

Trust Board

TB2008.72

From: Mr Andrew Stevens, Director of Planning & Information

Date: September 2008

Subject: **Marketing strategy framework and action plan**

For: **Information**

Synopsis

To be able to respond effectively to the environment in which it operates it is imperative that the Trust strengthens its marketing capabilities. A marketing strategy framework and action plan is put forward for discussion.

Financial, legal and risk impact

The marketing plan will be an integral mechanism to support the achievement of the Trust's strategic objectives and its service and financial plans. It will therefore help to address the associated risks. The effectiveness of the marketing strategy framework will be monitored through the Income Board.

The financial implications of the evolving strategy will need to be addressed as part of the business planning process. Where appropriate, a business case will be submitted to Executive Board.

Marketing strategy framework and action plan

Introduction

1. Marketing may be defined as ensuring that customer needs are fully met. The marketing function therefore extends from researching customer needs, defining services and products to meet those needs, through to promoting those services and products to potential customers and managing the relationships with those customers.
2. This marketing strategy framework and action plan draw on business planning and market analysis that informed the Strategic Review and the Trust's Integrated Business Plan. This work has led to the identification of the Trust's business strategy and the associated strategic objectives for both clinical services and cross cutting themes within the strategy.
3. Business planning is an iterative process. The Trust's strategy will be reviewed on a regular basis with a core component of that review being an updated market analysis.
4. Significant resources are already being invested in direct mail, proactive PR and advertising as part of the Trust's fundraising campaigns. In addition to securing an important income stream, this work naturally promotes complementary messages of excellence in patient care, teaching and research.
5. The purpose of this marketing strategy framework is therefore to deliver effectively the Trust's business strategy.
6. The framework analyses the key components of the market in which the Trust operates in terms of:
 - Its customers
 - Its products and services
 - The prevailing market conditions
7. The framework and action plan then seek to respond to this market environment by:
 - Putting forward a marketing strategy
 - Identifying the marketing tools through which the strategy will be developed
 - Outlining the key components of a marketing function that will need to be developed within the Trust to support the implementation of the marketing strategy and action plan and ongoing marketing activities across the Trust.
8. Finally the framework is brought together in a summarised action plan that will provide a prioritised agenda for marketing within the Trust for the next 12-18 months.
9. A key action will be the development of this framework into a full strategy.

Customers

10. The Trust has a tri-partite mission of:
 - Patient care
 - Education and training
 - Research and development

11. There are distinct sets of customers for each of these three sets of activities. The key focus of this strategy is on the Trust patient care services. However, in line with the Trust's overall strategic review it will be important for the Trust to develop a more commercial approach towards its education and training and research and development activities.
12. Within the context of the provision of healthcare services, it is important that any definition of customers does not confine itself to simply the funders of the particular service but all those individuals and organisations involved in the decision-making process.
13. The Trust has both NHS and private customers.
14. For NHS services the key decision makers include:
 - Patients and their family and carers
 - GPs
 - Practice based commissioning consortia
 - Primary Care Trusts
 - Specialist Commissioners
 - District General Hospitals
 - Potential supporters, volunteers and Foundation Trust members who will act as informed advocates in the community's we serve
15. The balance of influence in relevant decision-making processes varies between services and geographical areas. This needs to be addressed within the marketing strategy.
16. For private patient services, the key decision-makers include:
 - Patients and their families
 - The Trust's own clinical staff
 - GPs
 - Insurance companies
 - Foreign Embassies
17. Within the private healthcare market there are distinct market segments (eg self-payers compared to insured customers). The marketing strategy for private patients will need to take into account this segmentation.
18. Although to some extent the provision of NHS services and the delivery of private patient care and treatment can be viewed as being distinct markets with their own characteristics, there will be a considerable level of overlap in the marketing activities associated with these two sets of patient care activities.
19. Key decision-makers in relation to the Trust's education and training and research and development activities, include:
 - Students and trainees
 - Educational establishments
 - The Deanery and the associated regulatory framework
 - Other NHS providers

