IRONWOOD INSIGHTS group, LLC

IRONBRAND OVERVIEW: A GUIDE TO IMPROVING HEALTH SYSTEM PERFORMANCE

IRONWOOD HEALTHCARE SOULTIONS

IronBrand Equity Model: *Impacting a brand's market share is the goal*

A brand is an amalgam of thoughts, feelings, associations, experiences, and memories that each person has from previous encounters with the brand. Further, consumers have many ways to interact with myriad brand choices in today's marketplace.

Ironwood's IronBrand Brand Equity model addresses these complex market dynamics and provides a foundation for brand-building that reflects the many ways consumers interact with today's brand choices.

1 IronBrand's ability to evaluate brands from multiple perspectives allows us to cut through the complexity of brand-building and provide clear insights to facilitate positioning, strategy, product development, communications, customer satisfaction, and competitive response.

2 Our unique methodology provides a true measure of brand health by assessing how these market forces and factors influence bonding or psychological commitment to a brand and influence its in-market performance.

*The following pages do not represent a full IronBrand report, but rather spotlight several key analyses central to driving clients' business planning, strategies and tactics.

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IronBrand Equity Model: *Two key pillars of our commitment-led model*

> **The key to building brand strength and profitability revolves around consumers' psychological *commitment* to a brand, as well as the influence of *market factors***

1. The psychological construct ***commitment is a stronger predictor of current AND future brand performance*** than satisfaction or even loyalty

2. *Market effects can work in favor of or against a brand's performance* in the marketplace

Measurement Objectives: *A comprehensive view of brand equity in the context of the current and future market landscape*

Key Measures

- **Awareness, familiarity**
- **Usage/tenure**
- **Spend/share of wallet**
- **Etc.**

- **Advocacy**
- **Preference**
- **Future spend/ share of wallet**
- **Consideration**
- **Etc.**
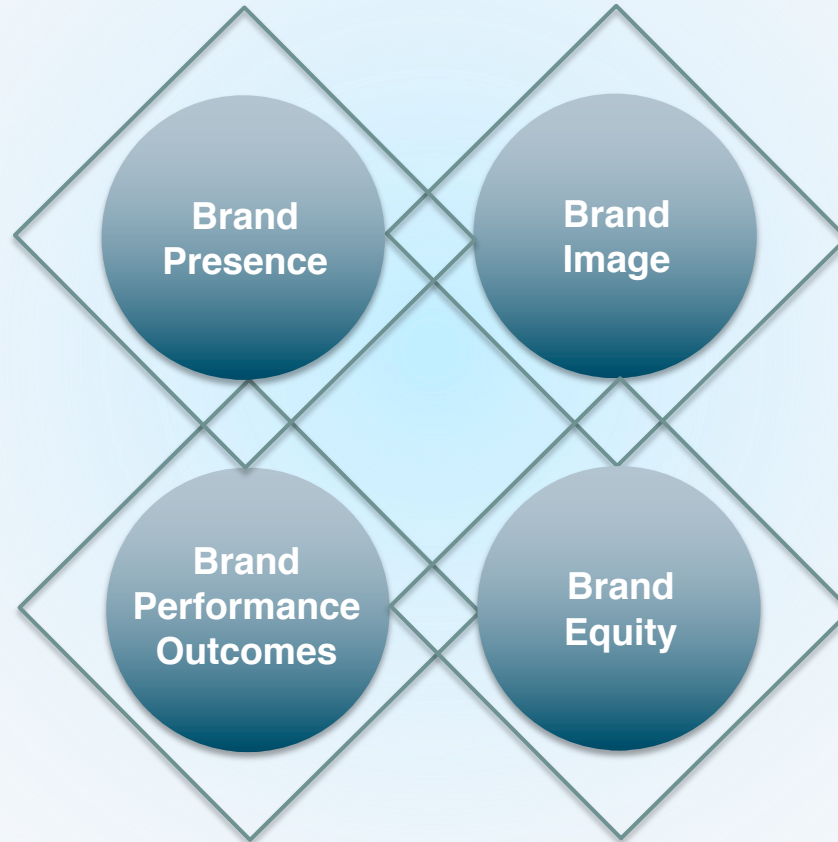
Key Measures

