

# Realizing Your Marketing Influence, Part 2

## Marketing From the Inside Out

Dana K. Woods, BA

Suzette Cardin, DNSc, RN, FAAN

Do your key stakeholders (staff, physicians, and patients) consider your organization to be exceptional? Has your organization invested the resources necessary to support staff and physicians in delivering the high level of care they strive to give? An organization's managers who can enthusiastically answer "yes" to these questions are in a good position to promote its healthcare system aggressively. Managers who cannot answer affirmatively, in good conscience, must invest in creating a healthy environment for staff that is rich with the resources that will enable all employees to deliver optimal care and service. Until this is achieved, no amount of promotion will be enough to move a healthcare system to a market leadership position. This is the second in a series of three articles that moves readers from broad marketing strategy to specific applications. The first article laid the foundation for developing a market-driven strategic plan; the third will focus on using professional certification as a marketing tool.

Do you feel good about your organization? Are you proud of your organization's quality of care? Is the culture of your organization compatible with your patients', nurses', and physicians' vision of a good healthcare system? Do your staff members think they are supported and recognized for good work? Do patients, physicians, and payers find their relationship with you to be respectful, convenient, and satisfying?

If the answer to all of these questions is "yes," your organization is in a good position to promote itself assertively. If some of your answers were "no," then your organization's leaders may want to get critical success factors in line before promoting your healthcare system aggressively. If your services are not aligned with customer needs, no amount of promotion will be enough to move your organization into a market leadership position.

### First, Get Your House in Order

Good marketing demands a certain order to things. Too many organizations leap to promotion before they have dedicated the proper attention and resources to creating the strongest product or service possible. Marketing is about identifying and meeting human and social needs. Successful marketing occurs when an organization meets these needs profitably, so that it is in a position to continue meeting them.<sup>1</sup>

The four Ps (product, price, place, and promotion) have long been the tactical tools of marketing strategy.<sup>1</sup> The four Ps are a simple mnemonic device for a set of often complex factors in the marketing mix. It is often easier to understand the importance of the four Ps when one looks at them from the customer perspective, or as the four Cs.<sup>2</sup> The four Ps and their corresponding four Cs are outlined in Table 1 with examples of their healthcare applications.

When you hold your organization up to the four Ps or Cs, ask yourself these questions:

- Do we deliver the right services in the right way? Do we have the appropriate resources to ensure consistency? What data do we have to guide us?
- Do we have contracts that are favorable to our customers and to our organization? If not, what would it take to have enough leverage to change this?
- Can our customers (including patients, physicians, payers, and other referral sources) ac-

---

**Author affiliation:** American Association of Critical-Care Nurses, Aliso Viejo, Calif (Ms Woods), and Adjunct Assistant Professor, Graduate Nursing Administration Program, UCLA School of Nursing, Los Angeles, Calif (Dr Cardin).

**Corresponding author:** Dana Woods, 101 Columbia, Aliso Viejo, CA 92656 ([dana.woods@aacn.org](mailto:dana.woods@aacn.org)).

**Table 1. The Four Ps and Cs of the Marketing Mix Translated to the Healthcare Setting**

Four Ps <sup>1</sup>	Four Cs <sup>2</sup>	General Description <sup>1</sup>	Healthcare Applications
<b>Product</b>	<b>Customer solution</b>	Product variety	Product/service lines
		Quality	Patient outcomes
<b>Price</b>	<b>Customer cost</b>	Design	Service quality
		Features	Physical plant design/décor
		Packaging	Hospital "name"
		Brand name	Healthcare system "name" and reputation
		List price	Cash prices
		Discounts	Contract prices/reimbursement:
		Allowances	• PPO
<b>Place</b>	<b>Convenience</b>	Payment period	• HMO
		Credit terms	• Medical groups
		Location	Healthcare system location, including clinics or other service branches
		Coverage	Adjacent medical offices
		Assortments	Ancillary services on site
		Inventory	Referral relationship with physicians, medical groups, insurance providers, etc.
<b>Promotion</b>	<b>Communication</b>	Channels	External patient transportation such as vans and taxi vouchers
		Transport	
		Sales promotion	Physician relations
		Advertising	Advertising
		Sales force	Community events and outreach
		Public relations	Media relations
		Direct marketing	Direct mail

PPO, preferred provider organization; HMO, health maintenance organization.

cess our services conveniently? What data do we have to validate this?

