



ASK THE ADVISORS

INSIGHT AND KNOW-HOW FROM THE FIELD

THIS QUESTION ISSUE'S

How much of the marketing budget should healthcare organizations spend on social media?

Gabrielle DeTora, Healthcare Marketing Strategist, Gabrielle DeTora Consulting



Brand ed social media site development on Facebook, YouTube, and other sites is relatively inexpensive. It's the maintenance that gets pricey.

If there is not a robust integrated marketing communications infrastructure, health systems may be able to build the social media platforms but will have trouble creating engagement with consumers (social networking) on an ongoing basis, which is one of the most important opportunities of social media. There simply isn't enough time to maintain communications on a real-time basis even when using drip campaigns and alerts.

There are a number of social networking companies that hire content specialists to monitor sites, post content, and engage consumers on behalf of the hospital or health system, but that comes with risks and can become quite expensive. In reviewing this option for one of my larger health system

clients, a modest bid was \$4,000–\$5,000 per month.

According to eMarketer, which publishes Internet market research and statistics, next year 80% of companies with 100 or more employees are expected to use social media tools for marketing. This is up from 73% in 2010 and nearly double the usage rate in 2008.

Outside of the healthcare industry, in a worldwide survey by SEOmoz, a provider of search engine optimization software, more than half of the 9,000 respondents said their budget for outsourced social media marketing was zero. Only 2.9% said they spent more than \$5,000 per month. Other surveys indicate that marketers spend 4%–11% of their online marketing budgets on social media.

Rilla Delorier, chief marketing officer of Suntrust Bank, mentioned via AdAge that “the great thing is less than 5% of my total spend is in social media. We've reached over a million customers this year through that mechanism. It's a very efficient way to get feedback on what's working and what's not.”

On average, my clients spend approximately 1%–3% of marketing budgets on social media platforms, not including the cost of marketing and communications staff.

The larger question is whether they are getting the proper bang for their buck. Mercy Health System's bariatrics campaign, recently highlighted in the September issue of **Healthcare Marketing Advisor**, has received several inquiries generated from its Facebook page and bariatrics iPhone® app, but the lion's share of consults are still generated from the hospital's traditional campaign advertising.

Dan Dunlop, President, Jennings Co.



The easy answer is that the size of the budget allocation a hospital makes to social media depends entirely upon the strategic objectives of that organization and the degree to which social media tools will be integrated into the organization's marketing program.

In years past we would ask, “What percentage of our budget should

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we allocated to broadcast media?" Obviously there's no set formula. With broadcast media and with social media, it depends on what you are trying to accomplish. It is a matter of applying the right mix of tools to the job. The final answer comes out of a strategic planning process.

I would make the case that a better analogy would be to compare an organization's commitment to social media to the commitment the organization makes to PR. Social media channels represent a distinct opportunity for engaging consumers, just as media relations represents a distinct method for disseminating information about the organization. The difference between them is that social media platforms offer the opportunity for two-way communication and community building. PR, in contrast, is more unidirectional.

In fact, when I think of the community building and consumer

engagement made possible through social media, the most appropriate comparison may be to the community relations function within a hospital.

The question then becomes: What resources and staffing do most hospitals dedicate to community relations? And what does that tell you about how you might approach budgeting for social media?

When you look at it that way, it becomes apparent that this is a function more fundamental to the hospital or health system's operation than any single advertising medium. This isn't at all like budgeting for broadcast spending.

In the end, it comes down to understanding that social media is not advertising. The communication your organization facilitates via social media should help you connect with, engage, and inform your consumers.

Ultimately, social media tools are at their best when you use them to

build and deepen consumers' relationship with your organization. Those are functions that justify a meaningful budget allocation. *huma*

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- » 17% say tying executive compensation to patient experience is important
- » 14% of leaders say the CEO has primary responsibility for patient experience

To read more of the survey, go to www.healthleadersmedia.com/intelligence/081/industry-insight-report.html.

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