

# Kaiser Permanente Brand Positioning Discussion

April 28, 2004

- Today, the Kaiser Permanente brand is known as:

*“Dependable, low cost health coverage for working-class people.”*

- While this isn’t bad, we know it can be better.
- Over the last 18 months, Kaiser Permanente has invested significant resources to understand what it would take to change brand perceptions among members, non-members, and employees.

# The KP Brand



- It's a big job.
- 75% of people who are offered Kaiser Permanente probably or definitely *would not consider us* for their healthcare coverage.
- The goal of all our communications and operational efforts is to positively impact these negative perceptions.

# Where Have We Been?



- The KP Promise (1997) was Kaiser Permanente's first deliberate brand positioning effort:

*Kaiser Permanente is a coordinated system of medical care that integrates the best practices in medical science with the understanding of your individual health needs to give you the health care that's right and best for you.*

- The KP Promise 2.0
  - Realizing the aspirations of the KP Promise required the development of four operational cornerstones :
    - Quality you can trust
    - Convenient and easy
    - Caring with a personal touch
    - Affordable

# Where Have We Been?



- Despite great internal progress delivering against KP Promise 2.0, we failed to improve negative perceptions among non-members
- In late 2002, we revisited our brand positioning efforts and refined it to reflect current internal and external research:

*In partnership with you, the **people** of Kaiser Permanente commit to understand your **health** needs with expertise and compassion*

- The internal mantra became:

*People. Understanding. Health.*

In a search for deeper brand and industry insights, Kaiser Permanente embarked on a large-scale consumer market research project: The “Big Dig”

- We uncovered a striking change in the health paradigm: *Consumers see health and healthcare as very different*
  - “Life balance” is a critical component of health:
  - Balance includes the care and respect for one’s physical, emotional and spiritual health -- the whole person, or TOTAL HEALTH
  - The new health paradigm embraces *personal empowerment* and *partnership* in the quest for greater health, going far beyond simply treating illness
- While a discussion on “being healthy” generates energy and optimism, the concept of “healthcare” generates fear, anger and loss of control.

## A new paradigm of health

Words consumers used to describe health included:

Fun

Laughter

Avoiding toxins

**Balance**

Love

Giving back to the community

Relationships

**Optimism**

Power and energy

Preventing illness through healthy habits

Setting priorities

Being outside

Lower stress

Positive environment

Doing what feels good

Clear and free

Eating well

Exercise

**Happiness**

## A new paradigm of health

Words consumers used to describe healthcare included:

Bureaucracy

Cost focused

Trapped

Rule Bound

Red Tape

A business - profit

Limited

Insurance

Paperwork

Hassle

Safety Net

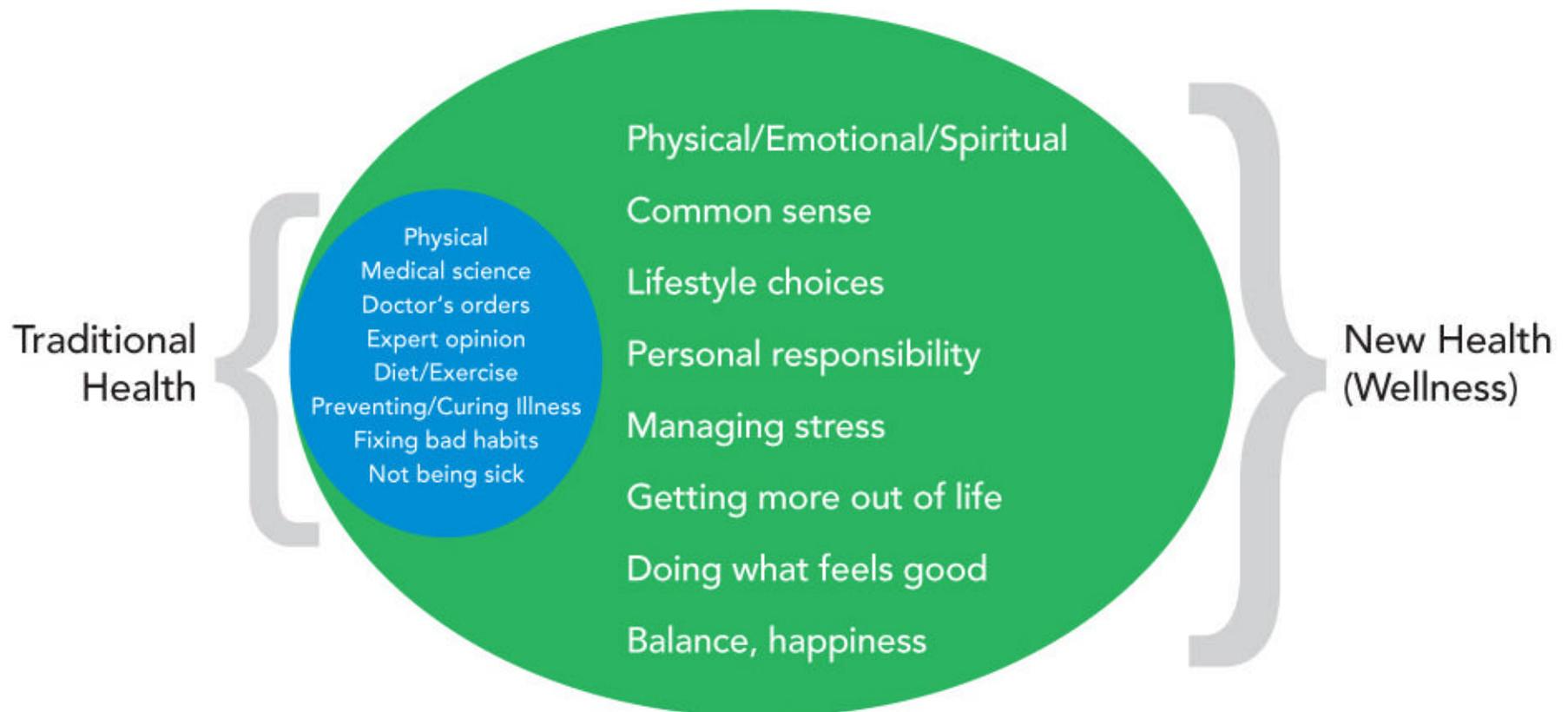
Uncompassionate

Unobtainable/  
Unreachable

# The Big Dig Consumer Insights

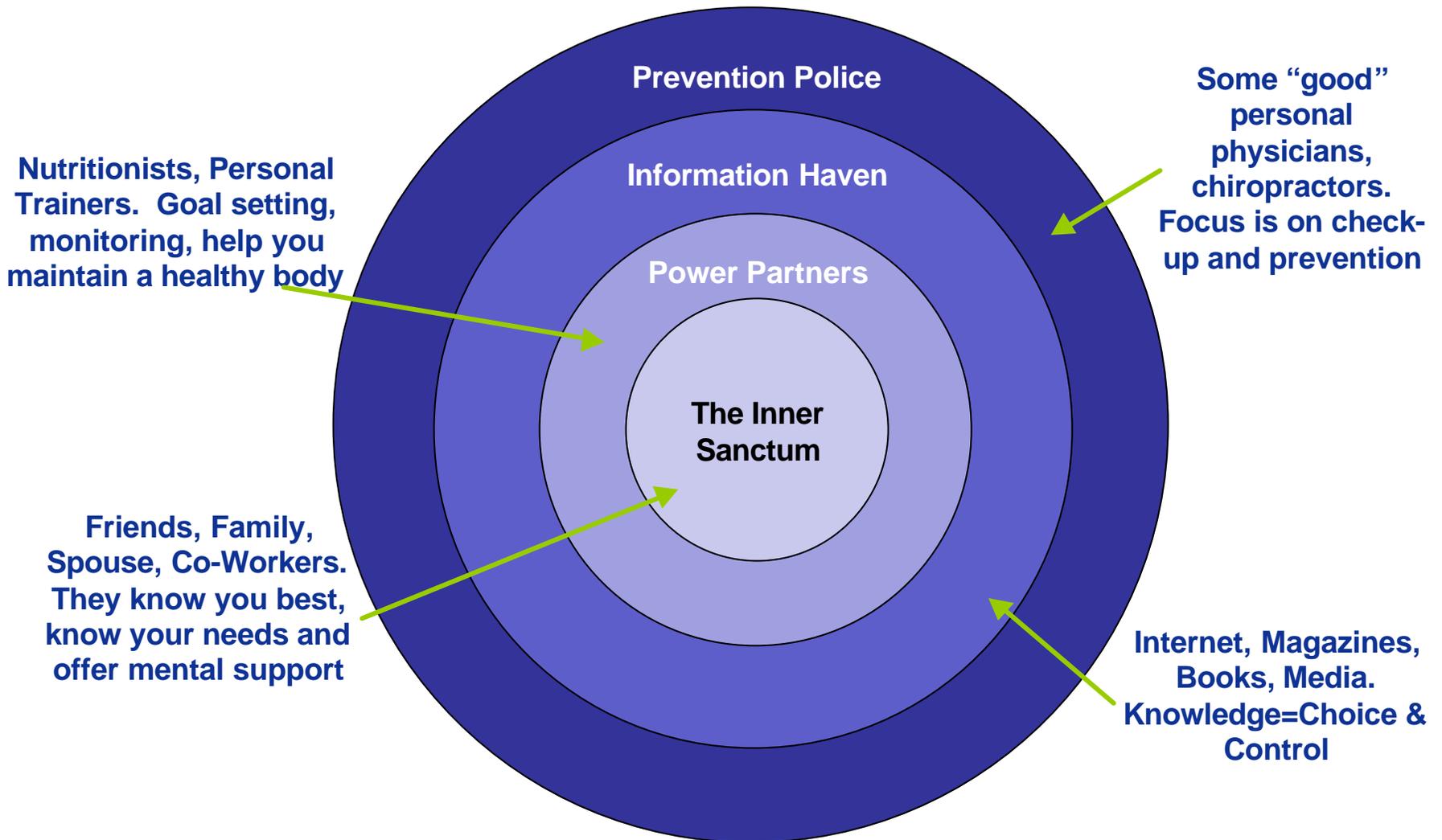


- Health is about much more than “not being sick.”
- Traditional sick care and doctors are a small part of this new health paradigm.

