Marketing Fundamentals for Telehealth Programs

PROGRAM GUIDE

CTEConline.org
Marketing Fundamentals for Telehealth Programs

Practice Guide

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Christine Martin, MBA, PMP, MT, is the Executive Director of the California Telemedicine and eHealth Center (CTEC), a HRSA designated Regional Telehealth Resource Center. Ms. Martin has over 13 years experience developing and operating telehealth programs including 11 years developing and operating the Telemedicine Services Program for the California Department of Corrections and Rehabilitation. She sits on the Advisory Board of the California Telehealth Network.

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Ms. Martin and Ms. McLaughlin have a shared focus on the development of business models and practices that accelerate the adoption of telehealth applications.

A Note to the Reader:

Telemedicine refers to the provision of technology enabled clinical services from a distance. Telehealth refers to a broader range of services that includes telemedicine and other remotely provided services. Telemedicine and telehealth are used interchangeably in this report.
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Introduction

People often think of marketing as advertising - the ads you see on billboards, in newspapers, on television or the internet. Or you might think of a sales person pitching their latest invention or discovery on an infomercial. But marketing is much more.

Marketing efforts should begin when the service or program is being defined and developed. Once the product, customers, and external environment have been clearly defined, you can begin to develop the materials and activities to promote, communicate and educate your consumer groups.

Marketing should answer two important questions:

1. Is there a market for the proposed service or program?
2. What strategies and activities will best promote, market, educate, and inform customer groups about the program or services?

Answers to these questions can be obtained by performing two distinct activities: Market Analysis and Program Promotion.

Market Analysis determines if there is a market for the service you are proposing to provide, while Program Promotion identifies and implements strategies, materials, and activities that promote, educate, and inform customers about your service or program.

This Guide will assist in the development of your program’s marketing component. It provides a variety of tools and templates geared to guide you through the critical elements of performing a market analysis and implementing promotional strategies and efforts.

Part One: Market Analysis
Assessing the Market for Telehealth Services

The value and importance of market analysis cannot be overemphasized. It can be the difference between the success and failure of your program. Market analysis is a picture, described in words and data, that provides information to better define your program, determine what needs it fills for your customers, and assess the demand for the service. It identifies how a new program provides value to your customers, determines if the program is competitive in the marketplace, pinpoints how best to engage key customers, and assures that there is a sustainable model for service delivery.

Market analysis includes the following steps: development of a market description, identification of key customers, analysis of customer need, assessment of organizational readiness, identification and analysis of competing programs, and determination of any service charges. Marketing research and analysis activities should be incorporated into needs analysis and business plan development.
It’s Important to Know about Demand

One of the most common errors new telehealth programs make is to assume that since there is a need for the service that there is automatically a demand for the service. Need and demand are quite different. A community may need increased availability of medical specialty providers and telemedicine may be an optimal approach for providing these services.

But demand asks what purchasing power is available to obtain or pay for the fulfillment of that need. If there is no purchasing power or revenue to support the program, there is not what is called effective demand. Effective demand means there are a desire, willingness, and the means to obtain or pay for the service. Effective demand does not always require a positive return on investment or revenue generation but it does require some sustainable means to pay for the program.

For example:

• A telemedicine service may not be independently self-sufficient but is seen as such a significant benefit and in such alignment with the organizational mission that a decision is made to operate telehealth through subsidies by other departments. If that is going to be the case, it is important to understand that early on.

• Telemedicine services may be part of an overall business strategy where telehealth may not be independently sustainable, but when combined with other services may bring in customers or revenue to another area of the health system.

• The telehealth program creates efficiencies in other areas and the cost of creating and operating the telemedicine program outweighs the cost in efficiencies gained in other areas.

A market analysis uses information derived from a needs analysis to assist in defining a program or service that meets needs. The identification and analysis of customers, service/product alternatives, competitive organizations and services, and internal organizational factors are used as part of the overall business plan.

Developing a Market Description

Market analysis begins with a description of your program and how it fits into the organization and the marketplace. This description will become the project’s vision and guiding document.

The description should include the following information:

1. Describe the proposed telehealth program.

2. Explain why your organization wants to establish the program. What is the need for the program?

3. Describe where your proposed program fits into the organizational structure.

4. Describe what makes your program unique or special.

5. What is your proposed business model?

A sample *Telehealth Market Description* is shown on the following page and a template to assist you is located at the end of this guide.
Sample Telehealth Market Description
Organization Name: Good Health Medical Center

1. **Describe the proposed telehealth program.**
   The proposed telemedicine program will allow Good Health Medical Center to provide orthopedic specialty services via telemedicine to the Rural Community Health Center. Currently approximately 20 patients per month are driving over 250 miles from the general vicinity of the Rural Community Health Center. It is estimated that 85% of these visits could be performed by telemedicine. Good Health and Rural Community have not worked together in the past, but Rural Community is very excited about working with Good Health.

