

Planning the Marketing Activity in the Health Care Services

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Abstract. *The integration of marketing in the field of health care, starting with the 50's, was accompanied by a series of controversies generated by the ethical and moral aspects that this type of services imply, as well as by the difficulty in determining exactly the demand, the unequal access to information of participants, the regulated mechanism for the establishment of prices and of rates and the intervention of the third party payer, the significant role of the state in ensuring the fair access of population to basic services, etc.*

The formulation of the marketing strategies, in the marketing planning process, starts from the generic strategy chosen by the organization according to its mission and objectives. As it has to adapt to the environment where it acts, to cope with the changes that appear, the organization must benefit from a perspective vision, all its actions must be subordinated to this vision in a whole marketing policy.

Key words: health care services; the health care services consumer; the physician-patient relation; third party payer; health insurance; the financing of the health care services; strategic planning; marketing strategies.

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JEL Codes: M21, M31.

REL Codes: 14G, 14K.

1. The marketing of health care services at the macro and microeconomic level

In health care domain, the marketing is an interdisciplinary domain because, both at the conceptual and operational levels, it uses a series of concepts, methods and techniques of marketing appropriate to the marketing of services and to the social marketing, too, having in view, on the one hand, selling of a service by a service supplier to a beneficiary and, on the other hand, raising of an adhesion to an idea, cause, social behaviour of a person or of a community.

Moreover, the need that the health care service satisfies places this field on the limit between economic and social, between the orientation for profit and non profit one, a fact with profound implications over the marketing measures at the macro and microeconomic level.

The marketing at the macroeconomic level or the macromarketing implies the application of the marketing at the level of the national economy as a social process which manages an economic flow of goods and services, from producers to consumers, in a manner which combines, in an efficient way, the offer and the demand and which fulfils the society's objectives.

Therefore, the macromarketing has in view the application of the marketing by the society, at the level of the entire national economy, through its specific forms of organization, orientation of the economic activity, and the micromarketing deals with the distinct activity of each organization within its confrontation with the market, with the economic-social environment.

In the health care services domain the role of the marketing is more important due to the influence of the state over the availability, accessibility and the cost of health care services.

Mainly, applying the marketing concept at the macroeconomic level implies the redefinition of the place and of the role of the Ministry of Health, as it is the specialized organism through which the intervention of the state in the economy is accomplished, the realities from the domain of the health care services are analysed, the decisions which manage this domain are grounded and the service supplied, taking into consideration the individual needs or the community's needs, is projected.

The marketing measures, at the macroeconomic level, aim, through the accepted policies, strategies and tactics, the surveillance of the public health, the promotion of the public health, prevention of the diseases, as well as the projection and the proportioning of the offer depending on the characteristics and on the way in which the demand is revealed.

The regulation of this domain, which is strong enough, influences the manner in which the marketing policy is grounded. Therefore, the marketing policy, which is applied in the health care services, is generally grounded at the level of the Ministry of Health which accomplishes the study of the economic-social environment and also the manners in which the health system is adapted to the population's needs and in accordance to the requests imposed in/by the adherence at the European Union.

Therefore, through its macroeconomic dimension, the marketing follows the description and the analysis of the social, economic and institutional phenomena and processes which take place on the market. Any marketing approach of an organisation starts from a macroeconomic analysis, at the level of the market or at the level of the sector of activity.

The organisations must know their environment- the framework in which they develop their activity, the market on which they

work, as well as the main laws, norms, rules which defines this market, institutions which give decisions and have activities playing a decisive role in their development.

The micromarketing aims the marketing applied by the organisations for their functioning within the economy, directly referring to the “accomplishment of the activities which aim to fulfil the objectives of an organization through the anticipation of the needs of the buyers or clients and managing the flow of goods and services for satisfying the needs from producer to buyer or client” (Balaure, 2002, p. 69). The microeconomic dimension of the marketing is a managerial one. It refers to the decisions and actions of the organization referring to what it does and what it has to do in order to guide its current activity for touching some pre-established targets.

At the level of the organizations from the health care domain, the marketing aims the prevention, the diagnosis, the treatment, the healing and the recovery of the consumers’ health, considered in an individual manner.

From the attempt of clarifying the place of the marketing in the health care domain in one of the two specializations – social marketing and services marketing –, comes one conclusion: through the concepts, methods and techniques that it uses, adapted to the contain and the characteristics of the services of public health care or which are linked by the person’s medicine, this is a specialized domain, self-contained, with a strong social and economic orientation; the decisions are taken at the central level of the Ministry of Health and they are operated, at the microeconomic level, by the organizations which supply services of health care to the population.

