

# Marketing of Hospital Services – Part 2

**Prof (Col) Dr RN Basu**

# Content

- Marketing Planning
- Marketing Research
  - Areas it addresses
  - Importance
  - When to do marketing research
  - Data dimensions in marketing research
    - Community Versus Organisational Data
    - Health data
    - Internal and external data
  - Marketing research questions

# Content

- Profiling the market
  - Demographic data
  - Psychographic data
- Positioning
  - Strategic options
- Nature of marketing planning
- Marketing planning process

# Marketing Planning

# Marketing Planning<sup>5</sup>

- In marketing a well thought out plan of attack is essential
  - The actual marketing campaign is only launched after marketing plan is carried out
  - The quality of plan will determine the effectiveness of the initiative
- **Meaning**
  - It means the development of a systematic process for promoting an organization, an idea or a product.

# Marketing Research

# Marketing Research or Market research

- **Marketing research addresses:**
  - The nature of the product or services
  - The characteristics of consumers
  - The size of the potential market
  - The nature of competitors, and
  - Any number of other essential pieces of marketing puzzle
- **Importance of marketing research**
  - It is the starting point of any marketing initiative

# Marketing Research

- The marketing research gathers critical information
- This information helps in decision making
- **When to do Marketing Research?**
  - Ideally, the marketing research is an ongoing process in an organisation
  - But, it is usually triggered by some incident or situation
  - It is not practical to do a research before any marketing initiative
  - Marketing research is proactive e rather than reactive

# Marketing Research

- It is possible to routinely analyse market, trends such as changes in physician referral
- Shifts in admission by specialty
- **Data Dimensions in Marketing Research**
  - The data collection during marketing research can be categorised in various ways:
    - **Community Versus Organisational Data**
      - Community-wide health data
      - Data about health facilities

# Marketing Research

- Health data can be compiled at community level as well as organisational levels
  - Here the analysis focuses on the characteristics and concerns of specific corporate entities such as hospitals, care giver groups and health financing
  - The data may include patient volume, market share, procedures performed and so on
- Internal and external data needs to be collected
  - Internal data pertains to healthcare organisation
  - External data is collected from the market

# Marketing Research

- Marketing research questions:
  - The marketer will typically attempt to answer the following questions:
    - How much of the information required is available from secondary data sources?
    - Are there data gap and call for primary research?
      - If so, what type of research is appropriate
    - Should it be qualitative or quantitative research
    - Extent of organisational and market data requirement?
    - What should be the geographic level from which data should be collected

# Marketing Research

- **Profiling the market**
  - The internal and external audits establish the backdrop against which further analysis takes place
  - Baseline data on the community needs to be collected
  - This data will form the basis of marketing planning
- **In profiling the market area, demographic data serve as the foundation for most market analysis**
- **Psychographic data should be collected that reflect the values, attitudes and lifestyles**
  - This data characterise the target population

# Positioning of the Organisation

- **Positioning**

- Positioning and strategy development are essential for effective marketing
- Positioning refers to the way a product or organisation is perceived by the target audience relative to other product or organisation
- Order of Preference of a healthcare organisation in the market place reflects the manner in which it is known within the community

# Positioning of the Organisation

- There are two positions that an organisation can occupy
  - One is determined by statistics and the other by perceptions
    - Statistics such as market share, penetration rates, service line dominance and so on offer an objective picture
    - The perception that public hold in their mind about a healthcare organisation is the subjective position
  - Marketing should function to enhance both aspects of positioning the organisation
  - The marketing staff should proactively establish and manage the position

# Positioning of the Organisation

- **Determining the Organisation's position**
  - Objective determination of market share requires information on the market and the players that occupy that space
  - In order to determine market share, it is necessary to determine the organisations' competitors
    - Competitions profiling to be done and also the level of their activity to be determined
    - Data of own organisation also to be collected
    - Data to be collected should be need based

# Positioning of the Organisation

- **Determining the subjective perception of the organisation**
  - Consumer survey to determine the perception is required to be done
  - In India Google review gives some indication of this subjective perception
    - But this is only a fragment of the target population and may not give a true picture
    - Patient satisfaction survey which the hospital conduct regularly gives some indication of the customers' perception
    - But this survey also gives a very fragmentary view as the customers are only exposed to a part of the hospital services

# Positioning of the Organisation

- **Strategic options**

- Strategy depend upon the mission of the healthcare organisation
- A number of factors need to be considered for developing strategy
- The strategies pertaining to the marketing mix of the 4Ps need to be formulated