- Research funding bodies
 - Department of Health
20. As noted earlier, one of the key actions within this marketing strategy framework is the need to develop a more commercialised approach to the Trust's non patient care services.
21. An important part of the marketing effort will need to focus not just on individual customers but also on the development of the Trust's brand and its general promotion with relevant stakeholders both locally, regionally, nationally and internationally. Such general stakeholder management and public relations effort will be essential to provide a reinforcing context between which individual marketing activities can take place. Relationships management is key and is informed of what stakeholders want and also influences those customers.
22. A major strength of the Trust is its brand. As the Trust and the University of Oxford develop the Academic Health Sciences Centre, it will be important to ensure that this is supported by an effective branding strategy that maximises the potential of the umbrella brand and sets out an effective strategy for sub-brands. These sub-brands will encompass individual services and sites.

Products/services

23. The Trust's Strategic Review developed a taxonomy to describe the Trust's patient care services:
- Defining services – defining services are the bedrock of the Trust's reputation, they are large services with significant secondary and tertiary activity and address major causes of morbidity and mortality. They reflect national priorities and research strengths of the University of Oxford. These services are:
 - Cardiac services
 - Cancer services
 - Neurosciences
 - Gastroenterology
 - Specialist services – specialist services are those services provided on a regional basis. These specialist services distinguish a regional hospital from a local general hospital. The range in quality of these services reflects the status of the Trust as a top class teaching hospital and its research links to the University of Oxford Medical Sciences Division.
 - Emerging services – emerging services are those rapidly developing services at the leading edge of medical practice. To be an academic health sciences centre the Trust must maintain a position at the forefront of medical advance.
 - Core services – core services are the general hospital services which are provided to the local, predominantly Oxfordshire and South Northamptonshire.
 - Platform services – platform services encompass technical and scientific platforms and supporting services including diagnostic laboratory services and imaging, theatres, critical care and anaesthetics, therapies and pharmacy. The leading nature

of the Trust's front line clinical services is reflected and supported by the expertise of the Trust platform services.

24. As well as delivering patient care services, the Trust also sub-contracts resources to other service providers. Such sub contracting relationships exist in relation to:
 - Clinical services
 - Clinical support services
 - Non clinical support services
25. The Trust undertakes a broad portfolio of educational and training activities. For some of these activities the Trust is the direct provider of the education and training. In other instances, the Trust provides the environment within which such activities can take place.
26. In a similar fashion the Trust supports research and development.
27. Although the separate sets of products/services may be viewed individually, it is a distinctive characteristic of an academic health sciences centre that the inter-relationship between patient care, education and training and research and development provides synergies which enhance the quality of output of the centre both overall and individually in relation to each of the three components of its core mission.
28. Members of the public who will charitably support the Trusts' work, or volunteer for a range of roles that will help to enhance the patient experience, provide a valuable resource for the Trust as well as a satisfying activity for members of the community who wish to get involved more proactively.

Competitive environment

29. The marketing strategy framework and action plan has responded to and is shaped by the competitive environment within which the Trust operates.
30. The competitive environment differs between the Trust's various services. While the Trust operates in very many different market segments, in terms of an overall analysis of the competitive conditions that the Trust is facing, it is probably most helpful to separate the Trust's services into specialist services and core services. Both categories are analysed below in relation to the key characteristics of a competitive environment:
 - Market entry
 - Specialist services - because of the expertise and extensive clinical infrastructure that is typically required to support specialist services, there are relatively high barriers to entry in relation to new specialist services. However, the product cycle of medical technologies often sees a new technology introduced at a specialist centre before it is then disseminated out to other providers. The provision of angiograms and angioplasty offers a recent example of such a product lifecycle within cardiac services.
 - Core services - at the interface between primary and secondary care, there are typically low barriers to entry because of the nature of the services concerned.

Even where there are higher barriers to entry, eg in relation to the provision of routine surgery, the explicit government policy has been to increase the proportion of such work undertaken by the private sector and hence the market has been managed in order to allow entry by independent sector providers. This has been recognised in the Trust Strategy by the identification of what has been termed contestable services which are seen to be at greater competitive risk.

- Risk of substitute products

- Specialist services

The manner in which this risk presents itself in relation to specialist services is through the product lifecycle discussed above.