1.2. Particularities of the marketing enforcement in the health care domain

From the conceptual point of view, the acceptance of the marketing in the health care domain has followed an insecure path as there are more elements which hamper its implementation, as a managerial function inside the organizations from the health care domain.

The application of the marketing in the health care services domain is different from other departments due to its particularities established by the characteristics of the market, of the organizations, products, staff and of consumers.

- *The market* - the existence of a real market, from the economic point of view, in the health care domain, is questionable as the manner in which the law of the demand and of the offer functions is different in comparison with other markets; even if the offer of health care services raises, in most of the cases, this does not impose a diminution of the price and even if the level of the demand increases, does not mean that the price will increase; with other words, the modification of the demand and of the offer, in most of the cases, does not influence the modification of the price.

The offer depends on the government’s politics and on different restrictions, and the level of the demand is determined by the level of the insurances, by the availability of resources and by the activity of the family doctors, and less by the illness level of the population. Moreover, the existence of a real market would suppose that the reasons and the activities of the suppliers of health care services and of third parties are strictly economical, a fact which is not a characteristic of the organizations’ behaviour from the health care domain.

On a real market, the suppliers of health care services enter in relationships of competition for the consumers' resources, and this competition determines the price of the goods and of the services, a situation which is not specific to the health care services. Moreover, many organizations have the monopoly for a specific service. Therefore, a particular market will occur. Oligopoly is very present and sometimes the consumers do not have many options in choosing the medical staff or the services which are supplied.

Although, in case of the health care services supplied to consumers who do not have insurance, the payment will be made directly, still there are certain ethical grounds for which the patients with serious problems must be nursed even if they do not have insurance and they cannot pay. On other markets, the products and the services are paid directly by the consumer, while very little health care services are paid directly, the majority being paid through third party payer.

- *The organizations* – the health care sectors is different from the other activity sectors even when we refer to the organization's objectives. While in other branches of activity the majority of the organizations establish their objectives taking into consideration the profit, many organizations from the health care domain must accept clients which are not able to pay or are considered to be "undesirable". If some providers have the liberty of accepting or rejecting the patients with normal problems of health, the departments of emergency must accept a patient with serious problems.

Moreover, unlike the traditional pyramidal hierarchy of power met in the majority of the organizations which relies on profit (where a great number of persons are reported to a

smaller number of superiors, which then leads to the consolidation of the power in one person from the executive), most of the organizations from the health care service have a double hierarchy of the power; on the one hand, the specialists in medicine (surgeons, physicians, dentists, therapists, psychiatrists), and, on the other hand, the managers (the management), each of them having different objectives.

Like in some other domains, these organizations, especially the hospitals, maintain a monopoly or oligopoly control on the markets where they develop their activity having therefore a secure number of the patients. Nowadays, in the European countries and in USA, few of them still have this loyalty from the part of the patients.

The non-profit organizations have had an important role in the health care domain and they still have it. Although a number big enough of physicians were employed in the medical centres and cabinets relying on profit, there are a great number of non-profit organizations. This non-profit orientation creates a different environment in comparison to other activity domains.

Another aspect which makes the difference between these organizations and the others, from other domains, is connected with the relational system on the basis of which it functions, relationships which appear between physicians from the primary assistance and those from hospitals. Therefore, the hospitals accept patients on the basis of a medical note, except the emergency hospitals. The importance of this kind of relationship is reflected by the fact that, in most of the cases, the decision of referring to an organization or another does not represent the willing of the final consumer.

Therefore, the specialists in marketing must ground the strategies taking into

consideration not only the final consumer, but all the factors which can influence this system of relationships (physicians from the primary assistance, the health care plans at the local, regional or national level etc).

- *The product* – in the health care domain, there is a very rich range of services which, in most of the cases, are offered in group. For example, a surgery supposes a series of procedures/services which, often, cannot be defined or measured with precision.

The specialists in marketing are facing some serious problems when they have to give a definition for these services. In the same time, for the majority of them there are no products which could be replaced, as it is the case of other types of services.

- *The staff* – the health care organizations are dominated by the medical staff and less by the managers; the last ones have different views regarding the organization's objectives. While the physicians take the decisions in favour of the patients, the managers are tempted to take these decisions in favour of the organization, meaning in terms of cost and efficiency.

Although the medical staff had to become more realistic regarding the manner in which it uses the resources, the interests of the organizations from the health care domain are, in most of the cases, financial. The conflict between the physicians' targets and the managers' ones is therefore inevitable, a situation which occurs more rarely in other domains of the services. This conflict is also aggravated by the increasing of the anti-profit orientation which characterises an important part of the medical staff who actually considers that applying the marketing in this domain is an inappropriate decision.