# Marketing Planning

- **Nature of the Plan**

- It will depend on the focus of the planning initiative
- In the case of a new organisation or product the intent is to create awareness, generate initial business and establish a customer base
- In the case of an existing organisation or product the intent is to retain customers and enhance existing relationships
- The plan should reflect the particular situation faced by the marketer

# Marketing Planning

- The typical marketing plan focuses on a particular service, program or even an event.
  - For a marketing plan developed to roll out a new service, office site or piece of equipment or a promotional plan, a series of patient education seminars may be done
    - These would be fairly narrow in its scope and short-term in its duration (i.e., tactical).
- Different levels of planning
  - Marketing planning within a healthcare organization can take place at the following levels:
    - System-level or enterprise-wide marketing planning

# Marketing Planning

- Community-level marketing planning
- Facility-level marketing planning
- Product line marketing planning
- Department-level marketing planning
- Unit-level marketing planning

# Marketing Planning

- Marketing Planning Process

- Steps

1. Identifying the mandate under which the marketing planners are to operate. This would include:

- Why are we doing this?
- Who wants it done?
  - These “whys” will ultimately colour the subsequent marketing process

2. Stating Assumptions

- It is critical to for the planning process and initial assumptions should be stated early
- Other assumptions may be developed as the planning process progresses

# Marketing Planning

- Assumptions might be initially stated with regard to:
  - The organisation
  - The market
  - The product
  - The competition
  - The reimbursement potential
  - Resource availability

# Marketing Planning

## 3. Initial information gathering

- Information may be obtained by the marketing team on:
  - The organisation
    - General background information about the organisation
    - History of the organisation, service or product being marketed
    - Attributes of the organisation and its services
    - The degree to which this organisation or the services differs from others
    - Current ongoing marketing activities. This information will help to avoid cross purpose marketing effort

# Marketing Planning

## 4. Setting Goals

- The goal represents the generalised accomplishments that the organisation would like achieve through marketing activities
- The goals should be a generalised statement
  - The statement will be limited in detail
  - Example:
    - To establish hospital X as the most visible facility in this market area, or
    - To substantially increase the organisations market share mong cardiac patients

# Marketing Planning

## 5. Determining Strategies

- The strategy refers to the generalised approach that is to be taken to achieve the goal of the marketing initiative
- Strategies set the tone of subsequent planning activities
- This also sets the boundaries within which the marketer will be operating
- The strategies should ideally support the organisations mission
- The strategies could be an educational initiative, a public relations rather than an advertising approach

# Marketing Planning

## 6. Setting Objectives

- Objectives are the mechanism by which the marketing goal will be achieved
- The objectives to be clearly and concisely stated
- These also should be time bound with clear deadlines
- It should be possible to evaluate the objectives
- Success of the marketing plan will be measured by the success of achieving the stated objectives
- For each goal, a number of objectives may be stated
  - SMART criteria for objectives may be used

# Marketing Planning

## 7. Prioritising Objectives

- It may not be feasible to pursue all the objectives simultaneously
- One approach could be to take into account the traditional 4Ps
- For example:
  - The decision could be taken in favour of a Product over the other Ps
- Any barriers to achieving the objectives should be identified
- Some barriers may be a hindrance that may not be overcome
- Unanticipated consequences resulting from meeting an objective may need an alertness
  - Too often only the positive aspects are only examined in isolation of the negative consequences

# Marketing Planning

## 7. Specifying Actions

- Actions needed to operationalize the marketing plan need to be specified
- For each objective to be achieved, a set of actions need to be specified
  - This may take various forms
- Example: Objective of raising awareness for a new sports medicine programme
  - Actions may include selecting an advertising agency, allocating funds, packaging the programme, recruiting promotional spokespersons and so forth

# Marketing Planning

## 8. Implementing the Marketing Plan

- The success of the marketing plan comes in the implementation of the plan
- The planning process creates a road map that the marketers must use to achieve the objectives
- Usually the same parties are involved in the entire planning process making it smoother
- To proceed systematically it is necessary to include adequate details in the plan and develop implementation matrix
  - Planning tools such as Gantt Chart, PART CPM offer useful aid

# Marketing Planning

## 9. Evaluating the Marketing plan

- It should be inbuilt in the marketing planning process from the beginning itself
- It should involve on-going monitoring of the process, involving benchmarks and milestones for assessment along the way
- Evaluation is particularly important for marketing planning
- Evaluation process focus on: process analysis or formative analysis and outcome analysis
  - Both are important but outcome analysis is more important for marketing planning process
  - For outcome , changes in image, or sales volume must be assessed

**End of Part 2**