2. **Explain why your organization wants to establish the program. What is the need for this program?**
   Good Health Medical Center’s mission includes working with rural and underserved areas. This proposed program would extend the reach of Good Health to an area that does not have adequate access to specialists. It is estimated that the program costs will be absorbed by the increase in revenue from diagnostic tests and other services provided to these patients at Good Health.

   It has been determined that there is an unmet need for orthopedic services in the rural area serviced by Rural Community Health Center.

3. **Describe where your proposed program fits into the organizational structure.**
   The new program will become part of Outpatient Clinical Services and will be under the direction of the Director of Nurses and the Outpatient Medical Director. Outpatient Clinical Services reports to the VP of Patient Services.

4. **What makes your program unique or special?**
   Currently, no rural telemedicine programs are available in the geographic region served by Rural Community Health Center. The proposed program will use established practices for telemedicine outpatient medical services; however, these services will be unique to the area served.

5. **What is your proposed business model?**
   This program will be revenue generating.
**Identify Key Customers**

Knowing your customers is one of the most important pieces of marketing and service development. In telehealth there are a variety of customers, both internal and external to an organization. Customers may include clinical staff, patients, sponsors, administrators, and payers and insurers. Often clinical staff are considered your primary customers, since they will use the service and refer patients to the service.

Important key customers might include:

1. Providers and clinical staff that need to provide services via telemedicine or refer patients for telemedicine services.

2. Consumers, patients who need services, parents, spouses, and others that assist in decision making about service offerings and care provision.

A sample *Key Customer Identification* is shown below and a template located at the end of this Guide can assist in identifying key internal and external stakeholders.

**Sample Key Customer Identification Form**

Name of Project: Telehealth Orthopedic Services

<table>
<thead>
<tr>
<th>Key Customers</th>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good Health Medical Director</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Good Health Orthopedic Chief of Staff</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Good Health Orthopedic Specialists</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Rural Community Health Medical Director</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Rural Community Clinic Staff</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Administrators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good Health Chief Operating Officer</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Good Health Chief Information Officer</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Rural Community Clinic Director</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Rural Community Clinic Information Technology Director</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Patients</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Rural Health cardiology patients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Farm Cooperative</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Rural Hospital Women’s Auxiliary</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Payers / Insurers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicare</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Medicaid</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>BC/BS</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Governing / Oversight Agencies</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TJC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Health Dept.</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
Analyze Customer Need

Once the stakeholder groups have been identified, consider the program from their point of view. What does each group need and what value does your program provide? Is this program responsive to those needs? Do any adjustments need to be made? Are similar services available and are they successful? How is this service unique?

This is a good time to consider doing some market research – interviewing your key customers, doing surveys or perhaps focus groups can make sure that you really know what your key customers want and value. It is also a good way to educate them, to determine if they have any serious concerns or if they are willing to be of assistance to the program development effort.

Some key questions to ask about your customers and potential partners:

- What services do your external key customers need?
- What value will this program add to your internal customers?
- What value will this program add to your external customers?
- What would the key customers expect from the program or service?
- What would your external customers pay for this service?
- What is the anticipated number of services that are needed?
- Is there an effective demand for your service?
- What business model would support operation of this service?
- Do your internal customers understand and agree if the program is designed to generate business, rather than generate revenue?
- Are your internal customers agreeable to having a loss leader or fully subsidized program?
- Are your internal customers willing to consider telehealth as a cost of doing business like IT or accounting?
- What other things will your internal customers need to operate the program (i.e. location of telemedicine units, telemedicine coordinator)?
- Are there external organizations that would like to partner with you?
- Can they provide any part of the sustainable model?

The Internal Customer Analysis and the External Customer Analysis templates located at the end of this Guide will assist with considering the program from the customers’ perspective.

Assess Organizational Readiness

Assessing your organization is another key component of a market analysis. While telehealth programs are exciting, time should be taken to determine if telemedicine is a good fit for the organization and if this is the right time to consider it. Consider the organization’s values and cultural norms, as well as its mission. The most successful telemedicine programs are aligned with the organization’s vision, mission and strategic plan. For assistance with organizational readiness, please refer to the CTEC companion publication, Assessing Organizational Readiness.
Identify and Analyze Competing Programs

Identifying any competing programs or services is another crucial aspect to consider when developing a market analysis. It is important to understand your competition as you enter the market with a new product or service. When examining your competition, consider what services they currently offer in the marketplace. Also take the time to examine their level of success. You will need to learn about your competitors place in the market.