Consumers are different from those of other goods and services because of the lack of

information regarding the manner of carrying out a service and their price, because of the manner in which a decision is taken, because of the behaviour when buying and consuming, because of the limited capacity for evaluating the quality of the services and of the result.

One of the most important elements of any business plan is represented by the marketing plan; it is made of the strategic plan of marketing and the tactic plan. The strategic plan establishes the main objectives of the marketing activity and the appropriate strategy, on the basis of the analysis of the current situation of the market and of the occasions occurred on the market, and the tactic plan of marketing points out the marketing strategies specific to the strategy which was used (Kotler, 1998, p. 137). The marketing plan represents the central instrument for managing and coordinating the effort of marketing.

In the case of the institutions oriented towards the market, the marketing planning represent the starting point of the planning process as it supplies action directions for all the other functions inside the organization.

The first step in marketing planning is the establishment of the mission and of the objectives, as it determines the planning at the operational level, at the staff level and of the financial plan (Hillestad, Berkowitz, 1991, p. 48) (figure 1).

The processes and the relationships developed at the level of the inferior organizatory chains are the object of the strategic marketing and they are met again inside the actions of strategic marketing planning.

The strategic marketing planning implies the fulfilment of some stages inside of which a series of concepts afferent to the strategic marketing are used: segmentation, positioning and composition of the marketing mix (Olteanu, 2003, p. 154).

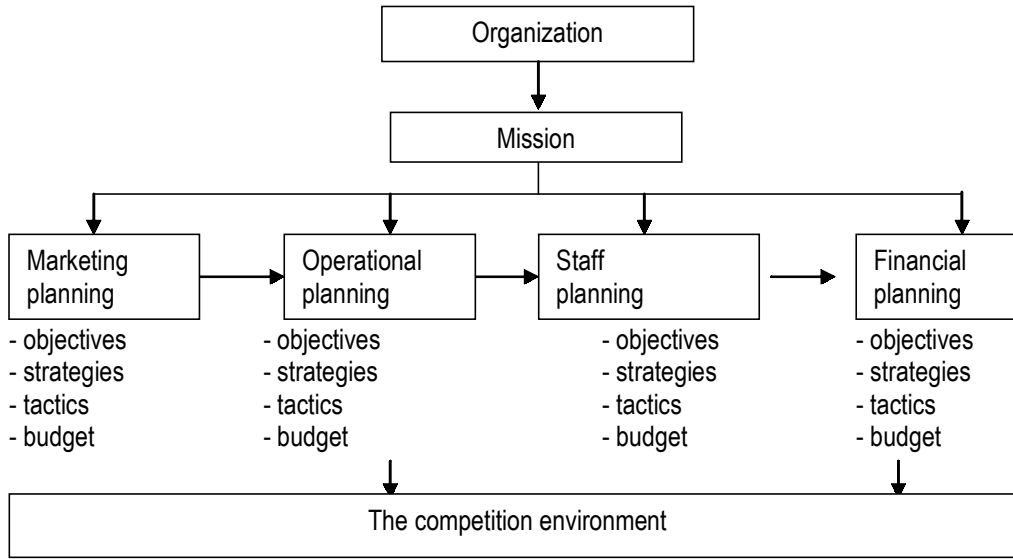


Figure 1. The marketing planning

3.1. The market segmentation

The market segmentation represents the process of division of a collectivity in homogenous groups, depending on some criteria and choosing a strategic alternative of approach of the identified segments.

The heterogeneity of the market of health care services imposes the organization of the market on segments; the activity of segmentation may be analysed from two perspectives:

- The segmentation from the point of view of the offer implies the identification of some categories of services according to their particularities, which are dedicated to certain segments of consumers (for example, prevention, curative or paediatrics services, cardiology or dermatology services etc.)

- The segmentation of the demand imposes the consumers' regrouping according to their type, their expectations, the demographic, economic characteristics, the behaviour of buying and consumption.

A first step in the market segmentation, from the demand point of view, is represented by the identification of the type of clients to which the offer is dedicated and here we distinguish:

1. *legal persons-collective consumers* (the number of the providers of health care services who try to attract the clients/ companies is increasing, as they offer complete services for their employees, on the basis of some private health care insurances and some services of labour medicine);

2. *legal persons-medical cabinets* (for a series of suppliers of health care services – hospitals, clinics – the medical cabinets which offer primary assistance represent the main target as the family doctors are those who send the individual consumers);

3. *natural persons-individual consumer*.

