



## Essentials of Healthcare Marketing

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### Authors' contributions

*This work was carried out in collaboration among all authors. The concept of this study, data analysis, drafting and finalising of the results was done by author MS. The article was critically reviewed and finally approved by author FA. While the data collection and analysis based work was performed with the help of authors NZ, NI and NK. All authors read and approved the final manuscript.*

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## ABSTRACT

This is a systemic review to identify the essentials of health care marketing. The objective of this study is to critically analyze, assess, and document the literature [1,2,3] (Balogun and Ogunnaike, 2017; Awaand Eze, 2013) on elements of health care marketing, to establish its scope and to identify its gaps in various studies literature and to make further recommendations related to this field. Practitioners and researchers are slowly and gradually recognizing and identifying the importance of health care marketing for the growth of this industry. However, all have not yet embraced the methodical application of marketing theories. The data, which is available on diversity of service providers, different care services that are available and their comparative and respective impact on health care marketing have limitations.

*Keywords: Health care marketing; medical industry; health care management.*

## 1. INTRODUCTION

The evolution of life has certainly stirred the health care system causing consequential

changes and forcing health care marketing as a necessary element of health services. As the principles and techniques of marketing in other fields cannot find application in the health care

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services, health care needs their own perspective and present characteristics that are not found in other fields. Health care marketing is an integrative field because it uses certain concepts, methods and techniques specific to marketing. Health care marketing aims to understand and learn the desires needs and demands of its consumers so that they are able to meet those demands at best quality high standards.

Marketing plays an essential role in providing help to health care professional to develop, convey and give value to their target market. Marketers start from consumers rather than from product and services. They are more into developing a sustainable relationship with their customers. Their goal is to develop a high level of customer satisfaction so that they come to the same supplier. The significant approach contains in depth knowledge of the customer needs and demands and providing new services that were not stated by patients before. Patients are now becoming more aware of their needs. The marketing of health services has become increasingly important for the success of health care service industry.

### 1.1 Systematic Review

In this article, a systematic review of five research articles has been performed. The view was done critically based on the importance of marketing strategies in health care, methodologies used in the articles, research findings and their comparison.

### 1.2 Healthcare and Globalization

Healthcare has now become an extensive and international business in terms of proportion. The research published by Upadhyay in 2011 [4] describe the transformation of healthcare industry into the major world business of today along with the trends of cross migration of healthcare professionals and the patients. The finding of the research showed that consumers which are patients travelled from developing and underdeveloped nation towards developed countries with better healthcare infrastructure and facilities in order to avail better healthcare facilities [5]. Moreover, healthcare sector has been acknowledged as one the leading business which can uplift emerging economies as explained in the research article published by Connell in 2013 [6]. In addition, the research pointed out that investing on the healthcare

sector can build the counties image and earn a substantial degree of revenue which in turn boost the counties economy [6,5]. The counties which are investing on healthcare as per the research of Balogun et al., in the Journal of Marketing Management and Consumer Behavior, Vol. 1, Issue 5 (2017) [1,7,2,3] (Balogun and Ogunnaike, 2017) (cant find the literature)are India, Hong Kong, Tunisia, Greece and Singapore. The phenomenon of globalization is explained by Hreinsson et al. in 2015 [8] as a process of healthcare services expand beyond the country's border. The World Health Organization (WHO) used the term medical tourism and state it as international travel where the reception of medical services is acquired by the patients (WHO Patient Safety Program, 2013).

There is ample evidence in the literature that healthcare industry has now become an international business. In the research of Carrera and Lunt et al, 2010 [9]; Hreinsson et al., 2015 [8], the patient is referred as a consumer which is major source of income. This shift is further explained by Sarantopoulos, et al., in 2014 [5] which reported a rise of about 70% for the tenure of 2006 to 2016 in the medical tourism. In the monetary aspect, this group amount to raising to 100 billion USD from 60 billion USD (Punch, 2016).

Another important aspect is the technology that is driving this shift. According to the research of Grover at al., in 2016 [10], the technological revolution has not only brought advancement in terms better health care equipment but the awareness and enlightenment of patients all over the world towards healthcare importance and needs. This also increased the competition in healthcare globally. It is because of this healthcare institutions are now involved in marketing ventures to lure patients and their retention. The marketing is based on building the reputation by differentiating the services from their competitors (Hanefeld, et al., 2015; Yeoh, et al., 2013; Crooks, et al., 2011).

