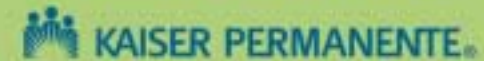


Kaiser Permanente's Brand Advertising

*For Physicians and Staff
of the Permanente Medical Groups
July 2004*

- **Why launch a new brand advertising campaign?**
- **Why “Thrive”?**
 - Who developed the campaign?
 - What is the rationale for the advertising approach KP has chosen?
 - What is the rationale for each of the four ads that launch on August 2?
- **How will the effects of the ads be monitored and managed?**
- **How can you find out more?**

Why is KP launching a new brand advertising campaign?

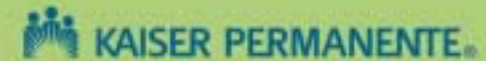


- **Membership across the Program fell by 150,000 in 2003**
- **In order to recover and grow membership, KP must improve its image among non-members — a major challenge — because:**

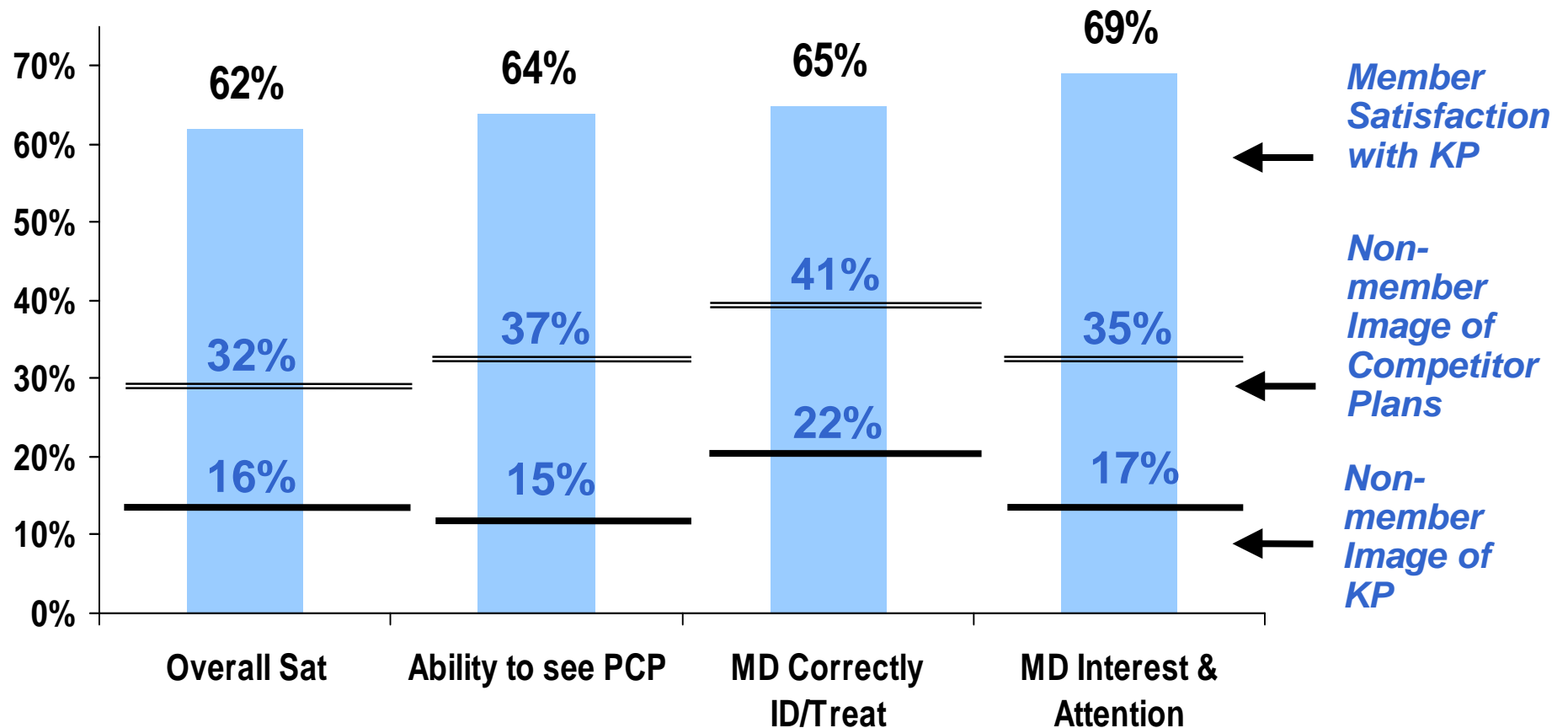
- *A huge gap exists between the high satisfaction of KP members who know and like KP and the perception of KP among non-members who don't know much about us (but think they do)*
- *Many non-members hold a set of inaccurate, uninformed beliefs about Kaiser Permanente compared to KP members who know and like us*
- *Positive publicity about KP's significant clinical quality and service achievements (HEDIS, favorable consumer rankings, and other third-party metrics) have no impact in the face of entrenched non-member skepticism*

“We don't get credit for the things we're good at”

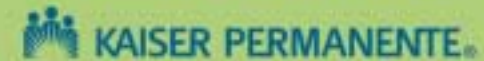
Why is KP launching a new brand advertising campaign?