- Do we promote our services ethically? Do all key stakeholders believe that we deliver on our promises?

To be successful in meeting needs profitably, an organization must harness all of these factors and ensure that they are functioning well and in concert with one another. Pages upon pages could be dedicated to describing the applications and implications of all four Ps. This article, however, focuses primarily on what internal forces drive the presence or absence of those factors that are the foundation of a sound marketing strategy. The authors make the assumption that your facility meets all accreditation standards, so the discussion focuses on moving from an acceptable organization to an exceptional one. We believe that the key to being an exceptional marketing organization that meets needs profitably is sound management of resources (ie, human, clinical, education, and information resources).

Healthcare is a service provided by people, and those people must be the primary focus of the administration's attention and support. The organiza-

tion that pays close attention to those things that have an impact on its people (workplace culture, selection and promotion criteria, training and education, recognition, and ample resources) has a much higher likelihood of achieving excellence. The Service-profit Chain model, introduced in 1994, illustrates effectively the link between employee satisfaction and revenue growth.<sup>3</sup>

### **The Service-profit Chain**

The Service-profit Chain formally establishes the relationships among profitability, customer loyalty, and employee satisfaction. It asserts that revenue growth and profit are driven primarily by customer loyalty. Applied to the healthcare setting, this customer loyalty includes not just patient loyalty, but loyalty of physicians, payers, and other referral sources. This loyalty results from customer satisfaction. The logical regression continues with the suggestion that customer satisfaction is influenced primarily by the value of services provided to them. Satisfied, loyal, and productive employees deliver high-value services. Finally, employee satisfaction results from

high-quality support services and policies that enable employees to deliver results to customers. Figure 1 depicts the links in the Service-profit Chain.

The architects of the Service-profit Chain advise that the internal quality of a workplace environment contributes most significantly to employee satisfaction. Although internal quality covers a wide spectrum of issues, particularly in the healthcare setting, among the most critical are culture, ample training and education resources, effective and efficient information systems, and other provisions that enable employees to achieve excellent results for customers. Heskett et al suggest that, "Internal quality is also characterized by the attitudes that people have toward one another and the way people serve each other inside the organization."<sup>3(p.168)</sup>

They stress that leadership underlies the Service-profit Chain's success. Effective leaders foster and maintain a culture centered on service to customers and employees. In an industry such as healthcare, which requires successful and constant collaboration, this link in the chain is critical.

A role model for culture creation in the general business community is Herb Kelleher, chairman and former chief executive officer of Southwest Airlines. Under Kelleher's skillful leadership, Southwest became the envy of its competitors and of leaders in

other industries. The key to Southwest's remarkable financial success (in an industry in which profit can be elusive) was Kelleher's emphasis on people, customers, and employees alike. He is notorious for spending much of his time on the front line listening to the concerns and suggestions of employees and customers. Further, he established a corporate culture that put employees at the center. Southwest Airlines has created a rare culture in which employees are cared for and in which considerable resources are devoted to selecting, tracking, supporting, and recognizing them.

Although delivering healthcare is vastly different from running an airline, the theory that employees are the backbone of a service organization transcends industry boundaries. The creation of a culture of respectful collaboration, support, recognition, and respect among staff, (especially nurses) on the front line can move a healthcare system toward excellence. Nurses hold the key to customer satisfaction, whether those customers are patients, physicians, payers, or other referral sources. Creating a nurturing and participative culture for nurses can be one of the most important links in a healthcare system's Service-profit Chain. Even in turbulent and difficult times, there are opportunities for healthcare systems to emerge as profitable market leaders.