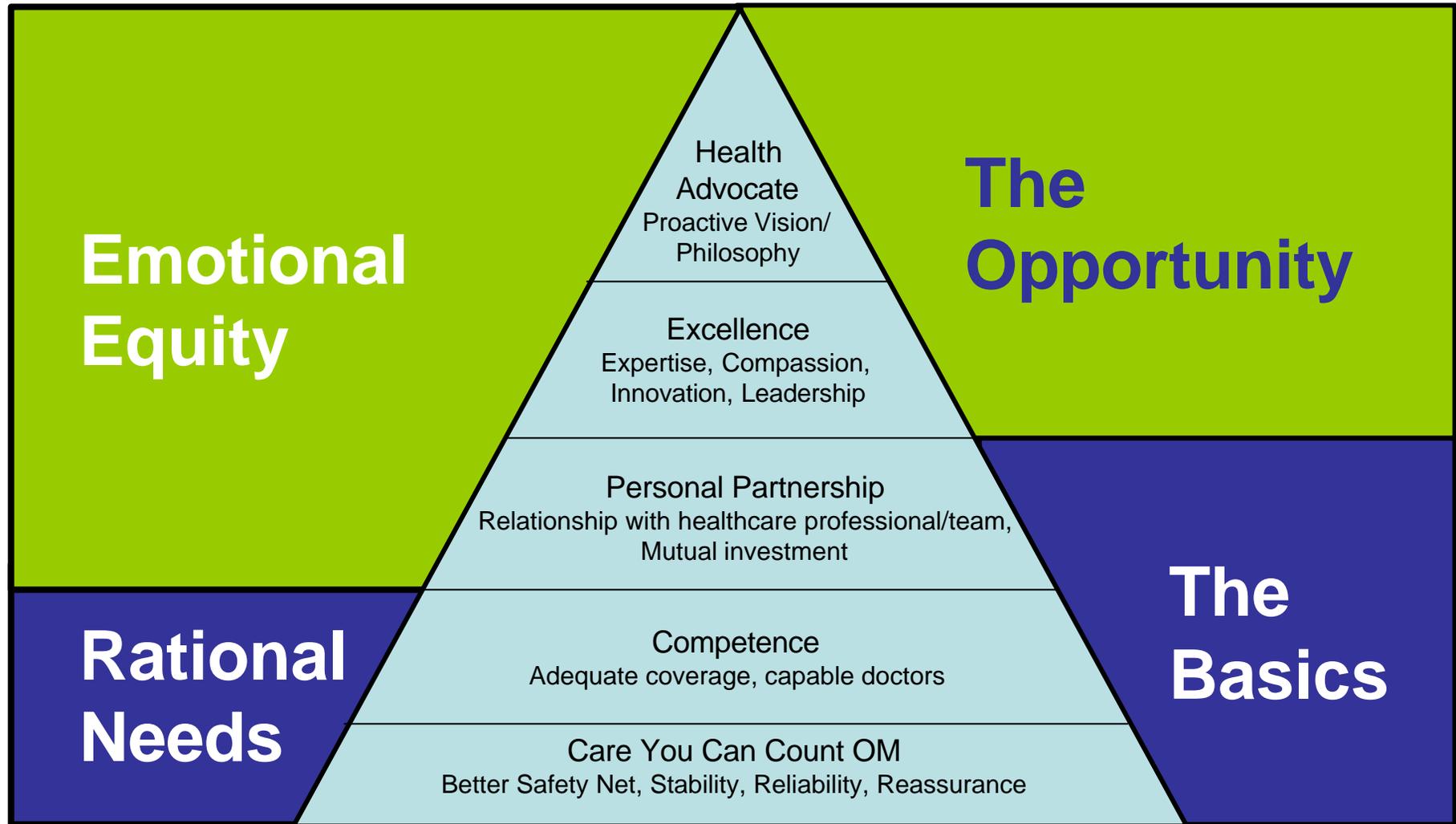


# New Paradigm Allies

Doctors' roles are shifted to the last line of defense



# The Healthcare Needs Hierarchy



Source: Kaiser Permanente Big Dig

## Health Advocacy is already in our DNA

- Commitment to prevention -- ensuring greater health, not just treating illness
- Commitment to providing integrated care
- An organization that puts the patient first
- Inspirational and motivational system ensuring quality care
- Kaiser Permanente defined the original vision of a “health *maintenance* organization”

People. Understanding. **Health.**

# Whose Perceptions Do We Want to Change?

## Best Prospects

- Health Seekers 34%
  - Cost Driven 25%
- *We have an opportunity to influence 60% of consumers*

## Less Likely Prospects

- Choice 20%
- Fix Me 15%

## Who is the Cost Driven consumer?

- Skews young, single and male
- Healthcare is a lower priority
- Price sensitive -- wants visible value for premium
- Least likely to be attached to personal physician
- Expects accessible, convenient care – not adverse to HMO style of delivery
- Lowest utilization segment

## Who is the Health Seeking consumer?

- Includes Pro-actives
  - KP's most satisfied members
  - Health is a high priority
  - Lead a healthy lifestyle
  - Take accountability for their health
  - Want a relationship with providers as well as other tools, e.g., health education, wellness, prevention and self-care programs
- And Alternatives
  - Want access to therapies that complement Western medicine
- Both Proactives and Alternatives have low to average utilization

## The Goal:

- To build awareness, connectedness and ownership of the new brand positioning
  - More than announcing a new ad campaign
  - Inviting a culture change and a discussion about values
- To energize and galvanize all employees to live and breathe the message – becoming Brand Ambassadors

## The Fundamentals

- Demonstrate our commitment to *Total Health* by caring for and respecting the physical, emotional and spiritual well-being of employees and physicians
  - Connect with them as people who we want to thrive
- Facilitate a dialogue among everyone in the Kaiser Permanente community:
  - Doctor to doctor
  - Doctor to staff
  - Staff to staff
  - Doctor to member
  - Staff to community
  - Member to member

# Creative Review

# "Anthem"



# “Winners”



WHOEVER STAYS  
THE HEALTHIEST  
LONGEST  
**WINS**

# "Another Day"





thrive.



thrive.