A huge gap exists between the high satisfaction of KP members who know and like KP and the perception of KP among non-members who don't know much about us.



Why is KP launching a new brand advertising campaign?



Market research tells us that many non-members hold a set of inaccurate, uninformed beliefs about KP compared to KP members who know and like us.

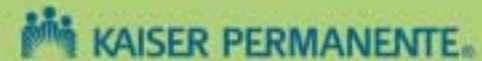
Members/Advocates See KP's Strengths:

- Quality care
- Staff excellence
- Convenience
- Choice
- Value
- Health resource

Non-Members Think:

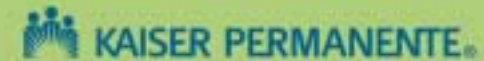
- Crowded, impersonal
- Physician “training ground”
- Long waits
- Can’t choose your doctor
- Can’t have a relationship with your physician
- “Health care for the masses”
- Quality may not be great

Who developed the campaign?



- A KP task force consisting of representatives from Labor-Management Partnership, KP regions, KP leadership, and the Permanente Medical Groups led the search for a partner in this campaign
- After an extensive and competitive bid process, Bernard J. Tyson, Sr. Vice President, Brand Strategy and Management, and Christine Paige, Sr. Vice President, Marketing & Internet Services, chose a national marketing agency — Campbell-Ewald — upon the recommendation of the workgroup
- The recommendation was then reviewed and approved by the Kaiser Permanente Partnership Group (KPPG) — the senior management committee of the organization, chaired by George Halvorson, President, Kaiser Foundation Health Plan, Inc, and Francis J. Crosson, MD, Executive Director, The Permanente Federation
- The ads have been extensively tested throughout the process with KP employees, members, purchasers, and non-members

What is the rationale for this advertising approach?

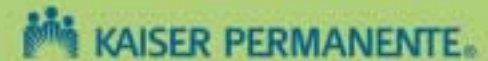


Market research helps us differentiate types of health care consumers by what they value in health care. The new ad campaign targets the “Health Seekers” and “Cost Driven” categories — 60% of the total — because their values align best with KP values and strengths.

Health Seekers – 34% of total market

- Health is a high priority for these consumers. They want to take accountability for their health and lead a healthy lifestyle
- Relationships with providers are important. So are other tools like health information
- This group includes those who want access to therapies that complement Western medicine
- This group spans age groups. Its use of medical services is lower than average for each age group

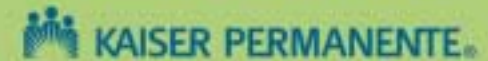
What is the rationale for this advertising approach?



Cost Driven – 26% of total market

- **Health is a lower priority for these consumers**
- **They choose health plans on the basis of price**
- **This group is predominantly young, single, and often male**
- **This segment does not expect to use health care services and has the lowest utilization**
- **This segment is targeted by our new deductible-based HMO plans**

What is the rationale for this advertising approach?



KP has conducted market research on the health-related language that would appeal most to our target categories. Words consumers used to describe health included:

Fun

Balance

Relationships

Preventing illness through healthy habits

Lower stress

Clear and free

Laughter

Love

Optimism

Setting priorities

Positive environment

Eating well

Happiness

Avoiding toxins

Giving back to the community

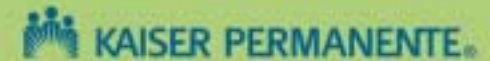
Power and energy

Being outside

Doing what feels good

Exercise

What is the rationale for this advertising approach?



*Words consumers used to describe health care in general
— not HMOs or KP in particular:*

Bureaucracy

Rule Bound

Limited

Hassle

Cost focused

Red Tape

Insurance

Safety Net

Trapped

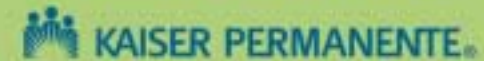
A business — profit

Paperwork

Uncompassionate

Unobtainable/
Unreachable

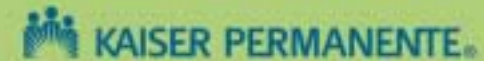
What is the rationale for this advertising approach?



What is the goal of the “Thrive” ad campaign? — To create brand awareness around two different views of Kaiser Permanente, as:

	<i>Health Advocate and Partner</i>	and	<i>Health Care Provider</i>
EMPHASIS	What we <i>believe</i>		What we <i>do</i>
APPROACH	Emotional connection, not fact-based argument		Imagery, not specific statements about services; let the audience “connect the dots”
LANGUAGE	Health		Health care
ADS	Anthem/Broccoli “Viva Bien” Swimmer Another Day/Entourage		Another Day/Entourage

What is the rationale for each of the 4 ads launching in August?