The main criteria of segmentation of the collective and individual consumers are presented in the following table:

Criteria of segmentation of the health care services consumers

Table 1

Criteria of segmentation	Natural persons	Legal persons
Geographic	Country Region Environment of residence The locality size	Country Region Environment of residence
Demographic	Age Sex The family size The family structure The economic position The level of education and occupation Religion	The size of the company or cabinet The number of employees The structures of the employees The activity object The financial status
Psychographic	The social class The lifestyle The personality	The organizational culture The attitude in front of the risk
Behaviour	The advantages which are required The fidelity for the mark Sensibility regarding the price The use frequency Substitution options The importance of the service for the consumer	The advantages which are required The fidelity for the mark Sensibility regarding the price The use frequency Substitution options The importance of the service for the consumer

The market segmentation according to the mentioned criteria and to the evaluation of the mentioned segments, help the organization in establishing the target-market, namely the market segments which it desires to approach, according to its resources and objectives.

The marketing theory and practice has identified three strategic orientation of approaching the target-market: the focused strategy (specific to the situation in which the organization decides that the efforts should be concentrated towards just one segment – for example, the children with diseases of nutrition), differentiated strategy (acting over more segments – for example, the children with cardiac and respiratory problems) and undifferentiated strategy (approaching the market in an uniform manner – the sick children).

3.2. The services' positioning

The decision of buying the services is based on the image of the consumer regarding that particular product, the image determined by a series of endogen and hexogen factors.

Among these factors, an important role is played by the actions carried on by the organization and which try to identify, develop and transmit a competitive advantage to the client; therefore, the services should be seen as superior and different from those of the competition.

The positioning in services represents the action through which the offer and the image of an organization are projected in such a manner that it should have a distinct and considerable position in the eyes of the targeted buyers (Kotler, 1998, p. 39). The positioning implies a variety of strategic decisions linked by the size of the services range offered inside every segment, services with added value which can be included and the manners in which the competition's actions may be counteracted.

The market content which is part of the health care services imposes a different position inside the extern market and inside the interactive one. Therefore, inside the extern one, the organization must focus on the elements of differentiation as the notoriety, image, and inside the interactive one, on the real elements which touch the service, e.g.: ambiance, staff, equipments etc.

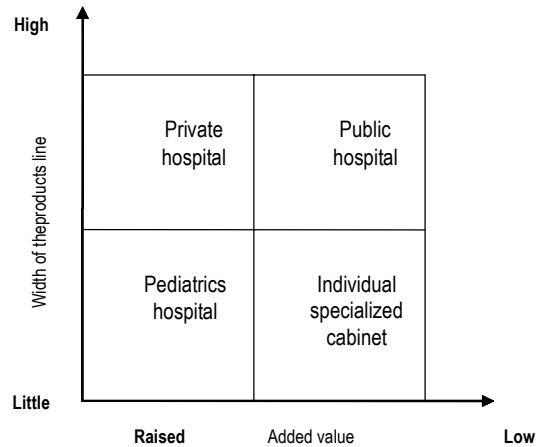
Taking into consideration every type or organization, the positioning may be made at different levels: at the level of the organization on the whole, at the level of some categories of services or positioning of a sole service. As there is a connection between the three levels, the image of one level can affect the image of others, too. For example, if the obstetrics services have a very good reputation inside a hospital, these services can be seen as a guarantee of the quality for the others services offered inside the hospital (paediatrics, surgery etc.)

In the end, the competitive advantage is obtained through the different perception of some attributes which express the characteristics of the service, and this perception may be sustained by the organization through adequate promotional techniques which are part of the actions which offer the difference regarding the image.

The specialists in marketing use for identifying the most efficient attributes of positioning, the “map of the consumers’ perception” which makes the differences between the attributes of the service by using the multidimensional scalar of the perception and of preferences (Kotler, Armstrong, 1994, p. 504). The execution of a positioning map will be made by taking into consideration two criteria; for example, in case of the health care services, the quality of the medical action and the level of the sophisticate equipments.

A method used by the organizations from the health care domain for establishing the position inside the market is the MAC Model (The Management Analysis Center) which focuses more on the current activity and less on its development and implies two dimensions: the added value and the width of the products line (Hillestd, Berkowitz, 1991, p. 111).

The term of added value for the health care services is referring to the programme of the units, the localization, the prestige, the programming system, the emergency phone line or other agents which can make the difference between one service and another. The term of width of the products line describes the number of the available services.



Source: Adaptation after Hillestad, S, Berkowitz, 1991.