- **Functional benefits ("offer" attributes)**
- **Emotional benefits ("feeling" attributes)**

- **Attitudinal equity (brand relationship)**
- **Market effects (+/- market circumstances)**

Brand Presence

Brand Image

Brand Performance Outcomes

Brand Equity

Model Structure & Goal: *Identify/mitigate barriers, capture more committed consumers and drive market share*

Attitudinal Equity $+$ **Market Effects (Barriers)** $=$ **Total Brand Equity**

Strength of a consumer's relationship and desire to use a set of brands

Example Input Measures: see slides 6-7

Barriers can work in favor of or against a brand and impact its consideration, purchase
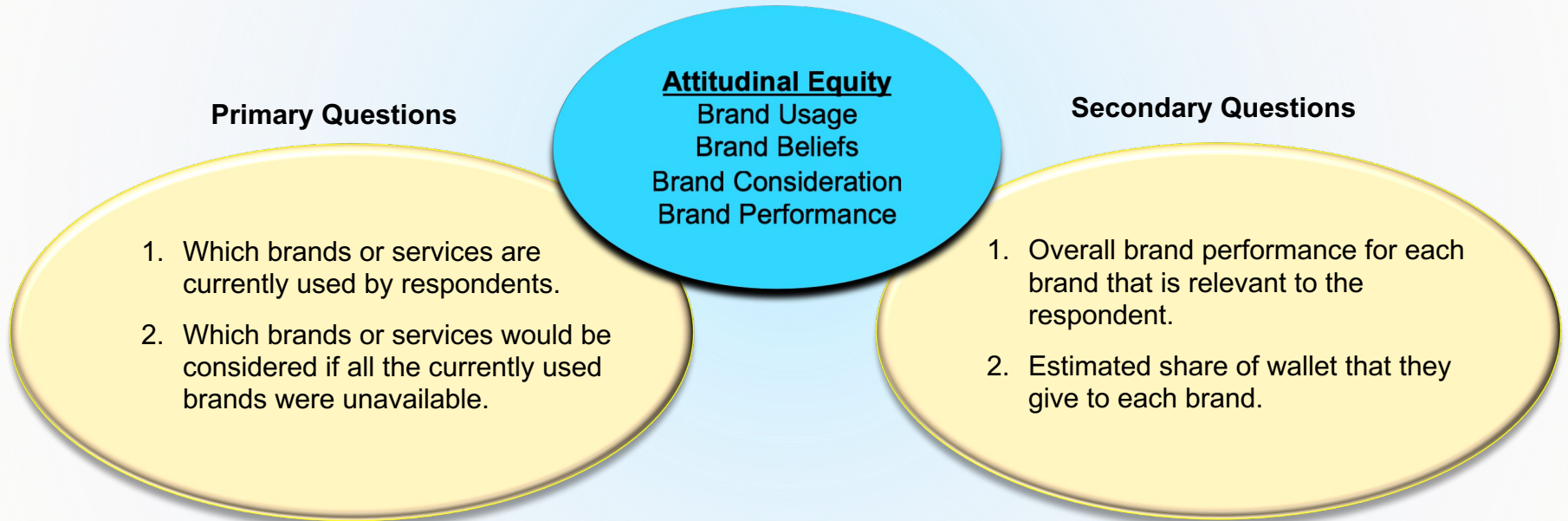
Example Input Measures: see slide 8

Key Outcome: Estimated share of market each brand currently holds with attitudinal equity and market effects

- **Ideal State:** *Attitudinal Equity is VERY HIGH and Market Barriers are FEW*
- **Result:** High brand equity with few risks of consideration or switching to a new brand

Attitudinal Equity: *Involves measuring the strength of a person's psychological desire to use the brand on several different measures*

To measure attitudinal equity we ask a series of questions (primary and secondary) that allow us to model a respondent's current brand preference and usage as well as potential brand preference and usage in the future. The resulting calculations allow us to define the attitudinal equity of brands or services in the marketplace.