- Core services

The substitution of community based services for those hospital based elements of care and treatment that exist at the interface between primary and secondary care present a major competitive risk for the Trust's core services.

- Competitors

- Specialist services – the key competitors for the Trust around specialist services are:

- Other tertiary centres in relation to areas on the periphery of the Trust's catchment population.
- District general hospitals in relation to the product lifecycle issues identified above.
- Private sector providers in relation to specific services or treatments e.g. satellite radiotherapy.
- Core services – GPs acting either individually or together and the private sector represent the key competitors in relation to the provision of the Trust's core services customers.

- Customer

- Specialist services – the formal customers in relation to specialist services will typically be primary care trusts often working through consortia such as the Specialist Commissioning Groups. However, clinical networks are an important determinant of referral patterns and therefore the provider members of the network (including individual clinicians) have a major influence in the referral of patients to the Trust. Individual patient choice and GP opinion will also be important but less so than is the case for core services.
- Core services – while PCTs will typically provide the framework for buyer behaviour the views of GPs, practice based consortia and the individual patient themselves play a core role.

Marketing strategy

31. The Trust's marketing strategy supports the Trust's business strategy. Again, it is helpful to categorise the Trust services into specialist services and core services.

- Specialist services

32. For specialist services the Trust's strategy is centred on growth. This growth is to be achieved through both market penetration (increasing the Trust's market share in its existing catchment population) and market development (increasing its catchment population). Milton Keynes and Swindon have been identified as key targets for the Trust's marketing activities.

33. Furthermore, as a pre-eminent academic health sciences centre, the Trust will also be seeking to reinforce this strategy through being at the forefront of new medical technologies thereby continually developing new products for existing and new markets. This is particularly important given the nature of the product lifecycle of medical technologies noted earlier which will see new technologies disseminated throughout the health service over the life-cycle of individual services and treatments. While to some extent this does represent a competitive threat to the Trust, it should also be seen as a marketing opportunity in terms of being able to strengthen the partnership with other Trusts by supporting them in the adoption of these technologies as they mature in order to secure the clinical networks and the patient referral base.

34. Initial prioritisation will be given to promoting cancer and cardiac services as part of the associated major capital developments.

- Core services

35. For core services the emphasis needs to be on maintaining, as far as possible, the Trust's referral base by continuing to provide high quality and innovative service models that meet the demands of its customers. Core services also gain competitive advantage from the Trust's leading edge services. This is both through the early access to medical innovations (e.g. thrombolysis services for stroke patients at the Horton) and through the fact that the Trust is able to deal with virtually all forms of further treatment that may be required.

36. Defining a strategy and business model for those services at the interface of primary and secondary care will be a priority. The Trust's overall strategy recognises that it may lose some of this work. In other areas the Trust may seek to continue to provide a new model of service in the community.

37. For other core services, the Trust will compete with both DGHs and ISTCS on the basis of clinical quality, value-added services to GPs and access. While DGHs may be competitors for some services, they will also be potential collaborative partners for others i.e. those services that DGHs are unable to sustain by themselves.

Marketing mix

38. To take forward the marketing strategy, the Trust will need to employ a range of tools and mechanisms.

39. As well as the service specific mechanisms the Trust will need to develop an umbrella branding and public relations framework which will reinforce the marketing activities associated with individual services as well as fundraising. Key features of this overall framework will include:

- The positioning of the Trust as a premier academic health sciences centre at the forefront of advances in both medical technologies and also health service delivery.
- The promotion of the Trust as a partner of choice.
- The promotion of the Trust as a leader in customer care.
- The promotion of the Trust as financially responsible and forward thinking

40. As noted earlier further work will need to be undertaken on the branding of the Trust. A branding strategy will need to be developed that recognises the overall brand of the Trust and its relationship with the University through the academic health sciences centre. It will also need to provide a framework for the development of sub brands.

41. Issues that will need to be addressed in arriving at the appropriate marketing mix for individual services are identified in the table below. Once again services have been categorised into specialist and core.

42.

