

CASE 3-1 International Marketing Research at the Mayo Clinic

The Mayo Clinic, known for treating international leaders, recently saw the president of a central Africa country in its halls. Teodoro Obiang Nguema Mbasogo, the president of the Republic of Equatorial Guinea, was in Rochester, New York, for a checkup, clinic officials confirmed. Security officers and limousines—not an uncommon sight in Rochester—signaled his visit.

Nguema Mbasogo assumed the leadership of his country with a coup that overthrew his uncle. His country recently began working with the U.S. Agency for International Development, under the leadership of a dean of the University of Minnesota's Hubert H. Humphrey Institute of Public Affairs, to improve Equatorial Guinea's social services. Dean J. Brian Atwood of the institute is overseeing this effort. He went to Equatorial Guinea in June, and a second meeting is scheduled for this month.

The Mayo Clinic has a long international history, providing care to international patients since its inception. Despite its history and reputation, however, the marketing staff continues to monitor the international market to gauge the level of awareness, reputation, and attractiveness of the Mayo Clinic around the world. This institution has used word-of-mouth marketing to maintain its global reputation.

Marketing, as most formally defined, historically was not a critical factor in delivering patients to Mayo Clinic. Indeed, the marketing department at Mayo Clinic has existed for only the past 20 years, and patients have been coming for care for more than a century. The Clinic believes that the marketing department provides valuable information to physicians and their support staff—information that helps them deliver better care, highlights their patients' wants and needs, and educates them as to what's going on in the marketplace.

In reality, however, it's the providers themselves—the doctors, nurses, receptionists, and all the rest of the allied health staff—who bring in business by creating positive experiences for patients. Patients who leave Mayo Clinic highly satisfied with their care will return to their communities in the United States and elsewhere and say good things to their family and friends. And these family members and friends in turn travel to Mayo Clinic when they need tertiary or quaternary medical care. Although the marketing division strives to provide excellent internal support, it is the doctors and other care providers who have created and maintained a brand of healthcare excellence.

Despite the hype surrounding what has been presented as the highly lucrative international marketplace, “international” is not something new at Mayo Clinic. Experience and research indicates that “international” is a part of who the Clinic is, as well as how the market defines it. Nearly 100 years ago, the founders, a family of physicians named “Mayo,” created an international legacy by traveling around the world to compare notes and surgical approaches with physicians across the globe. In some cases, they even returned with international patients who were in need of additional expertise. As in so many other areas of medical practice, the current Mayo Clinic continues in these traditions.

In recent years, however, it has begun to study the international patient population in particular and the international marketplace in general. These studies fall into a few categories and grow in number in proportion to the organization's understanding (or perhaps greater understanding of how much it does not know) of the international marketplace.

First, the Mayo Clinic tracks international patient trends rather carefully, which seems like an obvious place to start. But as in most data tracking, the value of the concept is significantly more straightforward than the logistics of acquiring consistently reliable data. Internal data systems must be coordinated—a significant undertaking for any institution, and particularly hard when dealing with a large and complicated infrastructure. To give a simple example, data fields must be made uniform—not just on one data system, but on all of them. Rather than a free-text field, for example, that allows a registrant to enter Venezuela, or Venosuela, or Vensuala, or maybe even Venezuela, the Mayo Clinic pushes for a predefined field that provides standardized information.

The Clinic monitors international data by the quarter, carefully watching trends over time by country or region, tracking significant changes in volume, hospitalization rates, and percentage of new patients out of any given market. For example, it knows it has between 9,000 and 10,000 patients, depending on the year, from more than 160 different countries annually. Some are third-generation patients—maybe their grandfather was cured there in the 1930s—and others are brand new. Some are neighbors from Ontario or Monterrey; others come all the way from Indonesia. Some markets are significantly less predictable than others, and some countries deliver more “new” patients than others. The Mayo Clinic probes further to figure out why.

Second, it conducts research with internal salespeople—the physicians and their support staff who deliver care to international patients. Through carefully moderated focus groups, the Clinic identifies the things that are going smoothly, as well as the barriers to providing excellent care. And where appropriate, it makes recommendations for change.

Third, just as with U.S.-based patients, the healthcare institute conducts both quantitative and qualitative research in the international marketplace, including research with patients, international physicians, and international healthcare consumers, designed to help it understand why people choose to leave their own communities for healthcare, why some of them come to Mayo Clinic, and why others do not. It works hard to understand how healthcare decisions are made so it can better assist decision makers, physicians, and their staff in providing care. The Clinic positions itself to offer counsel on where to best expend valuable institutional resources, both human and financial.