Some key questions to answer include:

- Is your proposed service or program currently available in the market?
- Are there existing services that would compete with your proposed program?
- What organizations are providing these services?
- What is their level of success with this service?
- How long have they been delivering this service?
- Is the competing program well known? Is it well regarded?
- If successful, what has led to their success?
- What are their weaknesses?
- What is their business model?
- How many patients do they see a year? If unknown, can you provide a good estimate?
- Will you be competing for the same customers? Will you need to capture competitor’s existing customers to be successful?
- How will your program compete with other programs?

- Is there room for your program to enter the marketplace and become successful?
- How will your program be different or unique?

The *Identify and Analyze Competitive Programs* template located at the end of this Guide will assist in describing the competitive marketplace.

Determine Service Charges

The last step in market analysis is to review the program’s overall marketability. Based on all the information that has been gathered, examine the program’s concept to determine its value and what your customers will be willing to pay for this new service or program. If charges are based on program operating costs, anticipated charges should be reviewed during the planning process and updated as more complete and specific costs and available reimbursements are identified.

The *Cost of Service Summary* template located at the end of this Guide will assist in examining charges for program services.
Part Two: Program Promotion

With the market analysis indicating that there is a demand for the service you are considering, you will now be able to identify the best strategies for marketing your program to various customer groups.

Marketing and promotional strategies provide the opportunity to educate and inform the many people that will come in contact with your telehealth program. A fully developed promotional program can assure that your telehealth program is positively received by major stakeholders and it can be instrumental in the positive adoption of telehealth in your community. While telehealth technology and programs have been available for many years, patients, clinicians, administrators, government leaders, and others often have little familiarity with the benefits of telehealth. The promotional program will provide that information and create a climate for success.

Identify Marketing Goals

After reviewing your program goals, description, major stakeholders and other information, marketing and promotion goals should be developed. A well-defined goal is one that states the purpose of your marketing strategy. In developing your marketing goals, it is helpful to consider any objectives that will be necessary to meet the goal. Your objectives are the measurable outcomes or results that are essential for achieving the ultimate goals.

The Marketing Goals and Strategies template located at the end of this Guide will assist in linking marketing goals and objectives to overall program goals.

Identify Marketing Strategies and Activities

Telehealth programs are generally well-received and are exceptionally valuable to clinicians, consumers, payers, and patients. The value of the program makes it easy to market and promote telehealth services. Marketing, promotion, education, and informational opportunities are endless.

Using your marketing goals, list of customer groups, identified value to these groups, concerns and barriers, you can determine the best set of strategies and mediums for your various customer groups.

Telehealth programs around the country have saved lives and helped thousands of people. These stories are compelling to customer groups. Show how your program will provide these same life-saving benefits to your community. Spotlight the flexibility of the technology and point out the benefits to patients, insurers, and families.

Be sure to tie your marketing activities to your implementation schedule. For example, if local provider support for your program will enhance success, make sure you are working with that group prior to kick-off. The project team should also regularly evaluate whether the promotional activities are achieving the desired results.

You may want to consider using:

- Brochures
- Posters
- Demonstrations
- Speaking engagements
- Newsletters
- Other means to have your program spotlighted
- Endorsements from respected thought leaders
• Human interest stories in local newspaper and television
• Video features

The Marketing Goals and Strategies template located at the end of this Guide will assist in documenting outreach methods that will demonstrate the program benefits to key customers and ensuring that strategies are tied to measurable and achievable marketing objectives and implementation timelines.

Part Three: Tie It Together
After performing the information gathering and analysis and completing the templates provided in this guide, you will have clear and concise information for use during program planning.

The information you have gathered in this process can be easily summarized using the Market Analysis and Promotion Summary template found at the end of this Guide.

Obtaining Program Assistance and Support
CTEC can assist you in your market analysis and promotion efforts, and can provide you with additional materials, customized assistance, and referral to resources. Contact us to discuss your needs.

(916) 552-7679 or (877) 590-8144 toll free
www.CTEConline.org

Part Four: Tools and Templates
The eight worksheets that follow correspond to the materials presented in this Guide. The worksheets can assist in documenting information collected and decisions made.

1. Telehealth Market Description
2. Key Customer Identification
3. Internal Customer Analysis
4. External Customer Analysis
5. Identify and Analyze Competing Programs
6. Marketing Goals and Strategies
7. Cost of Services Summary
8. Market Analysis and Promotion Summary
Telehealth Market Description

Organization Name:
Date:

1. Describe the proposed telehealth program. What is the need for this program?

2. Explain why your organization wants to establish the program.

3. Describe where your proposed program fits into the organizational structure.

4. What makes your program unique or special?

5. What is your proposed business model? (revenue generating, cost of doing business part of regular operating expense, loss leader generates income from referral services, fully subsidized program or other business model)
## Key Customer Identification

Organization Name:
Date:

<table>
<thead>
<tr>
<th>Key Customers</th>
<th>Internal</th>
<th>External</th>
</tr>
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<td>Clinical Staff:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Patient Types:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsors / Supporters:</td>
<td></td>
<td></td>
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<tr>
<td>Payers / Insurers:</td>
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<tr>
<td>Governing / Oversight Agencies:</td>
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<td></td>
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<tr>
<td>Others:</td>
<td></td>
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</tr>
</tbody>
</table>

Marketing Worksheet

For more information visit www.cteconline.org

© 2009 CTEC
Internal Customer Analysis

Organization Name:
Date:

1. What value does this program provide to internal stakeholders?

2. What are the needs of internal customers?

3. Is this program responsive to customer needs?

4. What will internal customers need to operate this program?

5. Are internal customers agreeable to the proposed business model?

6. Is there support for or concerns about the program from internal customers? How could these be leveraged or mitigated?
External Customer Analysis

Organization Name:
Date:

1. What services do your external customers need?

2. Is the program responsive to external customer needs?

3. What value will this program add to your external customers?

4. What would the external customers expect from the program or service?

5. Would your external customers pay for this service?

6. Are there external organizations that would like to partner with you and contribute to the sustainability of the project?

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Identify and Analyze Competing Programs

Organization Name:
Date:

1. Is your proposed service or program currently available in the market?

2. Are there existing services that would compete with your proposed program?

For each existing program that may compete with the proposed program complete the following.

1. Organization providing these services:

2. Services they provide:

3. Level of success with this service:

4. Length of time delivering this service:

5. Is the competing program well known? Is it well regarded?

6. If successful, what has led to their success?

7. Strengths and weaknesses of competing program:

8. Business model:

9. Patients seen per year (If unknown, can you provide a good estimate):

10. Will you be competing for the same customers? Will you need to capture competitors existing customers to be successful?

11. How will your program be different or unique?

12. How will your program compete with other programs?

13. Is there room for your program to enter the marketplace and become successful?
# Marketing Goals and Strategies

Organization Name: 
Date: 

Program Goal:  

<table>
<thead>
<tr>
<th>Marketing Goal</th>
<th>Objectives</th>
<th>Desired Results or Outcome</th>
<th>Strategies and Activities</th>
<th>Timeline</th>
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Program Goal: 

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</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Cost of Service Summary

Organization Name:
Date:

1. Is there an effective demand for your program? Describe.

2. Will your business model include a change for services?

3. What will you charge and why?

4. Is reimbursement available for this service?

5. Will the market accept this cost?

Marketing Worksheet

For more information visit www.cteonline.org

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Market Analysis and Promotion Summary

Organization Name:
Date:

1. Name of program:

2. Describe your service or program:

3. What value does your program bring to the marketplace?

4. Who are the key internal and external customers?

5. Describe your program goals?

6. What is your business model, will you charge for this service and how much?

7. What programs and organizations will compete with your program?

8. What programs and organizations wish to collaborate on your program?

9. What are your greatest strengths in developing this program?

10. Which weaknesses could impede your success?

11. What is the major opportunity you can use to your advantage?

12. Are there major external considerations that will need to be overcome?

13. What are your three marketing goals?

14. What are your key marketing strategies?
CTEC’s Telehealth Program Developer™
Seven Steps to Successful Telemedicine Program Development

CTEC created the Telehealth Program Developer™ to provide standardized guidance through defining, planning, and implementing a telemedicine program. This product is intended to provide a road map from program concept to working reality. CTEC’s Telehealth Program Developer™ presents telemedicine program development as a seven-step process organized across three phases.

**DEFINE**

**STEP 1** Determine Needs

**STEP 2** Define & Specify Program Model

**STEP 3** Develop Business Case

**DEVELOP**

**STEP 4** Plan Program & Technology

**STEP 5** Develop Performance Monitoring Plan

**DO**

**STEP 6** Implement Telemedicine Program

**STEP 7** Evaluate & Improve Program (Ongoing)