	SPECIALIST	CORE
Price (including commissioning model)	Business model e.g.: - ownership of activity - resource recharge for outreach services - pathway commissioning	Clinical leadership model (ORH leads pathway including community based services) Unbundling - both formal and informal use of third party vehicles
Product	Medical innovation. Service model i.e. in-reach, outreach, partnership Advice and expertise Patient pathway Multi-disciplinary teams Academic links Access-time, geography Communications Ownership of patient Clinical network	Service model eg hospital or community based Ownership of patient Customer care Communications Access Advice
Place	Local DGH provision is default Specialist work to the centre Technological links (PACs, telecommunications)	Local provision if appropriate Minimise visits to hospital one-stop shop
Promotion	Clinical networks Academic links-research/ education Support dissemination of medical technologies and development of local service where appropriate	Good communication Educational activities Value-added services e.g. communications

Market research

43. The Trust needs to strengthen its market research activities.
44. The Trust needs to establish a systematic programme of research into both customer needs and customer feedback encompassing the full range of the Trust's customers as identified earlier. Relevant research mechanisms will need to be deployed.
45. Similarly, it will be important to undertake regular and structured analyses of competitors in relation to the full portfolio of the Trust's services.

Relationship management

46. The relationship management function within the Trust needs to be significantly developed with specific targeted strategies for relevant customers and other important stakeholders.

Marketing function

47. In order to deliver the marketing strategy, the Trust will need to establish a more structured marketing function.
48. Recognising the nature of healthcare and the characteristics of the organisation, it is proposed that the marketing function should operate on a hub and spoke model. The most effective marketing of the Trust and its services will be undertaken by those delivering the service. A network of marketing spokes will therefore be established. These spokes will align with the Trust's developing business units.
49. To be effective, these marketing spokes will need to be supported by a corporate marketing function. The key areas of support that the corporate function will provide to individual business units will be:
 - Promotion – the marketing function will incorporate the communications function. Support and advice will be provided on the preparation and dissemination of promotional materials.
 - Web site development – a centralised resource will be available to develop websites as marketing tools both at a corporate level and at the level of individual services.
 - External expertise – given that marketing is a comparatively new function within the NHS there is only limited expertise currently available in house. The corporate marketing hub will therefore provide access to external expertise where this is needed.
 - Market analysis and market research – the central marketing hub will provide expertise and resources to complement those that will exist in the spokes to undertake market analysis and market research.
 - Account management – a provisional account management framework has already been adopted within the Trust. This will be developed further by the central marketing hub which will provide administrative support to the operation of the account management function.

- Administration – the central function will provide administrative support for marketing initiatives e.g. programmes of educational events.
- Training – training in relevant aspects of marketing will be provided centrally.

50. An action plan for taking forward the Trust’s marketing efforts over the next 12-18 months is set out below.

Action	Lead	Timetable
1. Undertake review of Trust’s marketing capabilities and requirements.	Andrew Stevens	31/12/08
2. Produce marketing strategy.	Andrew Stevens	31/03/09
3. Agree branding strategy.	Andrew Stevens	31/12/08
4. Marketing function - establish interim arrangements - finalise structures	Andrew Stevens	31/12/08 31/03/09
5. Cancer marketing - complete marketing plan - implement plan	Julia Clarke As per plan	31/05/08 As per plan
6. Cardiac plan - develop plan	TBC	31/12/08
7. Further develop relationship/ account management function(particularly GP liaison)	Andrew Stevens/ Matthew Covill	31/12/08
8. Establish GP newsletter	Alison Barnes	31/07/08
9. Introduce electronic discharge communications	Andrew Murphy	31/07/08
10. Progress ophthalmology pilot	Julia Clarke/ Alex Barnes	31/12/08
11. Improve communications between GPs and clinical teams (as part of customer care strategy).	Elaine Strachan- Hall	31/03/09
Action	Lead	Timetable
12. Develop web-sites - General - Cancer - Private Patients	Helen Peggs	31/10/08
13. Develop market research plan.	Andrew Stevens	31/12/08
14. Compile schedule of benchmarked outcomes data.	Andrew Seaton	31/12/08

Oxford Radcliffe Hospitals

15. Develop and implement private patients marketing strategy.	Alex Barnes	31/12/08
16. Complete service plans (with marketing component) as part of Foundation Trust process.	Matthew Covill	31/07/08

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3 September 2008