

The iPod Mindset: How to Think Like an Innovator

What healthcare marketers can learn about innovation from one of the most successful product launches of all time



The healthcare market is changing, in vast, roiling, and potentially revolutionary ways. Rising consumerism is leading to more informed and demanding patients. Competition for the healthcare dollar is coming from many new quarters, with entrants such as Best Buy and other retailers, alternative medicine outlets, and even Dr. Phil. Recently, Steve Case, founder of AOL and one of the most successful entrepreneurs of our time, announced the investment of \$500 million of his own money in Revolution Health, whose goal is to create the first comprehensive, consumer-driven healthcare company designed totally around meeting the needs of consumers and giving them more choice, control, and convenience.

Healthcare organizations are being forced to abandon their long-surviving inside-out perspective and truly embrace “consumer-centric” thinking. For systems, hospitals, clinics, and other providers, thriving in this new world will require more than the latest technology, clinical expertise, and positive outcomes; it also will require designing and sustaining a superior patient experience.

When presented with evidence of the changes that are taking place all around them, most healthcare managers seem to understand their scope and significance. Inevitably, the next question is, What can I do about it? For those charged with driving marketing results, such as improving share, increasing volumes, or improving revenue or income, one answer is the “iPod mindset,” a different way to think about your marketing challenges.

Essentially, there are only two aspects — we call them rules — of the iPod mindset.

Rule 1: Think Experience

The iPod has been one of the most successful product launches of all time. For the third quarter of its fiscal year (ended June 2005), Apple reported a fivefold jump in profits — to \$320 million — compared with the previous year’s third quarter, which the company attributed mainly to iPod sales. Revenue increased 75 percent from the previous year’s third quarter, up to \$3.52 billion, and more than 6.2 million iPods were sold, a sevenfold increase. This follows two quarters of equally astounding returns. In the market for music players with hard drives, the iPod holds a 95 percent share.

These are amazing results, but it’s the reason *behind* this success that matters most to us, and that reason, in a word, is “experience.” The success of the iPod has been overwhelmingly driven by the unbelievable experience Apple created for its users. From the product’s beautiful aesthetics, to its ease of use, to the



Courtesy of Apple

iTunes website that allows consumers to buy and download songs for only 99 cents, the iPod experience is both compelling and differentiated.

How do we know it is the experience that has driven the iPod’s success? What about the technology the iPod is based on? Well, the technology that allows users to download, save, and play digital music was around before the iPod. If the technology alone were responsible for the iPod’s success, other MP3 music players might have enjoyed the same results...but they didn’t.

What about advertising? Surely everyone in America has been exposed at least a dozen times to the ubiquitous advertising for the iPod, featuring silhouetted figures dancing joyfully to hip music. Although these ads have certainly driven sales, the iPod was a cultural icon before this campaign hit full stride. It was the word of mouth generated by the experience of using the iPod that drove more and more people to the stores. So, the first rule of the iPod mindset is “think experience.”

Many healthcare organizations focus on promoting facilities, expertise, technology, or other benefits of their offerings to try to attract patients. But these are the equivalent of promoting the iPod’s technology. Sure, these features are necessary components of success, but they are rarely enough to create a compelling and differentiated choice for consumers.

Of course, there are exceptions. For example, a specialist who offers a definable expertise that cannot be found anywhere else in the market potentially offers a competitive advantage. For most healthcare products, services, and programs, however, something more is needed to gain long-term success.

So the next time you are asked to develop a marketing plan

Call for Nominations: 2006 Awards for Individual Professional Excellence


for a service line, or a promotional strategy for a program, or an ad campaign for a new clinic, before you jump in and do your thing, ask yourself this: How can I make what I'm promoting feel like an iPod? That is, how can I take what I am marketing, promoting, or advertising and create an experience that is both compelling and different?

Rule 2: Think Small

Often, when asked what they are doing to improve the patient experience, healthcare organizations point to initiatives such as TQM, lean manufacturing, customer service training, facility upgrades, or technological improvements like the universal medical record. Although all of these are powerful, long-term ways to improve the patient experience, they represent wholesale efforts to change an organization. In a sense, they are the equivalent of tearing down a house and building a new one. Again, the iPod teaches us a lesson that can help healthcare marketers drive improvements to their experiences in a different way.

One of the celebrated features of the iPod is its size — “10,000 songs in a deck of cards.” The iPod Shuffle fits 240 songs into a piece of equipment the size of a pack of gum. So in looking to improve the experience you deliver, remember Rule 2 of the iPod mindset: think small. What do we mean by thinking small? If the initiatives mentioned earlier, and others like them, represent wholesale change — i.e., building a whole new house — it is also important to focus on improving the experience brick by brick.

What is a brick? A brick is a screening, a program, a class, or a service. A brick is a specific situation, like a first-time mother delivering her child. Creating experiences brick by brick allows you to bring about change faster, easier, and with more immediate results. The success of one new experience can lead to the development of the next new experience. By creating new and better experiences brick by brick, you will be able to jump into the new competitive world in days or weeks, instead of waiting for the results of systemwide changes that can take months or years. That's what is meant by “think small.”

The iPod mindset is a call to embrace thinking like a designer. (After all, it was designers, not engineers, who were behind the development of the iPod.) It's a call to take chances, to innovate. It's a call to employ a new way of thinking to become more competitive. Perhaps you're already employing this type of thinking — if so, congratulations, you're ahead of the curve. If not, why not start today? 

Written by:

Chris Bevolo

Partner and Director of Client Strategy
GeigerBevolo, Inc., Minneapolis, MN

612.672.9842

e-mail: chris@geigerbevolo.com

www.geigerbevolo.com

Do you know someone who inspires others to professional excellence? Someone who has made important contributions toward the advancement of the field? Consider nominating him or her for a SHSMD Award for Individual Professional Excellence. These awards honor the best and brightest healthcare marketers, planners, and public relations/communications practitioners — individuals who are truly exemplars of the profession.

Nominees should have ten or more years of experience in planning, marketing, or public relations/communications, including at least five years in healthcare organizations. Nominees' career achievements will be judged according to the following criteria:

- **Innovation in the practice of our disciplines** through the use of solid marketing, public relations, or planning techniques, including (but not limited to) new product development, product line management, sales, community relations, environmental analysis, competitor assessment, needs assessment, forecasting, or network development.
- **Enhancement of the credibility of the profession**, including participation in professional organizations, publication in the professional literature, or professional public speaking.
- **Exceptional personal qualities and leadership abilities**, such as integrity, ability to work with diverse groups, motivating or mentoring others, and exemplifying the values of our profession to people in other disciplines and fields.
- **Community service** on a local, regional, or national level.

Nominees must be SHSMD members in good standing. A maximum of two awards will be given each year. Awards for 2006 will be presented at the SHSMD Annual Conference, September 6-9, in Phoenix, AZ.

To nominate a colleague, write a letter no longer than three pages describing how you believe the nominee fits the profile above. E-mail it as a Word attachment to Karen Porter, SHSMD associate director, at kporter@aha.org. Be sure to include your daytime telephone number and e-mail address. **Your nomination must be received no later than May 12, 2006.** There are no forms to complete and no entry fees. Sorry, we are unable to accept self-nominations.

Previous Winners

2005	David L. Marlowe
2003	Russell C. Coile, Jr.
2002	Scott Regan
2001	Carolyn Hightower
2000	Susan Dubuque, Susanna Krentz
1999	Greg Waskul, Rhoda Weiss