GLOBAL MARKET RESEARCH

The marketing department conducts periodic and ongoing patient satisfaction studies with international patients, measuring their assessment of various aspects of the care provided. To date, the

Mayo Clinic has surveyed nearly 1,500 patients in 20 countries, in four different languages. As any market researcher knows, sound patient satisfaction research requires great attention to detail to ensure reliable data. Not surprisingly, international data collection offers significant additional challenges. For example, according to the Mayo Clinic:

The quality of our own data. The name and address fields designed for clean U.S. addresses often are not sufficient to hold reliable international detail. If we want to do it right, we must manually “clean” thousands of patient records before fielding our studies.

Varying quality of international postal and telecommunications infrastructure. This variance can create significant problems for either phone or mail surveys; consequently, international studies take a lot more time than U.S.-based studies and require much more patience.

Cultural dynamics. In some countries, individuals may be suspicious of an international call; in others, they may spend a lot of time outside of their homes. In still others, a nonfamily “gatekeeper” must be diplomatically convinced to transfer the call to the targeted respondents. These cultural dynamics pose further delays and require special sensitivities.

High standards for quality. Our own standards for quality compel us to maintain high quality language- and culture-specific fielding of our various research projects. These studies, whether managed internally or through an external vendor, require more oversight than we are accustomed to with U.S.-based research.

Despite these challenges, however, this international research has taught the Mayo Clinic a lot. International patient satisfaction studies demonstrate that the key driver of patients’ satisfaction seems to hold across borders. This is excellent care—manifested by listening, explaining, and thoroughness on the part of Mayo Clinic physicians. Other factors in the healthcare experience are important—for example, quality of language interpretation and waiting times—but they do not consistently correlate with overall satisfaction.

The power of word of mouth is also confirmed in the international marketplace. Most international patients indicate that friends or relatives provided their most important influence in choosing Mayo Clinic. This finding reinforces the most powerful marketing “tool”—satisfied patients who say good things about Mayo Clinic and influence others’ healthcare decisions. Exhibit 1 indicates the factors influencing choice of Mayo Clinic by patients from Latin America and the Middle East.

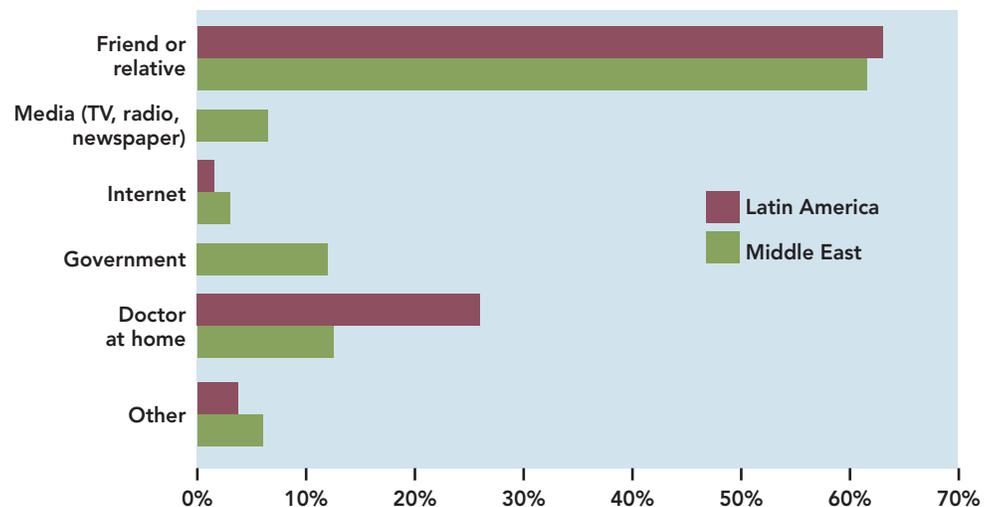
Formal focus groups with international patients and nonpatients in six cities around the world attempted to learn more about how those populations make healthcare decisions, and whether the process is the same or different from U.S. healthcare consumers. As it turns out, for most aspects of decision making, the process is very similar to that of U.S. consumers. However, for a few others, the process is quite different.

The areas with the most differences across borders relate to the role of health insurance. Three co-sponsored international research projects have provided some good lessons and demonstrated that international healthcare insurance is as different from that in the United States as it is across countries and regions. Furthermore, many assumptions taken for granted in the U.S. market—for example, name recognition—simply do not hold in certain international markets. Exhibit 2 is a graph of responses from a satisfaction study of patients from Latin America and the Middle East, showing the different history of Mayo Clinic brand awareness in those regions

Mayo Clinic awareness among patients was much more recent in the Middle East than in Latin America. Other studies, however, showed that awareness among nonpatients—even those who have purchased health insurance policies that offer them Mayo Clinic care as a benefit—is not as strong.