### 1.3 The Rise of Marketing in Health Care

From the beginning, health care industry health care service providers were considered as essential social service personnel that the consumers will approach. Health care is the basic need of humans for survival anyone who gets sick look for place to receive appropriate treatment. Evolution of health care marketing

was started in the 1970's when people started paying attention to health marketing. Kotler and Levy in 1969 stated that concept of marketing should not stay limited to organizations for profit-making only. Hence those organizations who service principally for social cause started adapting process of marketing in their operations. Previous studies show that hospital did not possess a department of marketing nor any marketing personnel was being employed. However, to provide therapeutic and preventive care was their primary objective meaning that those who needed it would approach them. Likewise, it took a long span of time for researchers to consider health care marketing as a separate field. The first article on health marketing was published in 1980. At that early stage even then the focus was to make teachers and practicing doctors stimulate and interact on the potential topics of health care marketing. In the last decade the research publications on healthcare marketing have greatly increased. As stated by Stresmersch (2008) ranging from pharmaceutical to customer behavior to hospital administration various aspects of this subject are being reviewed now. After a long while now the issue of health care marketing is being seriously taken by health care industry. According to Ekrich and Schlesinger et al., 2011 the position of health care industry has been assumed as the fastest growing service industry around the globe. The level of competition in this service industry as remarkably increased because marketing tool are now being used as an important business resource. However, there are scholars who still argue that use of marketing tools is not necessary for health care industry. Luan carefully articulated the points of critics which centers on mainly add up to the bill of customer after consultation.

#### **1.4 International Situation**

As stated by Grover [10] technological advancement and globalization has caused a change in health care marketing because consumer is now more aware of its needs and demands which is now leading to more competitions in health care industries across borders. Because now people can go to foreign countries for their medical treatment therefore there is a lot of focus on marketing of health services internationally. There is much interest due to the international trade in medical industry known as medical tourism. Years before people were only going to developed countries from developing countries but now the situation is

otherwise people are going from developed countries to less developed countries for health-related matters and trade. To retain and attract more customers hospitals and other health care organizing are now engaging in marketing more actively and also now their purpose is to differentiate their services, again competitive advantage and to build their image.

#### **1.5 Issues on the Demand Side**

According to researchers the decision-making process of customers of health care services internationally and factors influencing their choice (Bolugan 2015) their behavior post purchase [11] and behaviors and attitudes of patients of various countries and the effect of testimonies of families and friends on undergraduate who seek medical care.

### **2. METHODOLOGY**

This research article systemically reviewed the essentials of healthcare marketing [five articles]. The methodology was carefully written keeping in consideration its efficacy in the healthcare management. The usefulness of well researched and articulated methodology cannot be ignored and as explained Oplatka et al., in 2006 [12] that systematic review help healthcare managers to facilitate decision making based on reliable findings through the aggregation of multiple researches.

In order to cater the requirement of this review, a detailed and extensive research has been conducted pertaining to healthcare marketing and its essential features in the healthcare institutions, pharmaceuticals, and medical tourism. For database NCBI, EBI and google scholar and PubMed have been availed. Specific keywords have been used to come up with desirable results. The keyword include healthcare marketing, globalization, marketing strategies etc. Research articles from 2002 till date have been considered only. After critical analysis 44 papers were shortlisted.

The research method chosen for the review and reporting was thematic analysis. The analysis is based on themes hence the name thematic. In this analysis pattern are discern to the creation of data pertaining to qualitative research (Braunet al., 2016; Tranfield et al., 2003). The shortlisted research articles were carefully analyzed to highlight similar findings as the mean to substantiate a particular argument under

discussion. The review is presented under the following sections.

- Analysis of the empirical research in the papers
- Healthcare marketing and reputation
- The models of marketing (comparison of relationship marketing with transactional marketing approach)
- Strategic Marketing (branding, positing, target market and market segment)

## 2.1 Review Details

In this research, a global healthcare market comprising of different regions was reviewed. The research articles considered in this research consist of research conducted in different countries which include but not limited to India, Saudi Arabia, Greece, Turkey, U.S.A, Tunisia, Hong Kong and England. The research article investigated public and private healthcare organizations. The data generated in most of the research articles are based on primary findings of the researcher/researchers. While some researchers also availed secondary data as a mean to substantiate the findings.

## 2.2 Research Findings

### 2.2.1 Communications in marketing

Marketing communications was the issue in health care industry and how prospective customer utilize and access the information related to marketing in the process of their decision making for seeking health services. As stated by Arbuckle, 2000 [13] that the ministry of health is the biggest propagator of information related to public health. Until recently the organization had limited their communication to health care professionals. However proper marketing communication are required by health care organizations for the recruitment of patients Katib 2011. With this awareness the focus of health care organization is on marketing communication lately. The expenditure on marketing communications have been doubled by health care organizations in last ten years. Various channels are available for marketing communications which consists of electronic means (radio and television) advertising outdoor (sign boards and billboards) social media and workshops and seminars are various means of marketing communications. However, except New Zealand and United States most countries have restricted health care industry in terms of

advertisement. This is because it is not easy to for health care customers to verify the authenticity of claims that are made by health care service providers in their communication [5] and it is the duty of respective governments and regulatory agencies to protect the consumers of health services. Popovic, Smith and Hellebusch along with 107 leaders health care industry in USA conducted a survey which showed that very few consumers believe in the transparency and responsibility of social media marketing. It is the main reason why they consider internal marketing as refined form of marketing strategy.