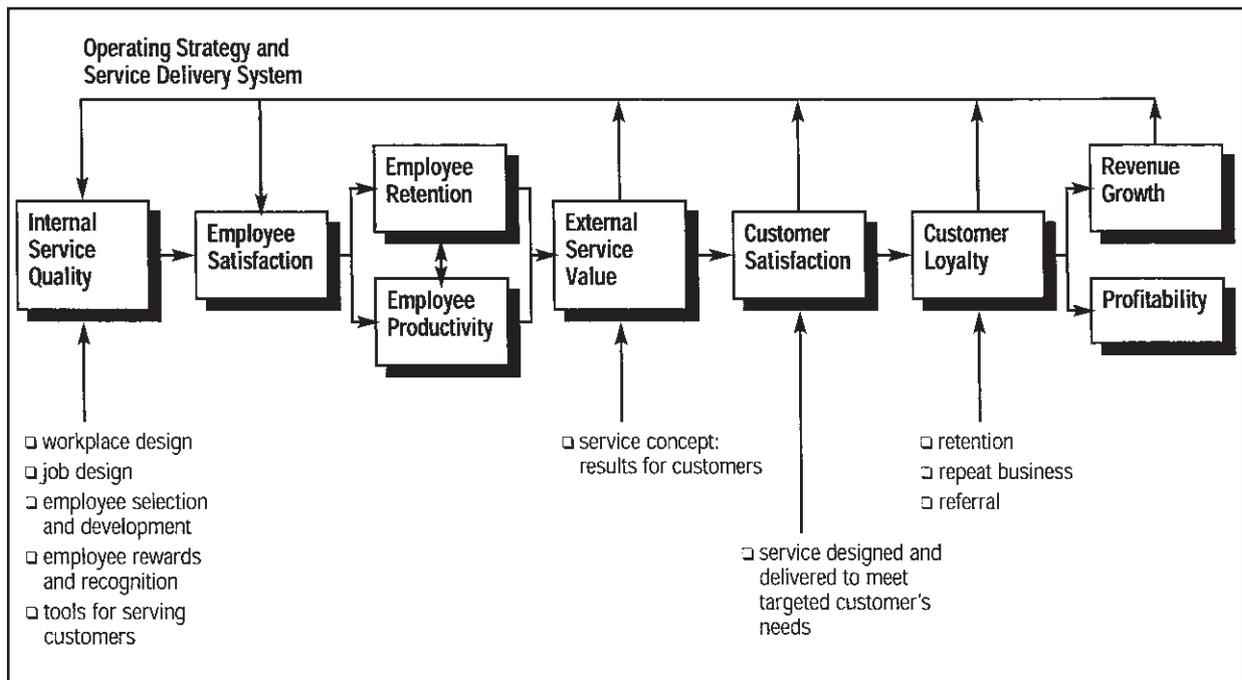


Figure 1. The links in the service-profit chain. Reprinted by permission of *Harvard Business Review*. From "Putting the Service-profit Chain to Work" by James L. Heskett, Thomas O. Jones, Gary W. Loveman, W. Earl Sasser, Jr., and Leonard A. Schlesinger, March-April 1994. Copyright © 1994 by the Harvard Business School Publishing Corporation; all rights reserved.

## Use the Nursing Shortage to Your Advantage

The shortage of nurses is expected to peak between the years 2010 and 2015. This shortage is understandably causing great alarm both inside and outside the profession.<sup>4,6</sup> Unlike prior shortages, this one is not cyclical in nature and the solutions will require different and innovative approaches to avert a national public health crisis. At the macro level, it is our duty to work with our colleagues in the nursing profession and other key influencers (eg, physicians, administrators, regulators, academia, and legislators), to mitigate this crisis. At the micro level, however, we have a responsibility to our organizations to attract and retain excellent nurses who are becoming an increasingly scarce resources.