The international healthcare insurance market is expanding rapidly, and many providers view this expansion as a significant opportunity to glean additional patients from outside the United States. Commercial and noncommercial contracts comprise a significant body of business in U.S. healthcare. If this business could be expanded to provide patients from markets outside the United States, all the better. However, healthcare systems vary significantly from country to country, and the knowledge and use of health insurance vary even more. To study these differences in

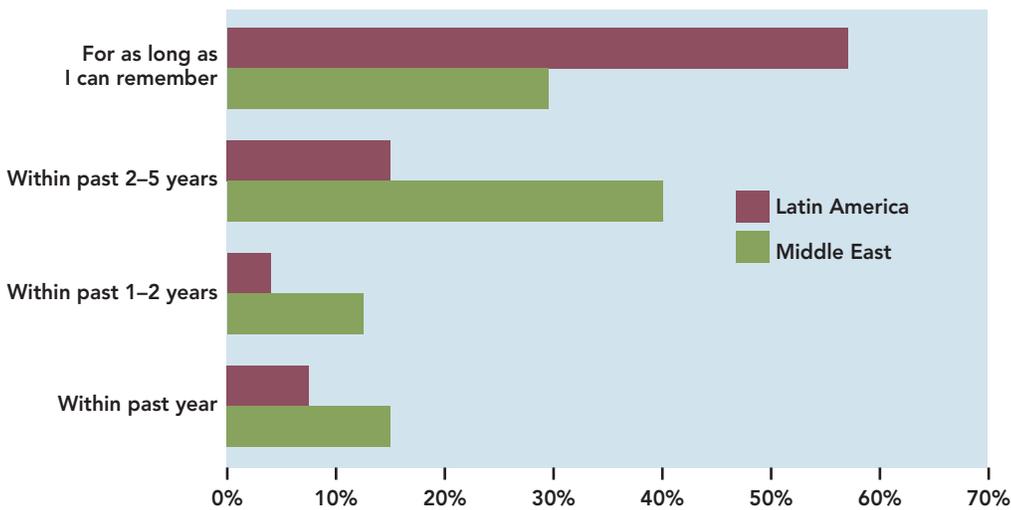
Exhibit 1
Which Was Most Important in Your Decision to Choose Mayo Clinic?



International Patient Satisfaction
N = 331 Middle Eastern patients; 755 Latin American patients.

Exhibit 2

How Long Ago Did You First Hear of Mayo Clinic?



International Patient Satisfaction

N = 331 Middle Eastern patients; 755 Latin American patients.

detail, the Mayo Clinic cosponsored two quantitative studies of healthcare insurance policyholders—in particular, holders of policies that offer some degree of coverage for care at Mayo Clinic.

The first study consisted of face-to-face interviews with 400 policyholders in a particular country and delivered a great deal of information regarding policyholders' preferences, healthcare behavior, and demographics. In this country, as throughout most of the world, the public healthcare system exists as a universal "safety net" for all citizens. Even in markets where the private insurance market has expanded, the public system continues to offer care for all citizens. Therefore, if a private insurance policy does not offer adequate coverage, especially for high-cost procedures, the public system is used to reduce the consumer's financial burden.

The private policy might cover, for example, access to primary and secondary care at private rather than public clinics as well as the price of a private room, or the option of receiving care at a more upscale facility. But for high-cost, life-threatening procedures, the co-pay or deductible for having these procedures conducted exclusively in the private sector remains significant. The end result, of course, is that the lower cost procedures are transferred to the private system, while the higher cost procedures remain in the public safety net. The implication for U.S. tertiary providers is that, while private insurance might reduce some of the financial risk for traveling out of country for care, in many cases the risk is not completely eliminated. Therefore, the policies might not deliver the volume of patients initially anticipated.

Other factors, such as a lack of brand awareness and limited perceived need for U.S. medical care, may be impediments to attracting patients in the international healthcare insurance market. In the first study, when the Clinic probed for brand awareness among those 400 consumers who had purchased a health insurance policy touting Mayo Clinic coverage as a benefit, no unaided recall of that coverage emerged as a benefit of the policy. (See Exhibit 3.) In an aided list, Mayo Clinic coverage was ranked as the least important benefit of the policy, on a par with eyeglass coverage at the bottom of the list.

