



Healthcare Technology Marketing:

2010 Forecast & Trends

1. **Industry Outlook:**
EMR Purchases May Increase 100%
2. **Marketing Trends:**
Buyers Seek Timely, High-Value Content
3. **Search Marketing:**
News Releases Extend the Long Tail
4. **Customer Perception:**
Articles Highlight Competitive Advantages
5. **Marketing ROI:**
Public Relations Provides High Value

1. Industry Outlook:

EMR Purchases May Increase 100%

For many healthcare providers, 2009 was a year of budget cutbacks and workforce consolidation. In contrast, 2010 is shaping up to be a year to invest in new systems or upgrades in an effort to qualify for a huge array of new federal financial incentives.



One healthcare IT analyst, Mark Anderson, CEO of AC Group, predicts a 100% increase in EMR purchases in 2010 over 2009. Anderson, who was interviewed in the December 28, 2009 issue of *Inside Healthcare Computing*, also forecasts a large number of de-installs in 2011, as providers find the products are not producing the results they expected.

The HITECH (Health Information Technology for Economic and Clinical Health) Act, which comprises a \$19.2 billion outlay, is just part of the total \$780 billion allocated in the American Recovery and Reinvestment Act. Although the HITECH Act was signed into law February 17, 2009, a number of key standards and definitions have yet to be spelled out. During 2010, the federal government is expected to detail rules for these standards. Also, grants to states for health information exchanges, to establish extension centers and to increase the HIT workforce, will be issued.

While most hospitals have closely examined the HITECH Act and taken various measures to qualify for the new incentives, many physicians, particularly those in small groups, remain “in the dark” about the new program. A report in the December 2009 issue of *Healthcare IT News* found that 58% of physicians surveyed had “little or no” familiarity with HITECH or ARRA (American Recovery and Reinvestment Act), the umbrella legislation.

Even if awareness among doctors increases dramatically, there could be significant problems for those who decide to seek funds from the new programs. A study in the *Journal of the American Medical Association* found that 65% of primary care physicians work in practices that are too small (e.g. less than 20 doctors) to generate a large enough annual patient sample to reliably compare their practices’ performance with national cost and quality benchmarks.

According to a PriceWaterhouseCoopers report on 2010 healthcare trends, one result of this limitation is that more physician groups will join large health systems. The PWC report also points out these trends:

- **New emphasis on fraud and abuse recovery.** The Obama administration has boosted its fraud and abuse budget for 2010 by 50%, and a significant portion is dedicated to prosecution and enforcement.

- **New ways of providing care** outside of physicians' offices and hospitals will emerge. This will include more services offered by work-site and retail health clinics. Also, technology-enabled delivery systems such as e-mail, telehealth and remote patient monitoring will grow in importance.

Although the federal and state officials are optimistic that HITECH Act and other policy initiatives will "bend the curve" on the continuing rise in health care costs, some caution flags are being raised. A recent Health Care Financial Management Association report noted that hospitals will be assuming more financial risk with increasing use of bundled payments and reduced payment for readmission.

The report warned that the hospital industry as a whole does not yet have the sophistication to evaluate the financial impact of quality-based reimbursement changes. That could mean that the new incentive payments for "quality care" may not lead to consistent, long-term cost savings.



2. Marketing Trends: **Buyers Seek Timely, High-Value Content**

Writing in the December 2009 issue of *Marketing Watchdog Journal*, Naylor Gray, Director of Global Marketing, Frost and Sullivan noted that the “half-life” of information is steadily decreasing in today’s 24/7 flow of news. He noted:

“Knowing what type of content to select for lead-generation programs and when to deploy them will be a critical success factor moving forward. There are many different content sources, but what marketers really need is to stand out from the noise with a truly distinct content offering.”

While providing credible compelling information has always been a challenge for marketers, recent years have seen the rise of thousands of different channels from which to obtain information. A recent survey by Marketing Sherpa found the top sources of information for technology buyers who were evaluating vendors were:

1. Articles in general business press
2. Vendor web sites
3. Vendor white papers
4. Articles in trade publications

This new paradigm, where the buyer pulls information from the seller instead of having it pushed to him, has been dubbed “inbound marketing” or “content marketing” by some analysts.



In this new world, companies that want to grow need to continually publish content online through case studies, white papers, bylined articles, podcasts, and optimized new releases. A content rich company web site should include recent news articles featuring new products and case histories.

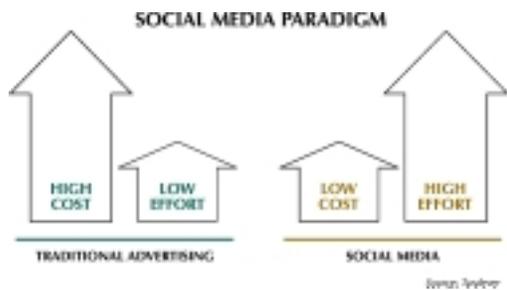
The RainToday survey noted that purchasers’ needs are cyclical, with “61% of technology buyers looking for different kinds of information at various points in the buying cycle.”

A website with different types of compelling content can 1) attract preliminary researchers; 2) convert browsers to potential buyers and 3) generate sales leads by collecting download contact information.

Although there has been extensive media coverage of social media tools, such as Facebook, for consumer marketing, the emphasis in B2B marketing remains on traditional tactics such as e-mail and trade shows. The MarketingProfs survey on B2B Marketing tactics in 2009 found that the top five tactics currently in use were:

1. Company web site (92%)
2. E-mail (82%)
3. Trade shows (75%)
4. Public relations (75%)
5. Search marketing (69%)

Cost: The MarketingProfs survey found that, in terms of cost, trade shows represented an average of 19% of budgets among the companies that use them, the highest share of all the tactics. In comparison, the company web site represented 12%, on average, of the budget and public relations 11%. Blogs represented just 4% of budget allocation. One of the reasons that relatively few budget dollars are spent on blogs is that corporate blogging is often a job assigned to an existing employee (e.g. marketing staffer).