The projected and actual nursing shortage is the result of a long-term composite of market, technological, and societal influences that have eroded the ability to respond to cyclical changes.<sup>7</sup> A review of the factors that contribute to the nursing shortage (Figure 2) may provide inspiration for opportunities for your organization to gain a competitive advantage in your service area. Although many of the factors are not easily addressed by a lone organization, (because they are demographic or societal in nature), there are key factors that afford us an opportunity to distinguish our organizations from our competitors: workplace environment and compensation. The workplace environment encompasses not just those elements that directly affect staff, but also the environment of care. Nurses are committed to providing the highest quality care to patients and their families. Barriers that stand in the way of nurses providing this optimal care chip away at the satis-

Increased professional opportunities for women
Potential pool of applicants has shrunk due to decrease in birth rates
Supply of nurses has not kept up with the demand
Worsening workplace environments causing nurses to leave the profession
Minimal pay increases compared to other professions
Nursing as a profession has not been promoted aggressively
Lack of access to nursing programs in some states
Aging workforce of nurses: average age is 45–50
Increase in nursing employment opportunities outside the traditional hospital setting
Minorities under-represented in the profession

Figure 2. Major factors in the nursing shortages.

faction and fulfillment that are essential motivators. As the public becomes increasingly aware of the nursing shortage and its potentially devastating effects on patient care, it will be even more imperative for a healthcare system to prove that it has a skilled, satisfied, and fulfilled force of care givers who have access to state-of-the-art technology and practice resources.

## Effects of a Professional Environment

Amidst all the talk, concern, and proliferation of literature regarding the nursing shortage, there are stories about healthcare organizations that have captured the essence of marketing from the inside out. Although the recipe is complex, a key ingredient seems to be an environment that is rich with professional development opportunities and respectful collaboration. These good examples (see the case studies in Figure 3) foster a work environment that is healthy and in which opportunities abound at all levels within the organization. The most important questions for nurse executives are: How do I get there? What does it take to make a professionally healthy and satisfying current and future work environment?

A healthy work environment provides a grounded structure with policies, procedures, and systems that allow employees to achieve personal and organizational goals versus an unhealthy work environment fraught with stress, hostility, and authoritarianism.<sup>8</sup> The work environment is once again being seen as a variable that influences job satisfaction and as a reason why nurses stay in or leave a position of employment. The job satisfaction variables in Figure 4, suggested by Robinson,<sup>9</sup> have one critical element in common: they are linked to the development of a healthy nursing work environment.

The pursuit and the achievement of excellence (the hallmarks of a healthy environment), are goals that help an organization market itself from the inside out. The Magnet Nursing Services Recognition Program, administered by the American Nurses Credentialing Center (ANCC), has emerged as a badge of validation for nursing excellence. At publication, only 50 organizations have achieved magnet status. There are many more organizations deserving of this distinction or on the path to achieving it. Magnet status for nursing services is a mark of excellence that validates achievement, much like certification for the individual nurse. Although both certification and magnet status are daunting goals, they will become more essential in assuring the public that our orga-

Hospitals are increasingly recognizing how marketing begins from the inside out and the importance of aligning critical internal success factors before starting wide promotion of their services. The goal is to create a healthy work environment rich with the resources that enable staff members to deliver optimal care. Here are three examples.

Indianapolis-based **Clarian Health Partners** operates 1,263 beds on three campuses in addition to a network of Indiana community hospitals. Since 1999, nurses at Clarian have received more than a dozen *Circle of Excellence* awards from the American Association of Critical-Care Nurses (AACN). Clarian's nurse leaders believe that their effectiveness lies in helping "diverse groups of people work together in productive, synergized harmony" (1, p. 101) around the patient and the family. As a key element in achieving its goals, Clarian has contracted with AACN to implement its Synergy Model for Patient Care as the system wide framework for care delivery and professional advancement. Clarian is also instituting the innovative role of "safe passage nurse" to enhance traditional risk management and quality improvement by focusing success on the patient and family's safe passage through the health-care experience. Equally innovative is the "Healing Sanctuary" project funded by an intramural grant to begin the transformation of patient care areas into safe and healing environments where nurses can practice.