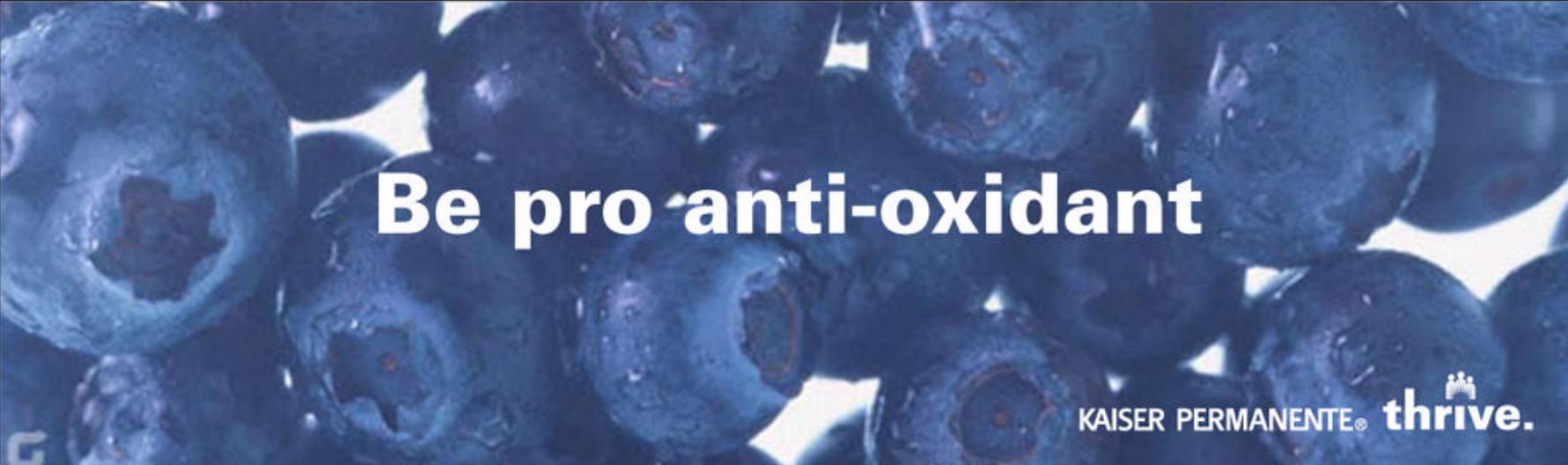


IF YOU CAN'T TAKE IT WITH YOU  
**STAY LONGER.**

KAISER PERMANENTE® **thrive.**

WHOEVER STAYS THE HEALTHIEST LONGEST  
**WINS.**





**Be pro anti-oxidant**



# Media Objectives and Strategies

- Create awareness for new “Thrive” positioning
- Establish a strong presence
- Ensure adequate weight levels when active
  - Achieve minimum of 75-80% target reach weekly
- Extend value of media with big events and creative tactics

- **Make \$40 million work like \$51 million *plus***
  - More focused target
  - Launch BIG
  - Continue Fall enrollment heavy-up
  - Focused media and programming choices
    - By Target
    - By Region

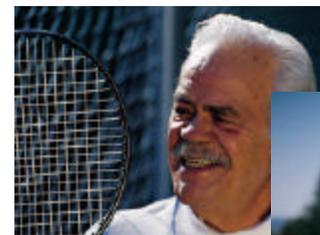
Not all people are alike  
within ANY given target<sup>1/4</sup>



Demos are not the driver →

Varying

- Attitudes
- Lifestyles
- Behavior
- Motivations
- Values



# Target Development



- Identified “Health Seekers” target
  - “Cost Driven”
- Created “Healthy Living Score” - supporting KP segmentation
  - Profile adults based on various “healthy living” and “value seeking” criteria
  - Selected 120 indicators from 2800+ items

## Healthy Living:

- Diet Control
- Use Vitamins
- Exercise at Club/Facility
- Light fast food usage
- Took an extended vacation (4+ days)
- Hobbies: Ceramics/pottery, Dancing, Plays a musical instrument, Paints, Draws

- Don't use tobacco
- Light Alcohol use
- Light caffeine use
- Take aspirin for heart attack prevention
- Takes adult education courses
- Have a pool
- Avoid high fat/cholesterol foods
- Participate regularly in 2+ active sports

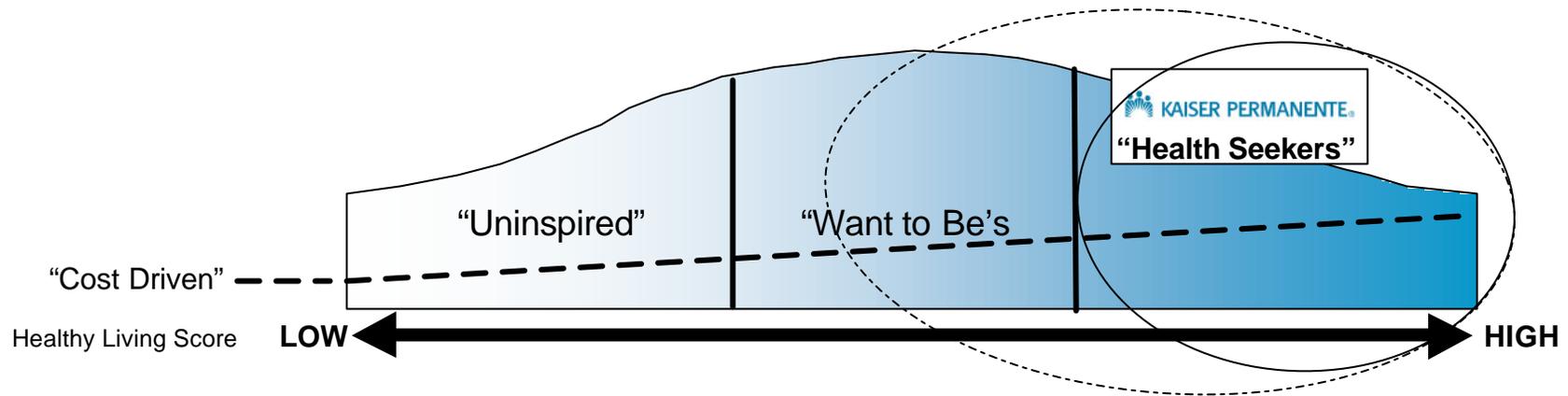
## Value seeking Medical:

- Have an HMO

## Value seeking General:

- Know price I pay
- Shop around before purchase
- Price more important than brand
- Favorite store offers discounts regularly

# Targeting “Health Seekers”



Focus communications against core target = “Health Seekers”

