - Those who trust hospitals has dropped from 66.7 to 61.4 percent in the past five years.
 - What consumers want is a one-on-one relationship with a trusted partner in healthcare and it remains to be seen if the hospital or health system will fulfill this role.

The Governance Institute thanks Ryan Donohue, Corporate Director of Program Development at National Research Corporation and Governance Institute Advisor, for contributing this article. He can be reached at rdonohue@nationalresearch.com.