When **Saint Luke's Episcopal Hospital** received magnet hospital designation from the American Nurses Credentialing Center in 2001, the community celebrated this external validation of the hospital's long-standing commitment to quality and excellence. For nurses, it brought recognition for long-standing programs for shared governance, outcomes management, practice-based research, and recognition of specialty certification. The 954-bed facility at the Texas Medical Center in Houston began to acknowledge the value of systematic interdisciplinary outcomes management in the late 1980s. Today, 13 advanced practice nurses implement a mature program that integrates quality, research, and clinical practice along with financial measures such as impact on employers and third-party payers. At Saint Luke's, interdisciplinary service line teams include nursing and marketing. The teams evaluate the community's changing healthcare needs and plan new clinical services. When a service is launched, it can be promoted to target markets with confidence while the outcomes management team carries out its prospective evaluation of the new service's effectiveness.

The conviction that nurses are essential to achieving effective patient outcomes coupled with fierce competition among Washington, DC hospitals prompted **Georgetown University Hospital** (GUH) to establish the role of director of professional practice. Growing a robust shared governance environment is a key goal for the new director at the 609-bed tertiary care academic medical center. Practice, education, and performance improvement councils are growing into lively forums where nurses who are closest to the point of care are driving new data-supported initiatives. How do the councils function? When the hospital-wide pain management program was developed, the practice council answered questions like: What are we doing now and what do current best practices tell us we should be doing? The education council: How do we teach ourselves the best practices? The performance improvement council: How do we measure our success in practice and education? GUH is certain that it will attract and retain highly qualified nurses by reversing the trend of promoting the best clinical nurses away from direct patient contact. Shared governance is one strategy to achieve this.

#### **References**

Kerfoot K. The leader as synergist. *MEDSURG Nursing*. 2001;10(2):101-102.

Figure 3. Starting from the inside out.

nizations and care givers are competent and excellent. These marks of excellence will be an increasingly important promotional tool as media coverage of the shortage and medical errors continue to raise concerns among future and current patients and their families.

ANCC-recognized magnet hospitals have lower staff nurse burnout rates and higher levels of job satisfaction.<sup>10</sup> The research compares the original mag-

net hospitals with ones that meet criteria for accreditation by the ANCC and validates the ability of the magnet program to identify hospitals that provide high-quality nursing care successfully. Achievement of the magnet status designation requires a high-level commitment to creating and maintaining a culture that supports, values, recognizes, and rewards the professional nurse.<sup>9</sup> This commitment to providing an optimal environment, however, is the

Autonomy  
 Commitment  
 Communication  
 Fairness  
 Recognition  
 Routinization of tasks  
 Stress  
 Tenure/job security  
 Opportunity for professional development  
 Nurse-to-nurse relationships  
 Nurse-to-physician relationships  
 Professional status  
 Salary  
 Rewards of patient care

Figure 4. Variables of job satisfaction.

signature of an exceptional organization, and exceptional organizations are more likely to emerge as financial market leaders.

### *Recruit and Retain the Best*

The ability to recruit and retain the best nurses has now assumed a pivotal position in most healthcare organizations. The American Organization of Nurse Executives Institute for Patient Care Research and Education initiated its 2000 Nurse Recruitment and Retention Study in response to its 1999 nursing staff shortage survey. That survey concluded that hospi-

tals will continue to be challenged in their efforts to recruit and retain qualified, experienced, and specialty nurses. A working model of “What Nurses Want” has been suggested based on these research findings.<sup>11</sup> The working model includes concrete and realistic strategies that are compatible with the present and future healthcare environments. The content analysis of the qualitative research revealed that the information fell into eight categories (Figure 5), which can be further segmented to reflect the different points in one’s professional career. These findings offer many ways to fortify an organization’s nurse recruitment and retention plan. By providing a more attractive environment for nurses, a healthcare system gains an increasingly important advantage over its competitors by building the satisfaction and loyalty that are critical links in the Service-profit Chain.

