THE MAYO CLINIC: Staying Healthy with Marketing Research

William and Charles Mayo began practicing medicine in the 1880s in Rochester, Minnesota. They were quickly recognized as extremely talented surgeons, and they gained so many patients that they were forced to think about expanding their practice. Around the turn of the century, the Mayo brothers began inviting others to join their practice. The partnerships that the Mayos entered into created one of the first private group practices of medicine in the United States. In 1919, the Mayo brothers turned their partnership into a not-for-profit, charitable organization known as the Mayo Foundation. All proceeds beyond operating expenses were to be contributed to education, research, and patient care. The Mayo Clinic (www.mayoclinic.org) has been operating in this fashion ever since. The Mayo Clinic’s primary value is, “The needs of the patient come first.” Its mission is, “Mayo will provide the best care to every patient every day through integrated clinical practice, education, and research.”

As of 2011, more than 3,700 physicians and scientists and more than 52,000 allied health staff worked at the original Mayo Clinic in Rochester and newer clinics in Jacksonville, Florida, and Phoenix/Scottsdale, Arizona. Collectively, the three clinics treat more than half a million people each year. Philanthropy is a big part of the Mayo Clinic. From the Mayo’s donations in 1919, philanthropy has been deeply rooted in the Mayo Clinic’s operations. In 2009, 118,000 donors provided $236 million in contributions, private grants, and endowments. These donations are used heavily in research and education, and Mayo’s capital expansion depends on these investments. Total revenues for 2009 were $7.58 billion and net income from current activities was $333 million. Patient care is the largest form of revenue. The Mayo Clinic continues to donate huge amounts of money to education and research. In 2009, Mayo devoted $769 million to research and education.

The majority of its business is brought in because of the positive experiences that patients have at the Mayo Clinic. This is a result of the care the Mayo Clinic provides as well as the environment it has created. Collaboration throughout the Mayo Clinic has resulted in excellent care, better methods, and innovation, while also being mindful of the environment in which the care takes place. Marketing research revealed that the clinic environment is an important part of the patient’s experience. Therefore, Mayo breaks the mold of a plain, static look with the addition of soothing music and elaborate art, believing that this adds to the patients’ experience and helps them to heal faster.

Over the years, the Mayo Clinic has become a name that the public trusts despite the lack of any advertising. It has a strong reputation as a research center, a specialty care provider, and a school of medicine. Explaining the Mayo Clinic’s success and how it became the top choice for people in need of care, John la Forgia, chair of the Department of Public Affairs at the Mayo Clinic, says that a key differentiator for Mayo Clinic is its ability to diagnose and treat ailments that other clinics and doctors cannot; the patient then goes home and tells others his or her story, creating immense goodwill and word-of-mouth publicity for Mayo Clinic.

What helps Mayo achieve strong brand recognition is its emphasis on marketing research. A significant portion of marketing research is devoted to brand management. Marketing research is used to continuously monitor consumer perceptions and evaluations of the Mayo Clinic. According to John la Forgia, the Mayo Clinic’s Office of Brand Management serves two basic functions. The first is operating as a clearinghouse for external perceptions. The second is to provide physicians with an understanding of the brand as they branch out into new areas.

A brand-equity research project found that the Mayo Clinic was considered to be the best practice in the country. It also found that 84 percent of the public is aware of the Mayo Clinic, and that they associate words such as excellence, care, and compassion with it.

The other part of its strategy is the enhancement of the brand. To accomplish this, the Mayo Clinic relies on marketing research to monitor the perceptions of its patients, the public, donors, the medical staff, and other constituencies. A recent marketing research study revealed that consumers’ choice of a health care organization is determined by their evaluation of the alternative health care organizations on the following salient attributes: (1) doctors, (2) medical technology, (3) nursing care, (4) physical facilities, (5) management, and (6) ethics. Since then, the Mayo Clinic has sought to emphasize these factors.

In the service industry, the onus of maintaining a good reputation and name depends largely on the way the service is delivered. Thus, it is most important for Mayo to keep delivering the product and not lose sight of the fact that Mayo is a health care provider and all of the brand equity it has in the minds of Americans depends on its continued delivery of excellent health care. Mayo Clinic marketers say that keeping the brand strong well into the future will depend primarily upon patients’ day-to-day experiences, which can be enhanced by marketing research identifying patient needs and developing medical programs to meet those needs.

Conclusion

Through an unflinching focus on patient care, cutting-edge research in medical science, and reliance on marketing research, the Mayo Clinic has been able to carve a special place for itself in the hearts and minds of people and build a strong brand.

Questions

1. The Mayo Clinic would like to further strengthen their brand image and equity. Define the management-decision problem.
2. Define the marketing research problem corresponding to the management-decision problem you have defined in question 1.
3. What type of research design should be adopted? Why?
4. Describe the sources of secondary data that would be helpful in determining consumer preferences for health care facilities. Would it be helpful to analyze social media content? Why or why not?

References