Attitudinal Equity
Brand Usage
Brand Beliefs
Brand Consideration
Brand Performance

Primary Questions

1. Which brands or services are currently used by respondents.

2. Which brands or services would be considered if all the currently used brands were unavailable.

Secondary Questions

1. Overall brand performance for each brand that is relevant to the respondent.

2. Estimated share of wallet that they give to each brand.

The impact of all these facets to brand building must tie to the business strategy. Building key brand metrics is critical. Stronger *in-market performance* must be the goal in order to strengthen brand equity.

Attitudinal Equity: *Understanding your brand's attitudinal equity requires taking into account how it's viewed relative to competitors*

Although both respondents give a high rating to Hospital A, respondent 2 scores the other two hospitals equally high. So, respondent 2 is less likely to select Hospital A, resulting in a lower share of wallet for hospital A.

	Hospital A	Hospital B	Hospital C		Hospital A Share of Wallet
Respondent 1	9	6	3	→	50%
Respondent 2	9	10	9	→	20%

Market Effects / Barriers: *Including market and competitive dynamics provides a unique lens into factors that may impact a brand's performance (+/-)*

- In our example, HOSPITAL B has the strongest position of the "big three." HOSPITALs A and C are particularly disadvantaged relative to barriers around **network reach, wait time and innovative treatments.**

- Effectively addressing these barriers could lead to rapid gains in total brand equity and ultimately, market share.

Example: Market Barriers for Hospital's A, B, C

| Percentages	Hospital A	Hospital B	Hospital C
1-The hospital is out of network from my insurance	22%	5%	19%
2-My MD doesn't see patients at this hospital	14%	9%	11%
3-My MD does not recommend this hospital	2%	2%	3%
4-Long wait time for medical procedures	14%	4%	21%
5-Arrogant/Disrespectful staff	4%	7%	6%
6-Hospital does not have the specialty care I need	4%	5%	2%
7-Staff does not care about patients	7%	6%	14%
8-Hospital does not practice innovative medicine	15%	7%	15%
9-The billing process is frustrating	6%	5%	7%
10-Lacks online healthcare options	8%	8%	7%
11-Lacks wellness programs	4%	3%	2%
Total Barriers	**338**	**460**	**543**
# People Responding	**178**	**223**	**257**

Data is hypothetical

IronBrand Brand Equity Scores: *Scores are a reflection of what the market could be under certain conditions if market barriers are addressed effectively*

- An algorithm is used to apply the *market effects (barriers)* to the *attitudinal commitment* score and estimate their positive or negative impact on the likelihood of brand consideration/purchase.
- In our example, HOSPITALs A and B have similar attitudinal equity, BUT HOSPITAL B's Total Brand Equity in the market is higher because it is doing a better job of managing market barriers.

	Attitudinal Equity	Market Effects	Total Brand Equity
Hospital A	27%	3%	30%
Hospital B	26%	9%	35%
Hospital C	11%	1%	12%
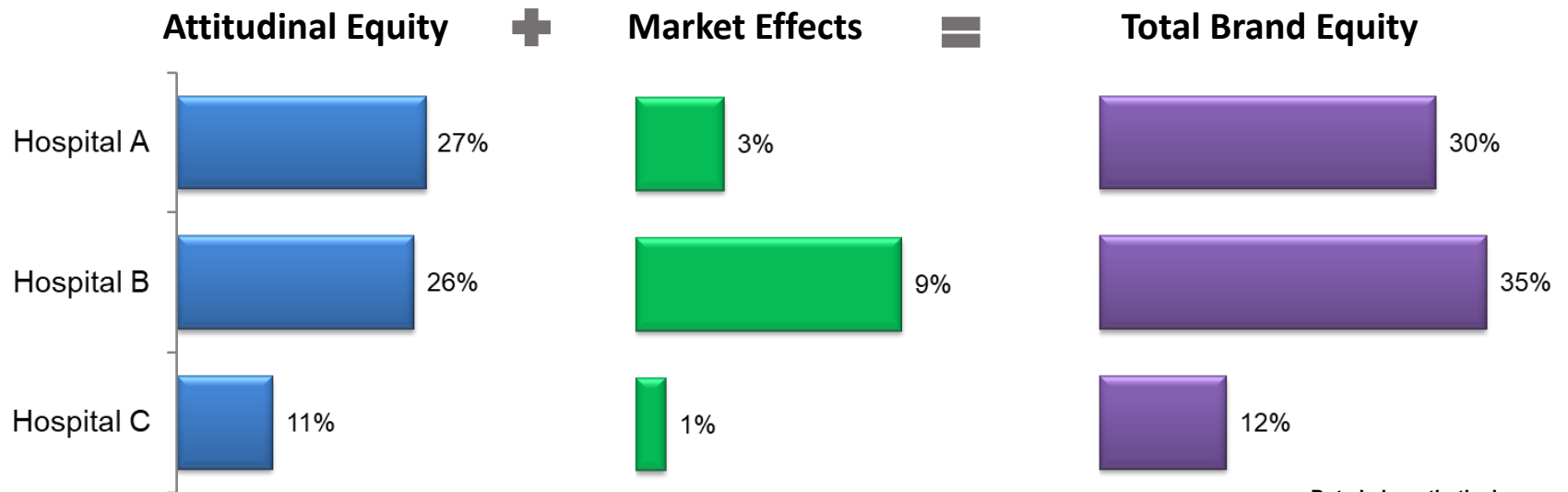
Data is hypothetical

