• 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:

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.
# The Big Dig Consumer Insights

## A new paradigm of health

Words consumers used to describe **health** included:

<table>
<thead>
<tr>
<th>Fun</th>
<th>Laughter</th>
<th>Avoiding toxins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Love</td>
<td>Giving back to the community</td>
</tr>
<tr>
<td>Relationships</td>
<td>Optimism</td>
<td>Power and energy</td>
</tr>
<tr>
<td>Preventing Illness through healthy habits</td>
<td>Setting priorities</td>
<td>Being outside</td>
</tr>
<tr>
<td>Lower stress</td>
<td>Eating well</td>
<td>Doing what feels good</td>
</tr>
<tr>
<td>Clear and free</td>
<td>Happiness</td>
<td>Exercise</td>
</tr>
</tbody>
</table>
## The Big Dig Consumer Insights

### A new paradigm of health

Words consumers used to describe healthcare included:

<table>
<thead>
<tr>
<th>Bureaucracy</th>
<th>Cost focused</th>
<th>Trapped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule Bound</td>
<td>Red Tape</td>
<td>A business - profit</td>
</tr>
<tr>
<td>Limited</td>
<td>Insurance</td>
<td>Paperwork</td>
</tr>
<tr>
<td>Hassle</td>
<td>Safety Net</td>
<td>Uncompassionate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unobtainable/Unreachable</td>
</tr>
</tbody>
</table>
• 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

- Prevention Police
- Information Haven
- Power Partners
- The Inner Sanctum

Some “good” personal physicians, chiropractors. Focus is on check-up and prevention

- Internet, Magazines, Books, Media. Knowledge=Choice & Control

- Nutritionists, Personal Trainers. Goal setting, monitoring, help you maintain a healthy body

- Friends, Family, Spouse, Co-Workers. They know you best, know your needs and offer mental support
The Healthcare Needs Hierarchy

**Emotional Equity**
- Health Advocate
  - Proactive Vision/Philosophy

**Rational Needs**
- Personal Partnership
  - Relationship with healthcare professional/team, Mutual investment

- Competence
  - Adequate coverage, capable doctors

- Care You Can Count On
  - Better Safety Net, Stability, Reliability, Reassurance

**The Basics**
- The Opportunity
  - Excellence
    - Expertise, Compassion, Innovation, Leadership

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”

Whose Perceptions Do We Want to Change?
We have an opportunity to influence 60% of consumers

Best Prospects

• Health Seekers 34%
• Cost Driven 25%

Less Likely Prospects

• Choice 20%
• Fix Me 15%

Source: KP Segmentation
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
“Winners”

WHOEVER STAYS THE HEALTHIEST LONGEST WINS
“Another Day”

YOU DON’T HAVE TO BE FAMOUS TO HAVE AN ENTourage.

DERMATOLOGIST

OPTOMETRIST

PEDIATRICIAN
thrive.
IF YOU CAN’T TAKE IT WITH YOU
STAY LONGER.
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 \textit{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. Varying
- Attitudes
- Lifestyles
- Behavior
- Motivations
- Values

Demos are not the driver
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

<table>
<thead>
<tr>
<th>Healthy Living:</th>
<th>Value seeking Medical:</th>
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</thead>
<tbody>
<tr>
<td>• Diet Control</td>
<td>• Have an HMO</td>
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<tr>
<td>• Use Vitamins</td>
<td></td>
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<tr>
<td>• Exercise at Club/Facility</td>
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<tr>
<td>• Light fast food usage</td>
<td></td>
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<tr>
<td>• Took an extended vacation (4+ days)</td>
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<tr>
<td>• Hobbies: Ceramics/pottery, Dancing, Plays a musical instrument, Paints, Draws</td>
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<tr>
<td>• Don’t use tobacco</td>
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<td>• Light Alcohol use</td>
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<td>• Light caffeine use</td>
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<td>• Take aspirin for heart attack prevention</td>
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<tr>
<td>• Takes adult education courses</td>
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<tr>
<td>• Have a pool</td>
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<tr>
<td>• Avoid high fat/cholesterol foods</td>
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<tr>
<td>• Participate regularly in 2+ active sports</td>
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<tr>
<td>Value seeking General:</td>
<td></td>
</tr>
<tr>
<td>• Know price I pay</td>
<td></td>
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<tr>
<td>• Shop around before purchase</td>
<td></td>
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<tr>
<td>• Price more important than brand</td>
<td></td>
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<tr>
<td>• Favorite store offers discounts regularly</td>
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</tbody>
</table>
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 Drivens”
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...

<table>
<thead>
<tr>
<th>Healthy Living Score</th>
<th>“Cost Driven”</th>
<th>“Uninspired”</th>
<th>“Want to Be’s”</th>
<th>“Health Seekers”</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
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</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Index 1</th>
<th>Index 2</th>
<th>Index 3</th>
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<tr>
<td>California</td>
<td>87</td>
<td>104</td>
<td>110</td>
</tr>
<tr>
<td>Ohio</td>
<td>112</td>
<td>94</td>
<td>93</td>
</tr>
<tr>
<td>Colorado</td>
<td>91</td>
<td>97</td>
<td>114</td>
</tr>
</tbody>
</table>

% Total US | 35% | 35% | 30% |

(Index)
### Targeting “Health Seekers”

Segments consume media differently...