Figure 2. The MAC Model

The MAC model identifies four alternative strategies:

- the high added value and a high number of services (private hospitals which offer high added value for all the specialities);
- The high added value and the reduced number of services (paediatrics hospital);
- The reduced added value and a reduced number of services (individual medical cabinet);
- The reduced added value and a high number of services which are offered (public hospitals).

As the hospitals, the clinics, the treatment and diagnosis centres and the medical cabinets have the possibility of selecting the market segments which they desire to deal with, they can project services with added value and they

can establish the services range which they offer; therefore, they often contribute in establishing a position within the market. In what the positioning is concerned, a very important role is played by the communication system, too, reason for which, in the operationalization, the positioning represents two hierarchical levels: a superior one, at the level of the entire organization when the action is carried on the basis of the decisions and instruments according to this level, and another one, inferior, at the level of the set of concrete marketing activities, when the action is carried on through promotional techniques (Olteanu, 2002, p. 85).

3.3. The formulation of the marketing strategy

Depending on its objectives, the organization may choose certain strategies in order to differentiate its activity, for obtaining the desired position on the target-market. The marketing strategies, subordinated to the general strategies of the organization, are referring to the manner in which the organization deals with the market and with the elements of marketing mix.

The formulation of the marketing strategies in the process of marketing planning starts from the generic strategy chosen by the organization, according to its mission and objectives.

The contemporary economic, social and technological dynamism where the health care organizations carry on their activity brings a very large diversity of the strategies which are used.

The factors specific to the services make quite difficult this action, therefore, when the market strategies are established, more criteria will be taken into consideration: the demand-offer report, the content of the organization's relations with the environment, the reports with the competition, the attitude for clients.

The demand-offer report has a specific evolution determined by the variability of the demand in time (it changes on a daily, weekly, monthly basis), a fact which imposes a new differentiated strategy or an undifferentiated strategy.

The temporal differentiation of the marketing activities is made through a concomitant action over the demand and offer, using strategies specific to these components, through a correct proportioning of the offer and the demand ordering.

The content of the organization's relationships with the environment suggests the possibility of using two strategic alternatives: promotion of some partnership relations or some relations which involve the competition. The partnership relations has particular forms in the organization's reports with each component of the environment: with the clients, there are preferential relationships; with the competition, there are relations of tolerance and cooperation; and with the suppliers (especially with those who supply the work force), relations of cooperation.

A family doctor sending patients to a specialist, although they might be in competition, becomes the specialist's client, even if, in most of the cases, the specialist's activity represents an extension of the family doctor's activity.

The specialist may affect the reputation and the consumer's respect for the family doctor. Moreover, the family doctor wants more than his/her client's respect, he/she wishes to be a part of the team which treat the patient. In order to maintain a good relationship with his/her client, the family doctor, the specialist, must carry on the activity as good as possible, but also to place the family doctor, in the eyes of the patient, into a position of coordinator for the team which offers the treatment.

This action has positive effects on three dimensions: it maintains the family doctor's

feeling that he/she is involved in that particular case, it creates a good image of the specialist and of the family doctor, and it helps in the consolidation of the relationship between the patient and the doctor. Therefore, the specialist creates a unique service which demonstrates the partnership strategy: he/she continues to think about the client (in this case, the family doctor) and about his/her needs.

The attitude (position) in front of the clients is reflecting in a behaviour which expresses itself in two strategic alternatives: attracting, maintaining, recovering the clients who reflect the marketing vision and another characteristic of a traditional vision, the strategy of indifference which, unfortunately, is specific to many organizations from the health care domain.

Therefore, the strategy in the services domain must have, besides the essential characteristics and attributes which will correspond with the consumers' expectations, the attributes which will exceed these expectations (Cetină et al., 2006, p. 141).

3.4. The marketing programmes elaboration

The operationalization of the marketing strategies is made by a series of instruments specific to the marketing activity named marketing

programmes. The marketing programme is a developed plan of a complex marketing activity, made up of an ensemble of practical actions, echeloned in time, indicating the human, material and financial responsibilities which are implied in the development of every action.

The programme stages and the concrete activities in the health care services will be carried on taking into consideration the demands of the extern, intern and interactive marketing.

Therefore, the activities of the extern marketing are placed under the responsibility of some departments which usually are part of the superior management, those specific to the interactive marketing are part of the interactive marketing, and those specific to the intern marketing will represent the responsibility of managers, especially the managers responsible for the staff, for the sales and the operative managers (Olteanu, 2002, p. 286).

A very important stage for the achievement of the marketing programme is represented by the determination of the budget. The resources allocation is made according to the importance level of every marketing technique, component of the mix, specific for every stage which is part of the life cycle of the products and according to the total evolution of that particular market.

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