Brand Improvement Playbook: *Additional, advanced analyses of functional and emotional brand image attributes create a roadmap to improve brand performance*

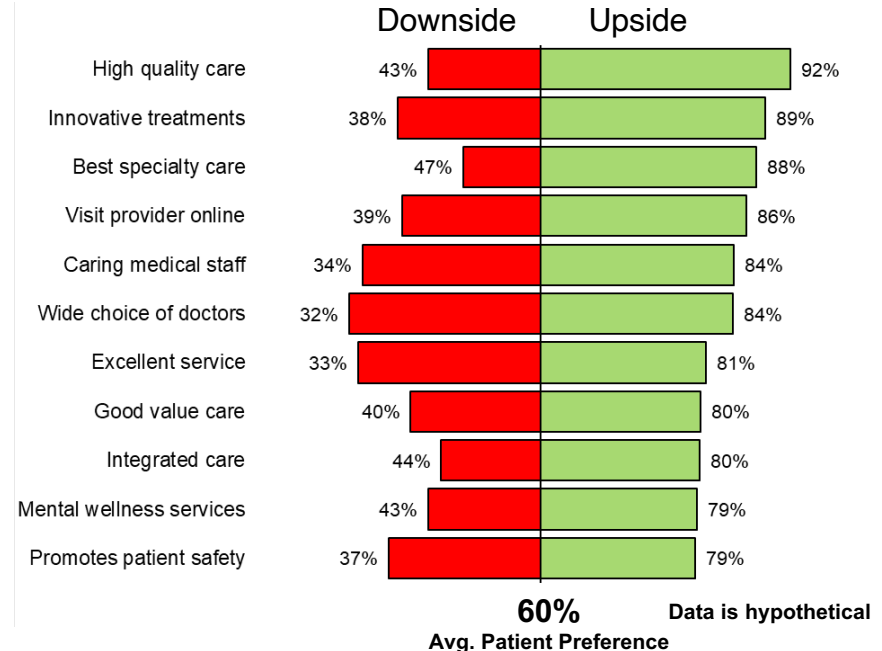| Advanced Analysis	Overview of Analytical Technique	Key Outcomes

Attributable Effects	• Attributable Effects is a probability-based analysis that is not affected by correlated attributes and so provides a clearer picture of areas of *greatest opportunity* and *greatest risk* to the brand.	• The analysis identifies specific areas that need attention in order to...
		  • Increase the preference of patients OR
		  • Maintain performance to prevent erosion in preference

Graphical Modeling	• Graphical Modeling is a quantitative laddering technique that goes beyond key driver analysis to examine the relationship between brand attributes.	• The analysis produces an easy-to-read map that illustrates how attributes connect with each other and ultimately how they can influence one another and be combined to drive brand preference.
Perceptual Map	• A Perceptual Map visualizes brand fit in the marketplace—with respect to key competitors—and identifies the "ideal" market position based on competitive differentiation and relevant gaps in the marketplace.	• A visual map of how the target market perceives the brands in the marketplace • A view of the positioning space of brands and meaningful gaps in the marketplace • A way to monitor the changing market position and changes in consumer preferences over time.