### *Promoting Clinical Excellence in a Healthy Work Environment*

Nurses already are valued for their technical skills and for their comforting and nurturing skills. The true power of nursing is in the recognition of nursing’s contribution to the healthcare system and the knowledge and complex decision-making skills that are necessary to care for patients.<sup>12</sup> Marketing a healthcare system from the inside out must include

**Diverse and Personal Methods of Recruitment** - Affiliate and provide outreach to new graduates, provide a highly personal approach and use the Internet for recruitment purposes.

**Competitive Compensation and Flexible Benefits** - Salaries need to be competitive and recognize marketplace realities; outstanding flexible benefits have to be part of the compensation package.

**Respect and Recognition** - Respect from management and colleagues needs to exist as well as the creation of a positive and healthy work environment; high morale will lead to successful word-of-mouth recruiting and to better retention.

**Outstanding Communication Between Management and Staff** - Consistent and skillful listening, sharing of information, and follow-up from management needs to be present and working at peak performance at all times in the organization in many different formats.

**Adequate and Flexible Staffing Protocols** - Scheduling needs to be flexible and allow nurses to have control over what shifts and hours they work, with attractive incentives for off shifts; balance needs to occur in both personal and professional lives by using a flex approach to scheduling.

**Participation in Decision Making** - Nurses value and want to have input and participate in decision making at all levels that affect nursing practice.

**Professional Development** - Support for continuing education and professional practice development needs to be in place, and policies to facilitate advancement and mobility within the organization also need to exist.

**Strategic Planning for the Future** - This type of planning needs to exist so that further issues and strategies regarding the aging nurse population can be identified, and at the same time the rewards of the nursing profession to younger people can also be addressed.

Figure 5. Categories of strategies for nurse recruitment and retention.<sup>11</sup>

building a work environment that is healthy and that promotes clinical excellence. These attributes must coexist in a seamless environment that is built on a best practice culture. In a best practice environment, professionalism is defined, rules of professional conduct exist, and everyone makes a significant contribution. Best practice culture definitions are defined in Figure 6.<sup>12</sup>

Clinical excellence relies on the supportive culture the Service-profit Chain espouses. Specifically, this means providing access to the latest practice and educational resources and building a nursing environment rich with research-based standards, protocols, policies, and procedures. Because technology and practice change frequently in this profession, it is imperative to have a systematic approach to educate nursing staff. Professional associations in the various specialties of the nursing profession offer many practice and education resources from which to draw. The ability to provide staff with the best resources available allows an organization to not only ensure the highest level of patient care, but also to build the satisfaction and fulfillment that is so important to retaining good nurses.

### *Creating a Corps of Ambassadors*

A fundamental step in the Service-profit Chain is creating a culture of excellence; this is at the heart of the concept of marketing from the inside out. The creation of a corps of ambassadors who are fulfilled, well trained, and empowered will enhance the marketing efforts of the organization dramatically. This corps of ambassadors will provide an organization with the invaluable power of word-of-mouth promotion. These ambassadors (whether nurses, physicians or patients) can articulate, on a routine basis, the advantages of receiving care at their healthcare facility. This is a tremendously powerful tool when organizational pride is at an all-time low. Think about how

<p><b>Excellence:</b> Continually improve the way we deliver services to ensure the highest quality patient care, education, research, and community service.</p> <p><b>Compassion:</b> Treat all people in a caring manner, with respect and dignity.</p> <p><b>Social Responsibility:</b> An obligation to care and serve is appropriately linked and balanced with responsible use of resources.</p> <p><b>Faith in Self and Others:</b> A belief in each person's ability and willingness to work together to do what is right.</p>
---

Figure 6. Best practice definitions.<sup>12</sup>

damaging it is to a facility's reputation when nurses are not confident about their ability to offer optimal care. The American Nurses Association's 2001 Staffing Survey uncovered an alarming statistic: 41.5% of 7,198 nurses surveyed stated that they would not feel confident having someone close to them receive care in the facility in which they work.<sup>13</sup> In this dismal environment, the organization that can retain a high standard of care and optimal workplace environment stands to gain tremendous market clout if it can rally nurses and other ambassadors.