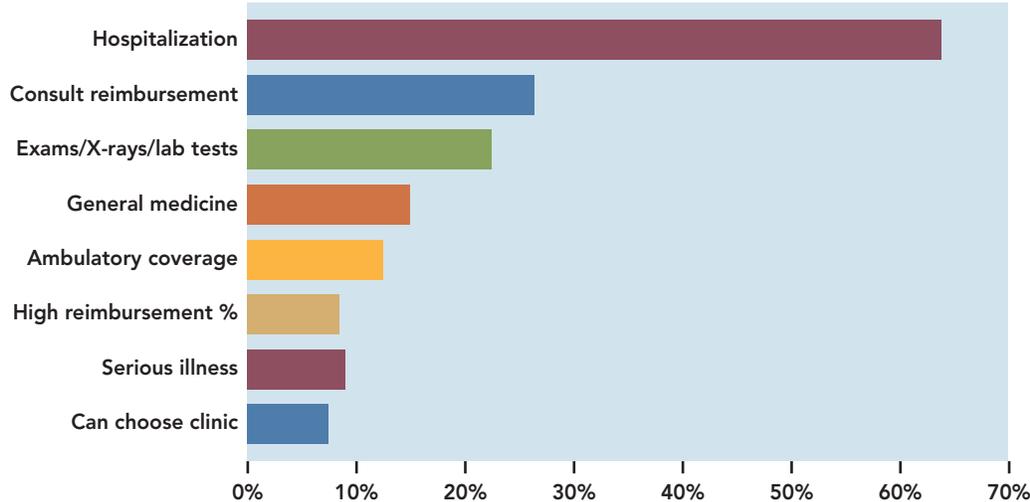
Furthermore, when asked to name a leading medical center in the United States, most policyholders (72 percent) did not know a single one. Twenty-five percent (25 percent) named Mayo Clinic, and the other 2 percent named other U.S. medical centers. It was no real surprise that citizens in the studied country were not familiar with Mayo Clinic. However, the Clinic was surprised that policyholders who had purchased an insurance product that very publicly advertised the Mayo Clinic benefit were unable to name Mayo Clinic as a leading U.S. medical center.

As it turned out, many of these policyholders had no intention of leaving their home country for medical care. They were buying insurance to facilitate care in the more desirable private system. Furthermore, most felt that the healthcare in their own country was very good and that there would be little if any reason to ever leave home to obtain care elsewhere. This phenomenon emerges repeatedly in research with U.S. patients. Most believe in the abilities of their own doctor and feel very confident about medical care in their own community. Even though "quality" may be regionally or culturally defined, almost everyone considers his or her doctor to be a good one.

A second cosponsored study consisted of 353 telephone interviews with individuals who had purchased a healthcare insurance policy specifically for international coverage. Once again, confidence in local care was very high—in fact, significantly higher than in the country of the first study. Nonetheless, this group of individuals had purchased a product that offered them coverage for medical care outside their home country, should they decide it was necessary or appropriate. In this study, aided brand recognition among policyholders was higher than in the first; when asked directly whether they had heard of Mayo Clinic, 75 percent responded affirmatively. But when asked unaided to name the best medical centers in the United States, the vast majority (nearly 70 percent) of policyholders indicated they did not know. And while the majority had heard of Mayo Clinic, fewer than 10 percent were aware of any benefit of their health insurance policy that related to Mayo Clinic.

Exhibit 3

Recall of Plan Benefits (unaided)



N = 400 individuals who had purchased a health insurance policy advertising Mayo Clinic coverage as a benefit.

Both of these studies offered substantially more information about the nature of international insurance agreements, policyholders' wants and needs, and their disposition toward traveling out of country for medical care. But they also showed that the knowledge of the Mayo brand is limited outside the United States and that a high number of policyholders does not necessarily translate into a high number of patients. This research has taught the Clinic to be more selective, to be cautious in expending significant resources to pursue insurance arrangements, and to conduct further research to expand understanding.

THE FUTURE

"International" will continue to be part of who the Mayo Clinic is. Its doctors, hailing from all corners of the globe, will continue to collaborate with their colleagues around the world. Mayo Clinic researchers will conduct clinical trials in collaboration with researchers on many continents. Students and residents will continue to offer rich diversity, as Mayo international alumni now number 1,500, representing 67 countries. But most important, Mayo Clinic will strive to provide the best medical care possible to those patients around the world who need it the most.

To support that mission, members of the "marketing" department will continue to support the medical staff by studying

patients' wants, needs, preferences, and behavior patterns and learning all that they can about the ever-changing, rich, and diverse worldwide healthcare market. In the end, outstanding medical care and sensitive service to patients and families will be the most productive marketing strategy, because it creates positive word of mouth about something very important—healthcare. As the stories of satisfied patients churn—sometimes for decades—in the minds of their friends and family, Mayo Clinic remains an option if they ever need the care it offers.

QUESTION

Assume you are the new marketing vice president at the Mayo Clinic. The CEO and the board have decided to expand their international sales revenues by 100 percent over the next five years. Write a memo to your staff outlining the marketing research that will be needed to support such a strategy. Be specific about sources of secondary data and the best places and media for gathering primary data. Also, be specific about the best methods to use.

Sources: Misty Hathaway and Kent Seltman, "International Marketing Research at the Mayo Clinic," *Marketing Health Services*, Winter 2001, 21(4), pp. 18–23; Jeff Kiger, "African President Gets Checkup at Mayo Clinic," *Post-Bulletin*, September 21, 2007; "Mayo Clinic Builds Center for International Patients," *Post-Bulletin*, February 3, 2009, online.