“Anthem” or “Broccoli” *Rapid images related to prevention and wellness with voiceover by Allison Janney (of TV’s “The West Wing”)*

Purposes

- Create a new image of KP in the minds of “Health Seeker” consumers who are well-informed and proactive in managing their own health and cynical about health care in general and KP specifically
- Establish a broader perspective — “health,” not “health care” — especially preventive medicine

View of KP

- As partner and advocate in the pursuit of better health

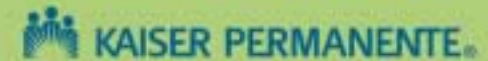
Focus and Tone

- Edgy, knowing – deliberately breaking through non-members’ uninformed stereotypes of KP
- Health and wellness activities that are under the control of the patient, not the health care delivery system (why the ad contains no images of health care delivery or KP providers)

"Anthem"



What is the rationale for each of the 4 ads launching in August?



“Winners”

A young girl dives into a swimming pool. At the other end, a vibrant, healthy-looking older woman emerges. “Life is a journey. Live it well. Kaiser Permanente. Thrive.”

Purpose

- Demonstrate that KP forms a partnership for life with consumers — We support them at all stages of their lives

View of KP

- KP as partner and advocate in the pursuit of better health

Focus and Tone

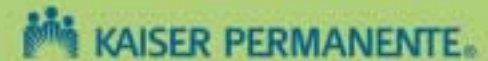
- Beautifully shot, emotional and positive in its nature, this ad celebrates good health at any age. It expresses Kaiser Permanente’s wish for all — Good health throughout life

“Winners”



WHOEVER STAYS
THE HEALTHIEST
LONGEST
WINS

What is the rationale for each of the 4 ads launching in August?



“Another Day / Entourage”

A wide range of KP providers (dermatologist, physical therapist, nutritionist, pediatrician) follow a man through a typical day, offering help with a focus on prevention and wellness. “You don’t have to be famous to have an entourage.”

Purpose

- Break through non-members’ concern about having a relationship with an MD at KP
- Illustrates a relationship with a physician as well as a medical team and a wide array of resources

View of KP

- KP as both health advocate (prevention and wellness) and health care provider

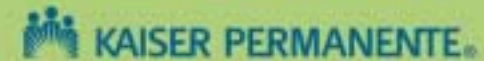
Focus and Tone

- Uses humor to reach the cynical consumer

"Another Day"



What is the rationale for each of the 4 ads launching in August?



“Viva Bien”

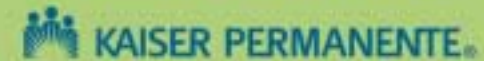
Purpose

- Create a new image of KP in the minds of Latino “Health Seeker” consumers who are concerned about what health care can do for them and their family

Focus and Tone

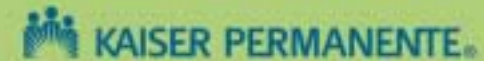
- Translation of the English “Anthem” specifically for the Latino market using culturally appropriate images and language (as opposed to a literal translation)
- Deliberately less edgy than the English-language ads; includes more images of health care delivery (Latino consumers tend to be less cynical about “health care”)

Please keep in mind when you preview the TV ads:



- **We as KP employees are not the target audience for the ads**
 - **We are targeting “Health Seekers” and “Cost Driven” non-members who view KP with skepticism and are misinformed about KP’s strengths**
- **The ads deliberately use different language and imagery than we would use to describe and celebrate our successes internally**
- **Historically we have been reluctant to sing our own praises**
 - **“We tend to ask ourselves: ‘Are we really good enough? Do we execute?’”**
 - **But KP’s significant successes in service and quality improvement in recent years, especially in preventive medicine, have received major publicity in outlets like the New York Times**
 - **Our successes deserve to be celebrated and communicated outside the organization**

How will KP monitor the effects of the ads?

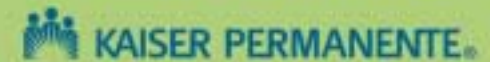


KP will measure the impact of the ads with the following methods and make adjustments over time as necessary:

- **Advertising tracking instrument**
 - **On-line market research comparing attitudes toward KP between consumers who have seen the ads vs. those who haven't**

- **Brand strength monitoring**
 - **Survey brand images of members, non-members, purchasers, employees, KP physicians over time and gauge progress**

How can you find out more?



**For videotapes and CDs
on “The Making of
‘Thrive’” and the ads:**

**Kim Nguyen-Gallagher
8+423+5701 or (510) 271-5701**

**For more information on
the “Thrive” campaign:**

**Thrive web site, live July 12
Accessible from kp.org**