Attributable Effects: *Identifies areas of greatest opportunity (upside) and greatest risk (downside) to the brand*

- **Upside** estimates the degree to which improvement in a particular attribute would increase patient preference for the brand. **Downside** estimates the degree to which a decrease in performance would reduce patient brand preference.

- Brand *upside* highlights attributes that should be the focus of improvement initiatives, while *downside* underscores the need to maintain performance in a particular area.

- At right, we can see that promoting *high quality care* offers great potential for improving preference for HOSPITAL A.

- On the other hand, *wide choice of doctors* offers the greatest risk to HOSPITAL As brand preference if performance is not maintained.

Example: Hospital A

Attribute	Downside	Upside
High quality care	43%	92%
Innovative treatments	38%	89%
Best specialty care	47%	88%
Visit provider online	39%	86%
Caring medical staff	34%	84%
Wide choice of doctors	32%	84%
Excellent service	33%	81%
Good value care	40%	80%
Integrated care	44%	80%
Mental wellness services	43%	79%
Promotes patient safety	37%	79%

60%
Avg. Patient Preference
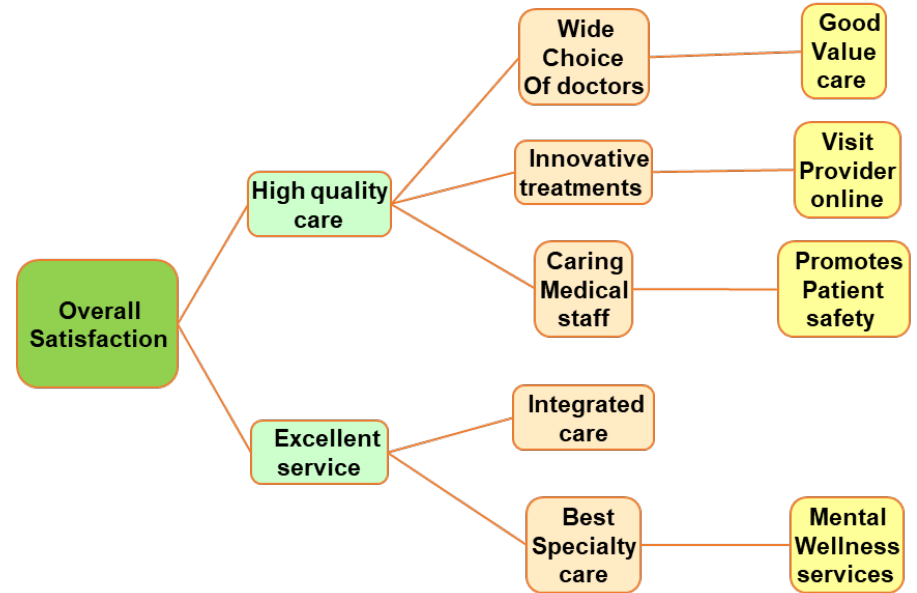
Data is hypothetical

Graphical Modeling: *Examines the structural relationship between attributes and ultimately how they connect to and impact brand preference*

- The chart at right, shows the root causes that drive **high quality care,** one of the attributes with the greatest potential: **wide choice of doctors, innovative treatments** and **caring medical staff.**

- Areas of focus for HOSPITAL A could therefore include such initiatives as: **expanding the reach of their physician network** (including recruiting more leading-edge specialists), **training support and clinical staff in the importance of a caring, communicative demeanor** will help improve brand performance in the near-term.

Example: Hospital A

Overall Satisfaction		
High quality care	Wide Choice Of doctors	Good Value care
	Innovative treatments	Visit Provider online
	Caring Medical staff	Promotes Patient safety
Excellent service	Integrated care	
	Best Specialty care	Mental Wellness services

Data is hypothetical

Perceptual Mapping: *Understand brand fit vs. key competitors and the "ideal" market position based on the most impactful set of brand image attributes*
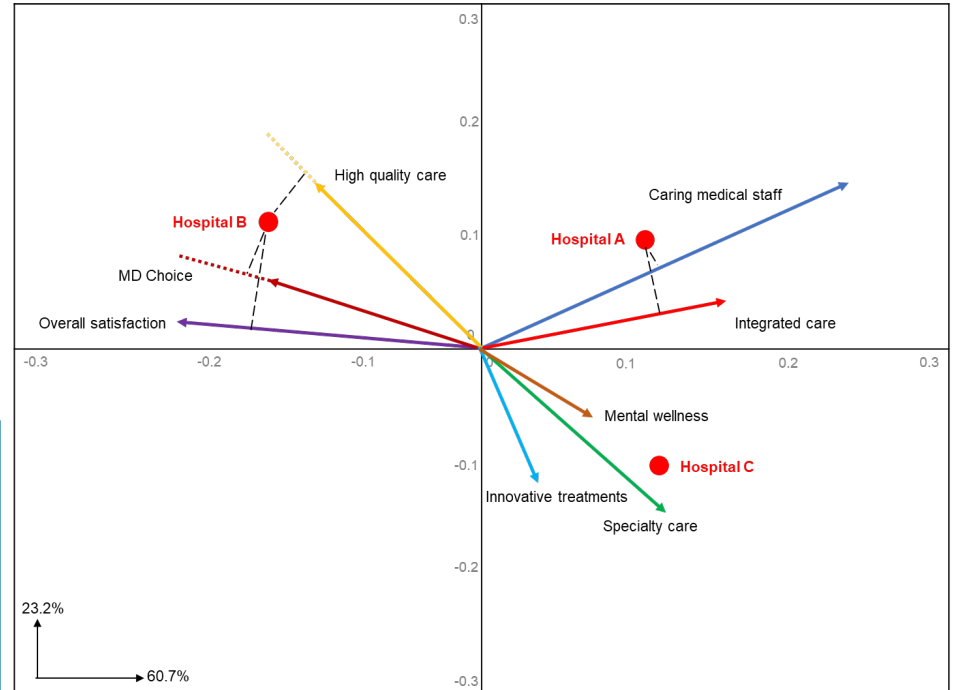
- Here we see that Hospital A scores highest on the **caring medical staff** and **integrated care** attributes.

- Hospital B scores highest on **doctor choice** and **high-quality care** which are strong drivers of satisfaction and brand preference.

Example: Hospitals A, B, C

Data is hypothetical

Interpreting Perceptual Maps

- Brands close to each other are more similar
- The closer a brand is to the end of an attribute vector, the more strongly it is associated with attribute
- The further an attribute is from the origin, the more discriminating it is across brands
- Attributes that are close to each other are highly correlated; those at a 90° angle from each other are not.
- Draw a line from a hospital to a vector of interest and where the two lines intersect represents the position of the hospital on that attribute.

Unstructured Insights: *Open-ended commentary from patients often reveals the nuanced and layered decision-making that underpins healthcare decisions*

- At right is typical output from a common question we examine... drivers of hospital choice. The dominant consideration centers around **quality of care**—which in large part is represented by **compassionate care** by hospital staff, physicians, nurses, etc.—and **network access/physician privileging** considerations align with findings of our advanced analyses.

- **Cost, insurance coverage** and **convenience/location** commentary underscores the realities of practical considerations.

Data is hypothetical

Summary…*Advantages of the approach*

Forward Looking
- The brand equity score is a reflection of what the market could be under certain conditions if market barriers are effectively addressed)

Actionable & Immediate ROI
- Most impactful market barriers are identifiable and effective management can produce immediate dividends in brand equity *AND* share of wallet

Segment Focused
- Attitudinal Equity calculated at the respondent-level, allowing decision-makers to identify key segments where the brand equity is strong or weak

A Competitive Advantage
- Pull market share from key competitors through effective management of market barriers—mitigate risks to your brand