- Most likely to be receptive to the message

- Most likely to embrace new positioning

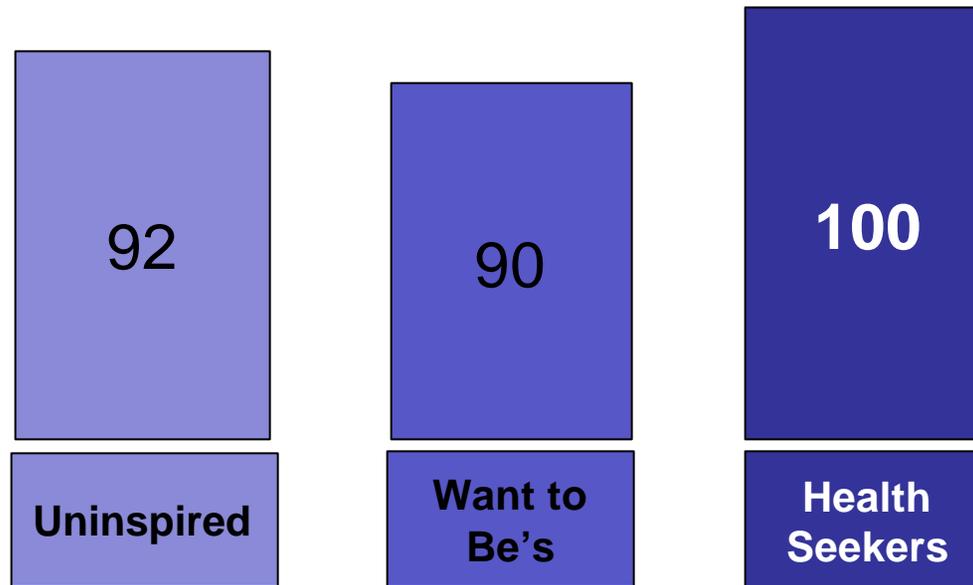
- Most likely to be motivated

“Cost Driven”

- Higher concentration among “Health Seekers”

  - Medical - 120 Index; General - 110 Index

# Targeting “Health Seekers”

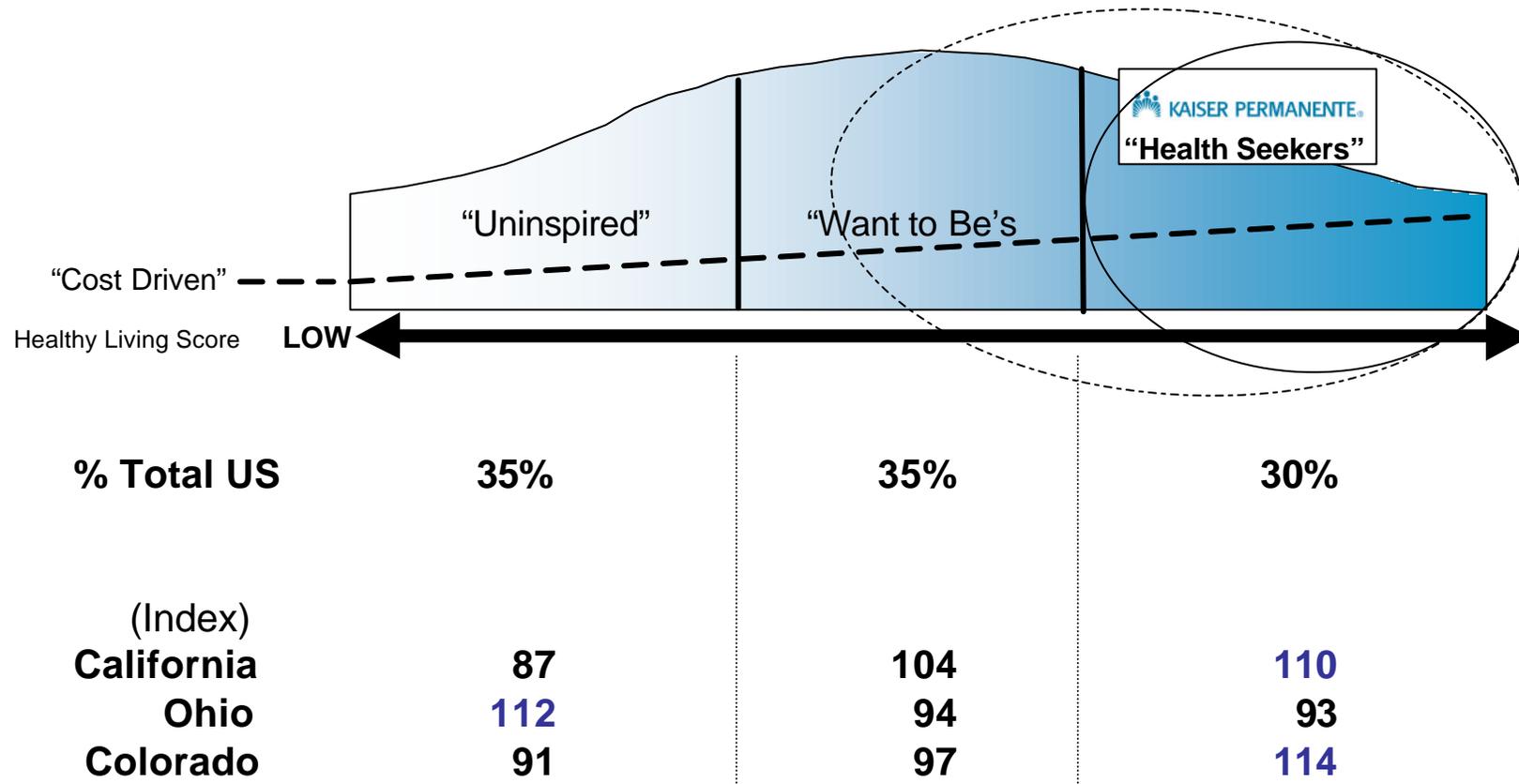


Buy against “Health Seekers” - reach everyone else  
Provides an opportunity to influence behavior and change perceptions  
Converting “Want to Be’s” to “Health Seekers”

# Targeting “Health Seekers”



Concentration of “Health Seekers” vary by Region...



# Targeting “Health Seekers”



- Segments consume media differently...