<table>
<thead>
<tr>
<th></th>
<th>“Uninspired”</th>
<th>“Want to Be’s”</th>
<th>“Health Seekers”</th>
<th>“Cost Driven”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Television</strong></td>
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<tr>
<td>Dateline NBC Fri.</td>
<td>96</td>
<td>94</td>
<td>112</td>
<td>115</td>
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<tr>
<td>Days of Our Lives</td>
<td>122</td>
<td>98</td>
<td>77</td>
<td>85</td>
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<tr>
<td>Friends</td>
<td>109</td>
<td>94</td>
<td>97</td>
<td>93</td>
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<tr>
<td>AFI Awards</td>
<td>83</td>
<td>96</td>
<td>124</td>
<td>122</td>
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<td><strong>Radio Formats</strong></td>
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<td></td>
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<tr>
<td>Jazz</td>
<td>88</td>
<td>94</td>
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<td>Country</td>
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<td>Public</td>
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<td>94</td>
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<td><strong>Cable Networks</strong></td>
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<tr>
<td>Bravo</td>
<td>93</td>
<td>99</td>
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<td>Food network</td>
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<tr>
<td>Headline News</td>
<td>97</td>
<td>98</td>
<td>106</td>
<td>105</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>California</th>
<th>Ohio</th>
<th>Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td>• News - TV &amp; Radio</td>
<td>• More Primetime</td>
<td>• Early Morning &amp; Late Night Viewers</td>
</tr>
<tr>
<td>• Heavy Cable</td>
<td>• Sports Fanatics</td>
<td>• 27% own satellite dishes</td>
</tr>
<tr>
<td>• Awards Shows</td>
<td>• Early Fringe</td>
<td>• Heavy out-of-home</td>
</tr>
<tr>
<td>• Lifestyle Magazines</td>
<td>• Late Night Viewers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Specials</td>
<td></td>
</tr>
</tbody>
</table>
Targeting “Health Seekers” - By Region

- Programming, daypart mix and format selection varies by Region

<table>
<thead>
<tr>
<th>“Health Seekers” in:</th>
<th>California</th>
<th>vs.</th>
<th>Ohio</th>
<th>vs.</th>
<th>Colorado</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Television</strong></td>
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<td>CSI</td>
<td>94</td>
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<tr>
<td>Dateline NBC</td>
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<tr>
<td>Judging Amy</td>
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<tr>
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<tr>
<td>US Gymnastics Champ.</td>
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<td>Will &amp; Grace</td>
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<tr>
<td>Today Show</td>
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<td><strong>Radio Formats</strong></td>
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<tr>
<td>Alternative</td>
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<td>67</td>
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<td>151</td>
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<tr>
<td>Classical</td>
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<tr>
<td>News/Talk</td>
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<td>Adult Cont.</td>
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<tr>
<td><strong>Cable Networks</strong></td>
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<td>Bravo</td>
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<td>E!</td>
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<td>Travel Channel</td>
<td>97</td>
<td></td>
<td>114</td>
<td></td>
<td>123</td>
</tr>
</tbody>
</table>

** Sample size unstable
Targeting Method: Demographic (A 25-54) vs. “Health Seekers/Cost Drivens”

Program Selection Value: 100 Index vs. 128 Index

Effective Budget Against Target: $40 Million vs. $51 Million+

28% Effective Budget Increase
**Multi-Media Launch...**

<table>
<thead>
<tr>
<th>August</th>
<th>September - November</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Launch</strong></td>
<td><strong>Fall Enrollment</strong></td>
</tr>
<tr>
<td>Olympics</td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td></td>
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<tr>
<td>Radio</td>
<td></td>
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<tr>
<td>Newspaper</td>
<td></td>
</tr>
<tr>
<td>Out-of-Home</td>
<td></td>
</tr>
</tbody>
</table>

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

August
Launch

Olympics

Television

Hispanic TV*

DR TV

Radio

Hispanic Radio*

Newspaper

Out-of-Home

Direct Mail - Print, FSI

September - November
Fall Enrollment

* Select Regions - CA, CO (Denver/Boulder)
Making Media Work Harder

Focused media and programming choices

By Target
By Region

• More Focused Target
• Launch BIG
• Continue Fall heavy-up

“Health Seekers/Cost Drivens”
Multi-Media - consecutive weeks

28% Effective Increase in Media
## Advertising Staging

<table>
<thead>
<tr>
<th></th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td><strong>TV</strong></td>
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<td>Anthem</td>
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<td>Swimmer</td>
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<td>Entourage</td>
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<td><strong>Outdoor</strong></td>
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<td>Thrive</td>
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<tr>
<td>Launch</td>
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