### 2.2.2 Reputation of healthcare institution

The reputation of healthcare institution is an active of research pertaining to healthcare marketing. The research of Fombrun, 1996 [13]; Kılıç et al., in 2013 [14] stated that reputation is extremely important for knowledge drive institution. The research of Osibanjo et al., endorsed that findings. The research showed reputation is the prime feature for corporate identity especially for healthcare industry. This is the feature that differentiate one healthcare institution from the other. The research showed that goodwill and institution image has a direct impact on the patient frequency to the institution. The research of Gan and Frederick in 2013 where it shows the not only nationally but also internationally reputation plays a key role in attracting patients as well as their retention. The study published by Obamiro et al. in 2014 [15] found out the impact of corporate image on performance. The study showed that healthcare institutions with a positive corporate image have better performance in terms of profitability and healthcare organization with low or bad corporate image has relatively poor performances due to high patient regard during healthcare organizations' comparison. The study was conducted for Nigeria.

A similar study was conducted by Gürses and Kılıç in 2013 [14] where 710 individuals were investigated to evaluate the impact of positive corporate image on performance. The study showed similar findings and further explained that reputation is based on innovation as well availability of advanced medical equipment in the healthcare institutions. These findings were endorsed by the study of Wu's research in 2011 which showed high patient revisit, patient loyalty and satisfaction tied closely with good word of mouth and positive corporate image.

### 2.2.3 Transactional marketing- the 4P's

Successful implementation and coordination of the elements marketing mix which are 4P's namely place, price, product, and promotion. These 4P's were extended to 7P's in 1981 by Booms and Bitner which are processes, people and physical evidence for the services industry to which health care service industry belongs. In their examination of 34 private health care institutions in Jeddah Saudi Arabia Ahmad 2013 their managers established that other than price and place all seven elements are important and have an impact on health care organizations.

### 2.2.4 The models of marketing

Many research in the past as well now are focused on the application of marketing models and its impact of patient influx and their retention. The research of Zolkiewski, in 2014 revealed that healthcare managers are implementing marketing models to improve the performance of the institutions. This include the adoption of business principles in improve long term performance in healthcare institutions. The first document under this subject was published in 1970s with the title of the Blue Blaze campaign cited by Cellucci, et al., in 2014 [16]. In USA, the court ruled out that employ marketing could be used in healthcare organization which totally transformed their healthcare industry [16]. It is due to this research, there is large scale applications of marketing models by healthcare organizations in USA [3].

However, this trend is not clearly evident internationally. The research of Sreenivas et al., in 2013 that Indian healthcare system is still far behind other countries in terms of marketing model implementation. Similarly, it is difficult to find out whether Nigerian healthcare system is implementing marketing models or not due to the ban of healthcare advertising.

### 2.2.5 Relationship marketing

Initially, healthcare organizations were based on transactional marketing where power lies more in the hands of patients however, with time competition increases and a need to partnership emerged which gave rise to relationship marketing [16]. Multiple studies shows the benefit of relationship marketing as more profitable but difficult in initialize in comparison to transactional marketing [17,2]. However, the study conducted by Astuti et al., in 2014 [17] showed mixed findings where relationship marketing showed

improved patient loyalty and influx for patients below the age of 46 but not effect for older ages.

### 2.2.6 Strategic marketing

The strategic marketing is driven by the mission of healthcare organization and the manner in which the institution wants to fulfill it. The research of Rivers and Glover, in 2008 showed that any approach could lead to success considering it has been right fit and implemented accordingly [1]. There are two broad categories of strategic marketing which are market segmentation and market positioning.

### 2.2.7 Market segmentation

The concept of segmentation in marketing has become an important and useful tool since its introduction in the 1970's [18] (Buttle, 1996). As stated by Adedeji (2014) target market of an organization is defined with the help of market segmentation. In service industry where relationship marketing is implemented, a good market segmentation help health organizations to meet the needs and demands of segments they serve. Awa and Eze [7] through assessment of 72 doctors, nurses and laboratory technicians demonstrated that market segmentation helped provide consumer endorsed services. Different pricing strategies are also being provided by health care organizations they are still able to make profit by providing the same service to a different target market.

### 2.2.8 Market positioning

A comprehensive and clear market positioning provide help to health care organizations to build a very solid positive image [15,19] which relatable to customers. Therefore every organization has to recognize and identify its position in the respective industry to make a favorable and consistent image and attract the target consumers. To establish and recognize competitive advantage in the service market, market positioning is a very important and significant channel. To improve competitive advantage, balance score can be used by health care organizations (Inamdar, Kaplan and Bower, 2002). Market positioning strategy should be developed by every organization to remove any ambiguity about its services in the minds of its consumers

## 3. DISCUSSION

The research has provided us the better idea of how globalization and internalization have

impacted and due to this it has been rapidly growing over the last four decades.

However, the issue is that the healthcare marketing is not growing at a faster pace and got off a slow start. Moreover, the analysis of marketing communication and its impact on the industry have been discussed in the paper and it was discussed that marketing communication is now being considered extremely important in this sector. