
Improving Sales Strategy With Public Relations

A Guide for
Healthcare
Technology
Companies

An Executive Briefing from
WESTSIDE
PUBLIC RELATIONS

*www.westsidepr.com
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The Role of Public Relations in Today's Healthcare Business Climate

The healthcare industry is now going through an *accountability revolution*. Employers, consumers, regulators are all demanding improved results, better documentation and more cost efficient delivery. This means increased interest in healthcare technology that can improve the quality or efficiency of care. At the same time, many healthcare organizations are experiencing decreased margins and falls in investment income with a resulting pressure to cut budgets. A recent report by the Health Solutions Practice of Cap Gemini Ernst & Young noted, "The amount of capital to invest has diminished significantly in this industry, so people are looking for a stronger business case."

For sales and marketing executives, this creates a new challenge. Already pressed to create basic product awareness, generate sales leads and support sales efforts, they now must also focus on building credibility to justify the purchasing decision. A strategic public relations campaign can play a key role in each of these steps. Yet many small and mid-size companies overlook the benefits of PR incorrectly believing that it is an expensive frill, a "warm and fuzzy" extra.

An effective PR campaign can create product awareness and establish credibility faster and cheaper than advertising or direct mail because it uses news stories—articles screened and approved by editors.

In a recent survey conducted by Edelman Public Relations of 850 opinion leaders in the U.S. and Europe, more than 80 percent said they trust information they receive through the news media, while only 12 percent said advertising is trustworthy.

C-level executives, who have major purchasing influence, are heavy consumers of information and news, particularly print and online publications. They spend more time viewing these sources, and much less time viewing TV, than the general public.

C-Level Executives: Hours Spent Per Week on Selected Activities

Media	Population Average	C-Level Executive
Newspapers	2.9	6.6
Magazines	2.0	6.6
Radio	18.9	5.7
TV	31.8	8.6
Online	2.8	16.0

Source:
research.net
March 2002

To get your company's message into the news media in an effective way, public relations counselors draw upon a wide range of tools including news releases, discussions with reporters, case histories, bylined articles and electronic press kits. A well-planned, strategic campaign will use each tool appropriately, incorporating company message points throughout.

PR works. In his book **Marketing High Technology: An Insider's View**, author William Davidow notes:

"The better the corporate image is, the better the product is. If the image differs from that of competitors in ways appealing to the customer...the company will get purchase orders because of it."

Because the term public relations is used to cover many different activities, it is also widely misunderstood. Some people, understandably, confuse the functions of advertising with those of public relations. After all, both involve creating messages and overseeing their placement in the media. And many PR agencies are owned by large advertising agencies. There are key differences in the purposes, methods and results of PR and advertising.

In their 2002 book **The Fall of Advertising and Rise of PR**, marketing strategists Al and Laura Ries note:

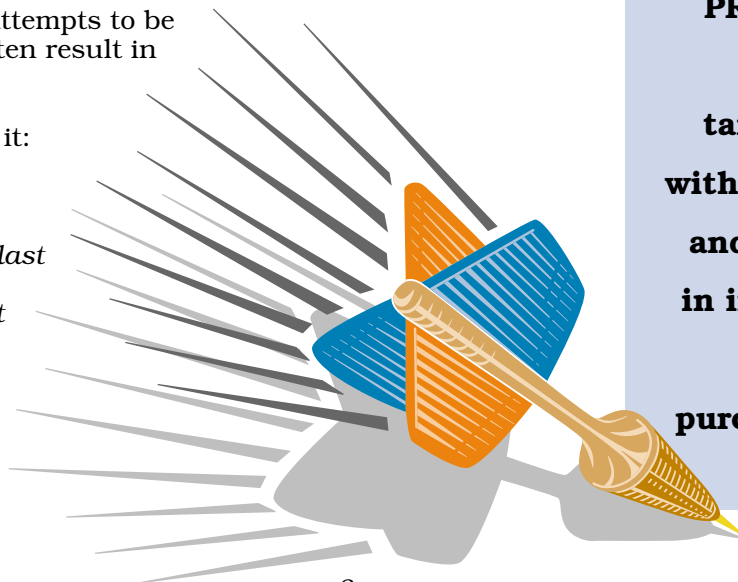
"Advertising has no credibility. It is the self-serving voice of a company anxious to make a sale . . . PR allows you to tell your story indirectly through third-party outlets, primarily the media . . . PR has credibility. Advertising does not."

The authors go on to note that the average person is exposed to 237 ads a day or 86,500 ads a year. Advertising has become so omnipresent, it is like wallpaper; people are exposed to it but don't recall any specific information.

In addition, advertisers' attempts to be creative or catch attention often result in outrageous claims.

As Al and Laura Ries put it:

"When evaluating (ads), readers always look for the loophole. And the last loophole is always, 'How come I didn't read about it in the editorial pages? Surely, someone would write a story if the claim and offer were actually legitimate.'"



Public Relations and Advertising: What's the Difference?

Myth:

PR & advertising perform the same function.

I don't need both.

Fact:

PR delivers your message to target audiences with more credibility and can be crucial in influencing your customer's purchasing decision.

News Coverage: The Search Engine Advantage

Most technology purchasers conduct an extensive amount of research before making a decision. In the widely acclaimed sales strategy book **Convergence Marketing** by Jerry Wind, Vijay Mahajan and Robert Gunther, the authors note:

“The rise of the Internet changed the balance of power, putting technology and tools in the hands of customers. These empowered customers began finding their own information . . . Customers are no longer the passive recipients of ads and commercials, but are active participants in an interactive “edutainment” process, seeking opportunities to learn about the products and services while being entertained and inspired.”

For many customers, an important part of the research process is checking with leading technology industry publications and looking for information via search engines. Virtually all of the leading health information technology publications, including *Health Data Management*, *Healthcare Informatics* and *Health Management Technology* have popular web sites where their articles are archived, indexed and available for free.

In addition, several key trade associations (e.g. HIMSS) offer frequently updated *Industry News* sites that provide news articles and reports. Companies with an active PR program that have placed positive stories in these publications will appear much more frequently in a search.

In addition, *Google*, *Overture* and other leading search engines are constantly checking new sources of information and including them in their listings. Relevant news articles are often featured prominently on many technology topic listings. For example, a recent *Google* search on the topic “HIPAA compliance” turned up more than 350 listings, including a number of trade publication articles and industry newswire releases. *Google* features paid listings also, but customers will give more credence to stories that appear in the “editorial” or unpaid listings.

Make Your News Release An Effective Tool

You may have heard that *the news release is dead*. This is false. It remains a key communications tool for any organization. Creating a news release can serve many purposes:

- in employee communications
- as a sales document and
- to meet financial disclosure requirements.

In marketing terms, its main purpose is to increase brand awareness by generating coverage in the news media. However, 90% of company news releases don't get picked up by leading publications. There are two reasons why:

- NUMBER ONE: The release is written incorrectly.
- NUMBER TWO: There is no follow-up.

WRITING—Too often, hurried managers simply cut and paste existing marketing brochures into a news release format. The key information, the real news, is buried in the fourth or fifth paragraph. Editors won't get this far.

✓ **THE HEADLINE** is the single most important element in any news release. Most of the time that is all the editor will look at before hitting the delete key. The best headlines are short, less than 15 words; that's all that will fit in an email subject line. Your company's name should be one of the first words, unless you're doing a deal with a larger, more prestigious organization such as a famous academic medical center. In that case, put their name first.

✓ **THE FIRST PARAGRAPH** should restate the headline in complete sentences and with supporting words and phrases (e.g. company description and location). Keep it under 30 words. Use active verbs.

If this is a software or hardware sale to a particular organization, give the installation date and tell what the product will do for the customer. Avoid technical language used in sell sheets and product brochures. This is particularly important for healthcare publications, which have many readers (e.g. nurses, physicians) who may not be fluent in computer terminology.

✓ **FOLLOW-UP**—At many companies, a news release is distributed on one of the business news wires, inserted on the company web site and then forgotten. The business news wires (PR Newswire, BusinessWire, MarketWire) are important, but they distribute hundreds of releases every day. Most reporters and editors are too busy to sort through them all.

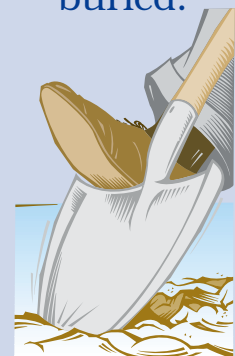
Do not call or email reporters to ask "Did you get my release?" They will only get irritated. Instead, go down your list of 25 key contacts and send 25 separate messages. In his book **Beyond e: 12 Ways Technology is Transforming Sales and Marketing Strategy**, marketing executive, Stephen Diorio, describes the concept of "mass customization: letting customers have it their way." He notes that marketers must now "provide a highly personalized, individually customized, product or service."

This concept applies to customers in the news media. Take the news release you just issued and edit it or rewrite it slightly to meet their particular interest or beat. Demonstrate that you know their publication and prove your case.

Know which editor or reporter covers your industry. Address them by name. Act locally, think globally. If you are pitching a regional publication, reference any local customers or installations in their area. If your product has a tie-in to a topic the publication regularly covers (e.g. managed care), mention that. Keep your total pitch to three paragraphs.

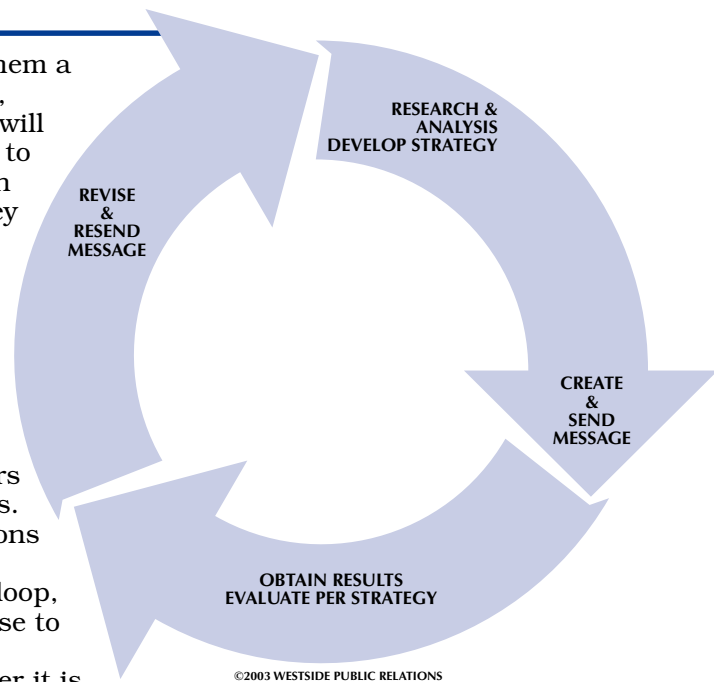
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REASON A
PRESS RELEASE
IS NOT USED:

The real news
is
buried.



Use the Feedback Loop to Refine Your Message

Once you have sent them a personalized message, reporters and editors will be much more willing to engage in a discussion about what issues they are following and the value of your news release. Listen carefully to their comments. They spend all day collecting information and they know a lot about your competitors and market conditions. A skilled public relations counselor creates a continuous feedback loop, evaluating the response to the communications message to see whether it is meeting strategic objectives and revising it if necessary.



Use News Pegs to Establish Company Expertise

Smaller, privately held companies face long odds when attempting to get news coverage. There are more than 7,000 publicly held companies listed on the U.S. stock exchanges. Within the healthcare information software sector alone, there are some 700 companies (public and private) all trying to get attention in a small number of publications.

One way to even the odds, is to take advantage of news pegs when preparing news media materials. The most obvious kind of news peg or hook is a major current event or breaking news story. The problem for healthcare companies is that most major health news stories, like the outbreak of SARS, bioterrorism or the rising number of uninsured, are not issues that readily offer opportunities for favorable coverage. Fortunately, there are many other less obvious types of news pegs that can be used to pique an editor's interest. These include:

- a magazine's upcoming cover story positioning your product to address a current management challenge and
- presentations at major trade shows.

A good example can be found with the ongoing implementation of the HIPAA regulations. Many publications are now running regular departments or columns just on HIPAA issues. Others have scheduled cover stories or focus issues on the topic. Successful news releases or story pitches on HIPAA or other news events will need to include several elements.

Healthcare Technology Publications

Most Frequent Topics
November 2002
through April 2003

1. HIPAA
2. EMR/CPOE
3. IT Strategy & Management
4. HIMSS Show
5. Web-based Technology

Source:
Westside Public Relations
Survey of
5 leading publications

First, define the issue and how your product meets the specific need (e.g. new requirements on physician practice handling and storage of medical records). Then establish the credentials of your company. Timing is critical. Most trade publications research and write their stories three to four months in advance of publication. It takes expert judgment to evaluate news events. Your company may not want to talk about many issues that reporters want to write about, such as the problem of the uninsured or the high costs of drugs. For many companies, commenting on these issues would be a serious mistake and could alienate your customers.

Case Histories Can Build Credibility, Generate Sales Leads

For a sales executive, the ultimate test of any PR effort can be generating sales leads. While many types of PR activities have the potential for producing leads (either a call to your 800 number or a visit to your web site that results in a contact request) the case history is the single most effective tool for two reasons:

1. They display your product in action, solving a problem.
2. Many publications run contact information (e.g. URL or phone).

In his book **Experiential Marketing**, international marketing expert Bernd Schmitt notes:

“In contrast to traditional marketing, experiential marketing focuses on customer experiences. Experiences occur as a result of encountering, undergoing, or living through situations. Experiences place individual customer actions and the purchase occasion in a broader social context . . .”

Schmitt’s book is mainly about creating highly sophisticated (and very expensive) marketing techniques and only has a few sections on public relations. However, the concept applies to a case history; it recreates a customer experience in a compelling, anecdotal manner. Like the news release, the case history has a formula. Many leading healthcare publications use a similar format for *success story* or *how it works* articles.

LENGTH—The story should be about 600 words. It should include problem, solution, installation and results. The benefits are usually described in terms of improved quality, higher productivity or increased revenue.

TIMEFRAME—Most editors want the technology to have been installed for a minimum of six months, some require a one-year period. Editors will also want statistics or extensive customer quotes to back-up the claims of success.

CAVEAT—Don’t pitch a case history that you haven’t completely researched. You must confirm the key facts in advance and obtain the customer’s permission to use the story in the media.

Case Histories Recreate
Customer Experiences
in a
Compelling Story



What to Look For When Hiring a Public Relations Firm

In an article on choosing a PR firm in the May 13, 2002 issue of *PR News*, marketing executive Kathy Cripps noted:

“When clients select a public relations firm, cost is one factor, but it should be in relationship to what you are buying. Clients look for specialization, creativity, chemistry and team experience in the firms they select.”

Choosing a firm with specialized knowledge of your industry is important. Firms with in-depth knowledge of particular industries can get up to speed quickly and will not require a long learning curve about your business. Key qualities to look for in evaluating a PR agency are:

- Industry expertise
- Client service
- Case studies
- Strategic thinking
- Creativity

In a recent online forum that discussed PR agency services, one marketing executive said he was frustrated because “many agencies can’t give me specific answers on costs, timing and anticipated results for the fees they want.” These are legitimate concerns in purchasing any professional service, including law, management consulting or accounting. In working with a PR firm, these concerns can be addressed in the selection process by having the agency submit an estimated budget for the proposed assignment. The budget should include overall time frame, billing rates, projected staffing and time allocations for each activity.

Whether a company hires an outside agency or chooses to manage the function in-house, public relations needs to be a part of sales and marketing strategy. The late Patrick Jackson, a nationally known writer and lecturer on reputation management, noted in his book **Public Relations Practices** (coauthored with professor Allen Center), that every organization has a reputation and is engaged in public relations whether it wants to or not. Jackson stated, “The managerial challenge is whether something is consciously done to face the fact of reputation.”

About Our Firm– Westside Public Relations

WESTSIDE PUBLIC RELATIONS provides services to healthcare technology companies. The agency has extensive experience in developing and executing strategic marketing solutions through a variety of channels. It has served a variety of healthcare industry companies including payers, providers, consultants, and manufacturers.

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