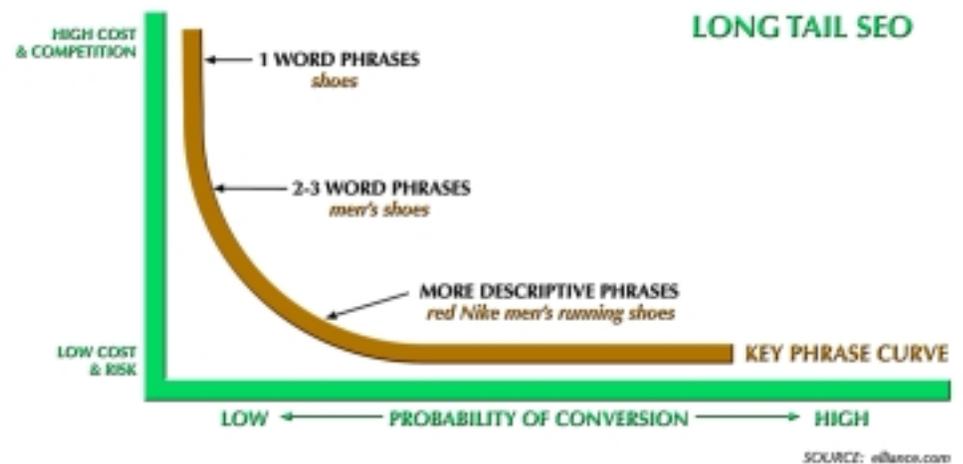
3. Search Marketing: News Releases Extend the Long Tail

News releases are no longer written primarily for the news media. They should be written to communicate directly with potential customers who see them in online publications and search engines.



The phrase *The Long Tail*, first coined by Chris Anderson in a 2004 *Wired* magazine article, is used today to describe how customers use search engines to make purchasing decisions.

By using the Long Tail, companies can target words that have moderate search volume and can be easily dominated. For example, “Nike men’s running shoes” draws fewer overall hits than “shoes” but can lead to more sales conversions because of its specificity.



Marketing Sherpa reports that organic listings (i.e. unpaid terms naturally found by the search engine) draw 75% of overall click through traffic on commercial websites, while pay-per-click ads generated just 25%.

News releases, particularly when optimized for search, can produce excellent organic results on *Google* and other search engines. Weaving keywords into your news release headline, while still keeping it easy to understand for editors, is an art. Headlines need to be kept short. *Google* has advised news distribution editors that press releases with headlines and sub-headlines longer than 22 words may be overlooked and considered spam by search engine spiders.

Including hyperlinks in news release will boost organic search engine ranking. Also, many online news sites will feature stories with links if they lead to free, high value content such as white papers.

4. Customer Perception: Articles Highlight Competitive Advantages

**“Buyers will not pay for value
that they do not perceive,
no matter how real it may be.”**

—Competitive Advantage
by Harvard Professor Michael E. Porter.

In his seminal book, *Competitive Advantage*, Professor Michael E. Porter points out that companies need to understand the buyer’s perception of value and emphasize in their marketing materials the *signals of value*. These signals, he notes, “are as important as the actual value created in determining realized differentiation.”

Public relations has long been recognized for having one key advantage over other marketing techniques: implied third-party endorsement. This means that someone outside the organization has reviewed the material and is attesting to its validity. Articles in major trade publications, unlike advertisements or the claims on a company web site, have been reviewed for accuracy before publication and are often considered unbiased as a result.



In addition, public relations (unlike advertising) offers vendors the opportunity to establish their product’s competitive differentiation through a detailed discussion of its capabilities and a comparison, direct or indirect, with similar products in the field. When a company with leading-edge technology is prominently mentioned, the article (with any needed reprint rights secured) can be used and promoted through web sites, sales kits and other marketing channels.

Your company’s “signals of value” can be communicated to your customers by these PR materials in a cost-effective program.

5. Marketing ROI: Public Relations Provides High-Value

Advertising Value Equivalency: AVE is used by marketing experts to measure the benefit to a client from media coverage of a PR campaign. AVE is often used to measure the size of the coverage gained, its placement and to calculate what the equivalent amount of space, if paid for as advertising, would cost. Often a multiplier would also be used, commonly in the range of 3 to 5 to allow for the credibility factor of news coverage over advertising. A full-page ad in leading healthcare monthly magazine can cost from \$5-8,000. Given a modest AVE factor of 3X, one can see that just a single major (full page) news article or two-three smaller news article placements would be equal to \$15,000 or more in paid advertising.



Break through the clutter: C-level executives are bombarded with hundreds of messages a day from many sources. It has become increasingly difficult to reach them through email and phone calls. However, they continue to be heavy consumers of news. A recent survey by *Ipsos Media* of C-suite executives found that 90% read print publications on a regular basis and 60% go online at least once daily to search for news. An effective public relations campaign reaches senior level managers through news sources they trust with positive messages about your company.

Establish executive credibility: By having your company's senior executives quoted in trend stories and commentary articles, your company can be viewed as an industry leader. A skilled PR agency talks to editors on a daily basis and will provide guidance on what issues and technologies to discuss with editors and which topics to avoid.

About Westside Public Relations

Westside Public Relations is a leading national provider of marketing services to healthcare technology companies. Since 1999, the agency has helped many companies marketing in the healthcare sector including software vendors, medical device manufacturers, managed care organizations and financial services companies. The agency has an outstanding track record of delivering strategic marketing solutions through a variety of channels.

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