Creating this corps of ambassadors cannot be done in isolation and requires a high level of commitment from all levels within the organization. The practice of marketing your hospital from the inside out thrives in an environment in which communication flows freely, resources are made available, and employees are valued and engaged in decision making (ie, an environment in which the principles of the Service-profit Chain are embraced and practiced on a consistent basis).

### *Conclusion*

Those closest to an organization (eg, employees, customers, and other stakeholders) are usually good barometers for the service climate of that organization. To get a good sense of that barometer reading, however, it is critical to have systems in place to respond to these stakeholders. If they are consistently delighted with the way they are treated and with the quality of care delivered in your organization, yours is likely to be an exceptional facility. If your organization is exceptional, your ambassadors are out there promoting it. Now is the time to give them the tools to enrich their promotional efforts and to commit the resources to developing a formal promotional marketing plan. If your organization has some work to do to move toward being exceptional, do not squander precious resources on aggressively promoting a product that is not perfected. Instead, spend those resources on supporting your most valuable asset—the people who will move you to a level of excellence deserving of promotion—your staff.

### *Acknowledgment*

The authors thank Karlene M. Kerfoot, PhD, RN, CNAA, FAAN, Senior Vice President for Nursing and Patient Care Services, Chief Nurse Executive, Clarian Health Partners, Indianapolis, Indiana; Patricia Chris-

tensen, MSN, RN, Director of Professional Practice, Georgetown University Hospital, Washington, DC; Susan Houston, PhD, RN, CNAA, FAAN, Assistant Vice President for Outcomes Management and Research,

Saint Luke's Episcopal Hospital, Houston, Texas; and Ramon Lavandero, MSN, MA, RN, Director of Development and Strategic Alliances, American Association of Critical-Care Nurses, Aliso Viejo, California.

### References

1. Kotler P. *Marketing Management*. Upper Saddle River, NJ: Prentice Hall; 2000.
2. Lauterborn R. *New Marketing Litany: 4P's Passe; C-Words Take Over*. New York: Advertising Age; 1990.
3. Heskett J, Jones T, Loveman G, Sasser W, Schlesinger, L. *Putting the Service-profit Chain to Work*. Boston, Mass: Harvard Business Review; 1994.
4. Coffman J, Spetz J. Maintaining an adequate supply of RNs in California. *Image J Nurs Sch*. 1999;31:389-393.
5. Brewer C, Kovner, CT. Is there another nursing shortage? What the data tell us. *Nurs Outlook*. 2001;49:20-26.
6. Buerhaus PI, Staiger DO, Auerbach DI. Why are the shortages of hospital RNs concentrated in specialty units? *Nurs Econ*. 2000;18:111-116.
7. Purnell MJ, Horner D, Gonzalez J, Westman N. The nursing shortage revisioning the future. *J Nurs Adm*. 2001;31:179-186.
8. Disch J. Healthy work environments for all nurses. *J Prof Nurs*. 2000;16:75.
9. Robinson C. Magnet nursing services recognition: transforming the critical care environment. *AACN Clin Iss*. 2001;12:411-423.
10. Aiken LH, Havens DS, Sloane DM. The magnet services recognition program: a comparison of two magnet hospitals. *Am J Nurs*. 2000;100:26-36.
11. Nursing Recruitment and Retention Study. Chicago, Ill: *American Organization of Nurse Executives Institute for Patient Care Research and Education, The HSM Group, LTD*; 2000.
12. American Association of Critical-Care Nurses. *Staffing Blueprint: Constructing Your Staffing Solutions*. Aliso Viejo, Calif: American Association of Critical-Care Nurses; 1999.
13. Cornerstone Communications Group. *Analysis of American Nurses Association Staffing Survey*. Washington, DC: American Nurses Association; 2001.