	<u>“Uninspired”</u>	<u>“Want to Be’s”</u>	<u>“Health Seekers”</u>	<u>“Cost Driven”</u>
<b>Television</b>				
Dateline NBC Fri.	96	94	112	115
Days of Our Lives	122	98	77	85
Friends	109	94	97	93
AFI Awards	83	96	124	122
<b>Radio Formats</b>				
Jazz	88	94	120	136
Country	115	98	86	93
Public	71	94	140	128
<b>Cable Networks</b>				
Bravo	93	99	110	114
Food network	94	101	106	109
Court TV	114	99	85	95
Headline News	97	98	106	105

# Targeting “Health Seekers” - By Region



- Each market is different
  - Community personality
  - Economy
  - Demographics
  - Seasonality
  - Geography
  - Competition
- Local media dynamics

Customized plans are required to address local differences

# Targeting “Health Seekers” - By Region



## California

- News - TV & Radio
  - Heavy Cable
  - Awards Shows
- Lifestyle Magazines

## Ohio

- More Primetime
- Sports Fanatics
  - Early Fringe
- Late Night Viewers
  - Specials

## Colorado

- Early Morning & Late Night Viewers
- 27% own satellite dishes
- Heavy out-of-home

# Targeting “Health Seekers” - By Region



- Programming, daypart mix and format selection varies by Region

“Health Seekers” in:	<u>California</u>	vs.	<u>Ohio</u>	vs.	<u>Colorado</u>
<b>Television</b>					
CSI	94		109		<b>130</b>
Dateline NBC	103		<b>167</b>		96
Judging Amy	81		118		<b>217</b>
Primetime Thursday	<b>139</b>		120		**
US Gymnastics Champ.	114		<b>145</b>		97
West Wing	<b>130</b>		<b>133</b>		<b>141</b>
Will & Grace	<b>115</b>		98		71
Today Show	70		<b>127</b>		<b>153</b>
<b>Radio Formats</b>					
Alternative	114		67		151
Classical	172		151		123
News/Talk	133		128		132
Adult Cont.	119		109		87
<b>Cable Networks</b>					
Bravo	152		93		69
CNBC	112		90		99
A&E	107		92		123
E!	113		113		102
HGTV	86		129		69
Travel Channel	97		114		123

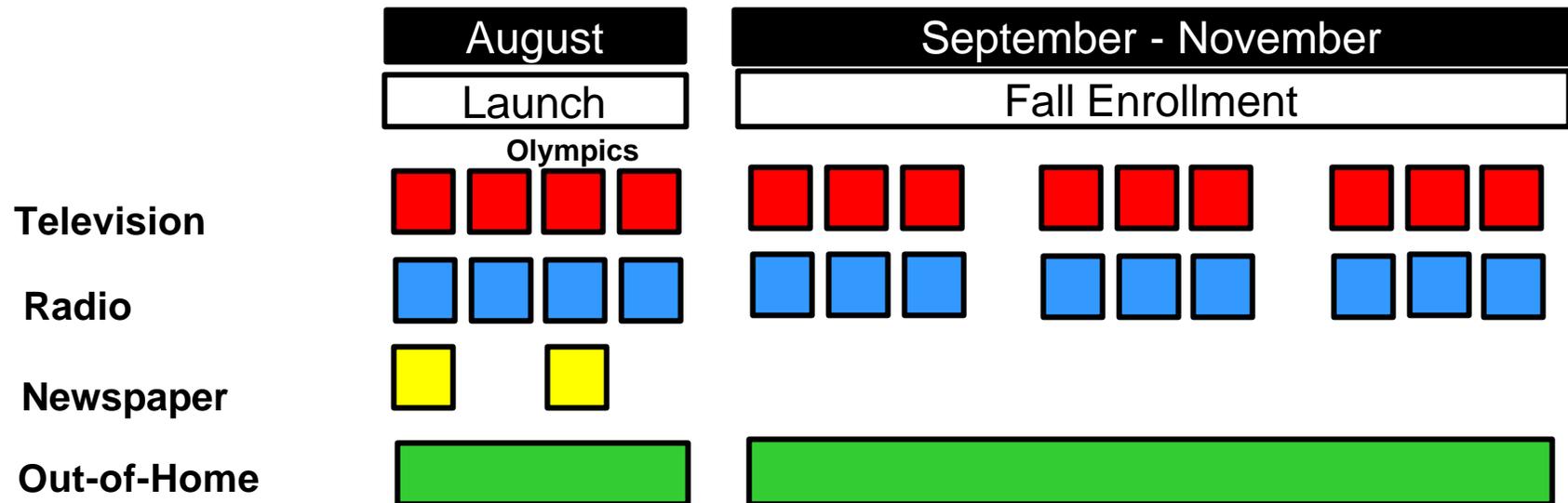
\*\* Sample size unstable

# Making Media Dollars Work Harder



Targeting Method	Program Selection Value	Effective Budget Against Target
Demographic (A 25-54)	100 Index	\$40 Million
"Health Seekers/ Cost Driven"	128 Index	\$51 Million+
28% Effective Budget Increase		

# Multi-Media Launch...



Effectively maximize launch leading into Heavy-Up Fall enrollment

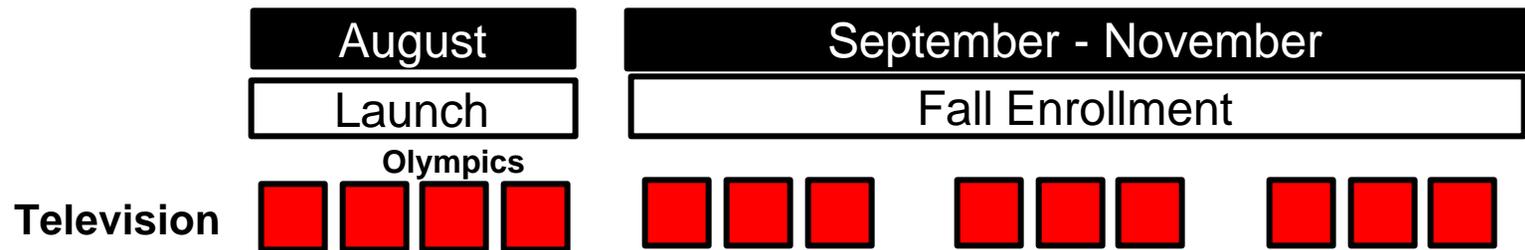
Higher than usual weight levels in August

Reaching 75-80% of target weekly

Broader Media Mix

Use Television supported by Radio, Newspaper and Out-of-Home to kick-off the campaign and seed the message

# Multi-Media Launch...



- Brand building/awareness
- Change brand perception
- Impactful
- Builds reach quickly
- Most dominant medium
- Broad coverage
- Ability to target with programming selection

Extend value of media with big events and creative tactics

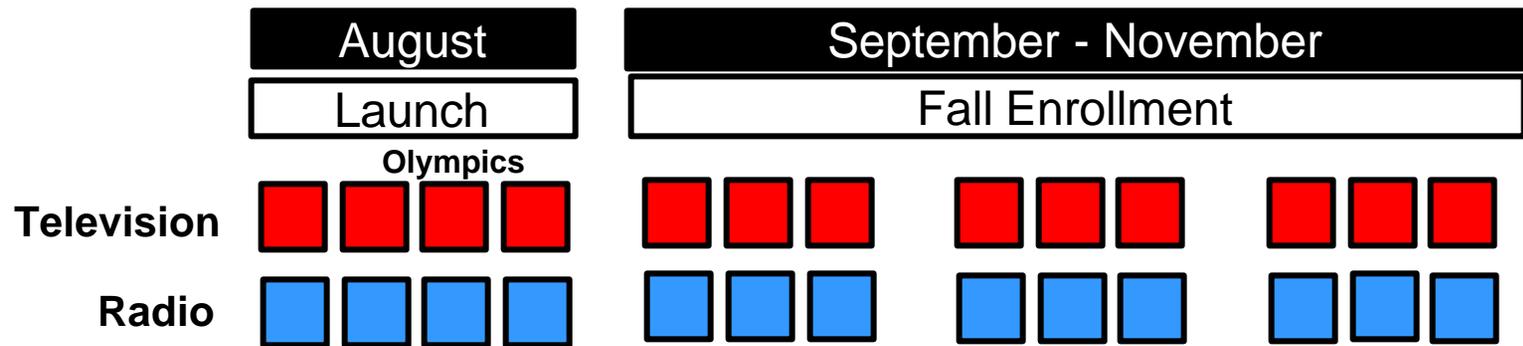
Capitalize on timing of launch

Olympics

Primetime season premieres

Own a night, own a station, own a daypart, Roadblock...

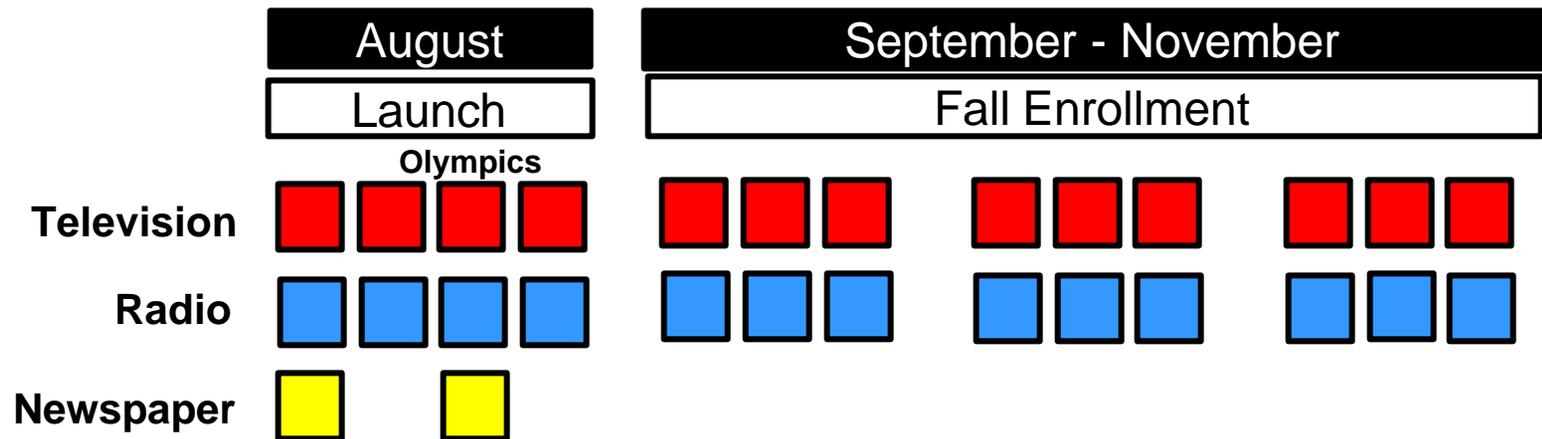
# Multi-Media Launch...



- Reinforces TV
- Efficiently extends reach
- Target with format selection
- High frequency
- Reaches light TV viewers
- Product messages
- Reaches mobile and captive audience
- Local programs - Remotes, events, customized segments

Launch with brand message;  
Integrate product during Fall enrollment

# Multi-Media Launch...

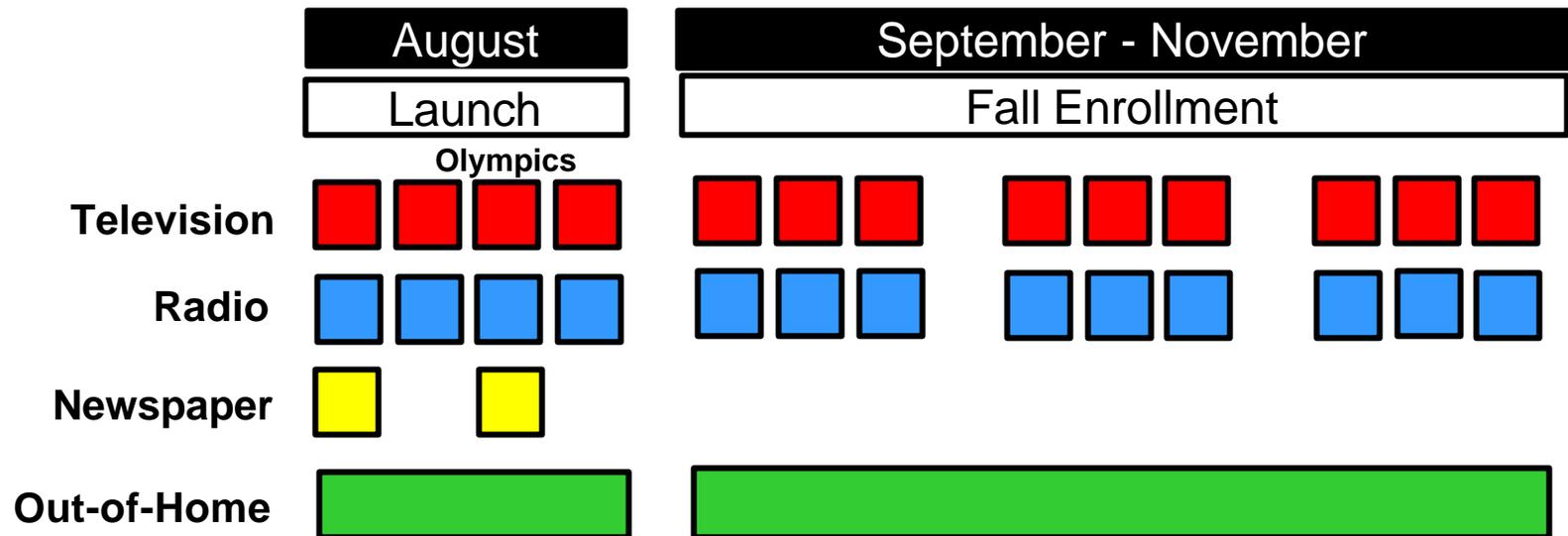


- High Reader involvement - Sunday edition
- Environment for a newsworthy message = new positioning/new campaign
- Complex and detailed messaging
- Compliments and supports broadcast
- Four-Color creative breaks through clutter

**Enhances newsworthy message;**

**Creates excitement and interest among the community**

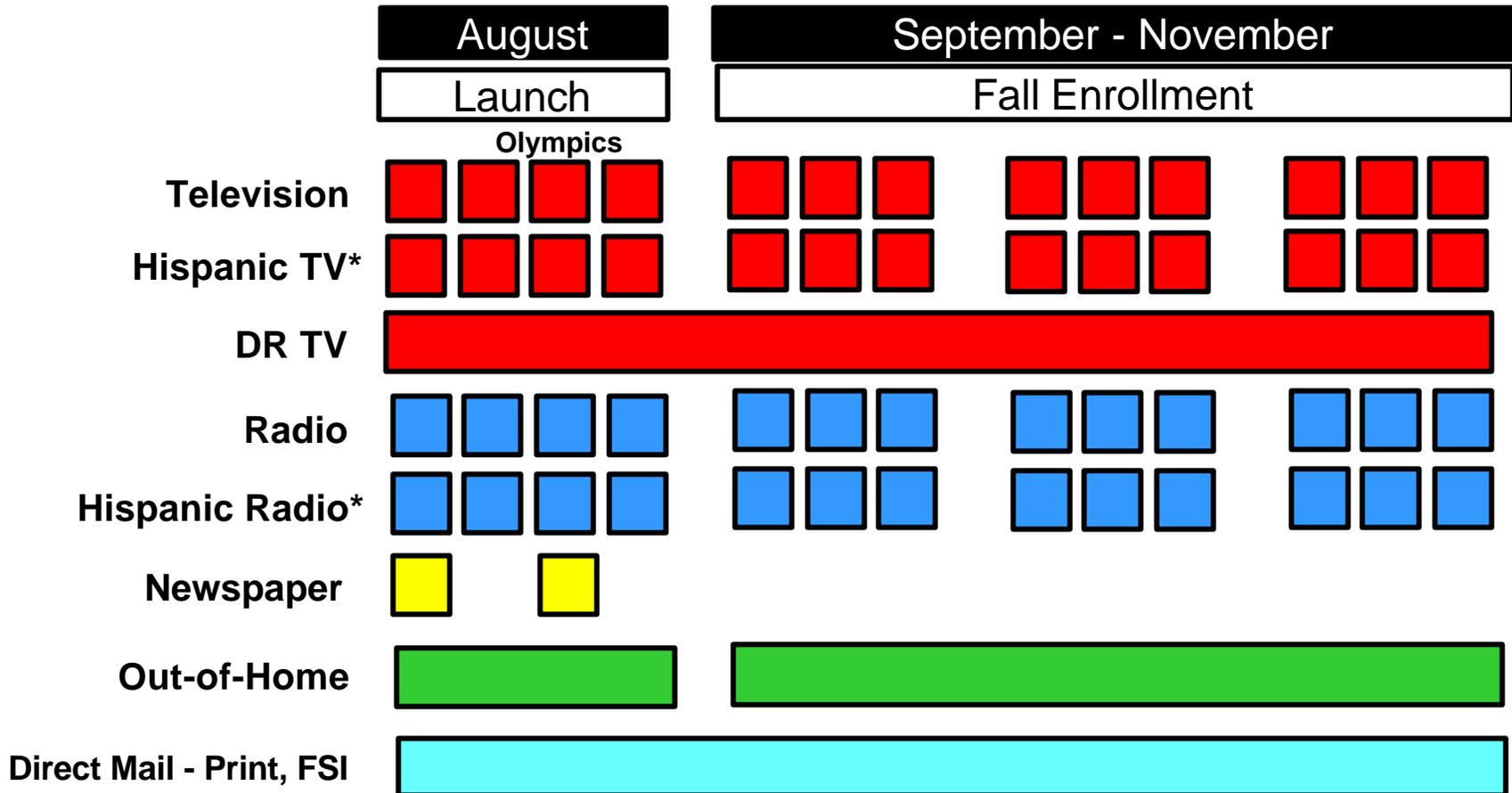
# Multi-Media Launch...



- Geographic targetability
- Reaches mobile audience
- Reinforces the message
- Builds brand with community appeal
- Builds awareness for simple message - "THRIVE"

Investigate out-of-home opportunities for launch;  
Continue with current schedules through Fall enrollment

# Communications Platform



\* Select Regions - CA, CO (Denver/Boulder)

# Making Media Work Harder



- More Focused Target



“Health Seekers/  
Cost Driven”

- Launch BIG

- Continue Fall heavy-up



Multi-Media -  
consecutive weeks

Focused media and programming choices

By Target  
By Region



28% Effective  
Increase in  
Media

# Advertising Staging



# Advertising Staging

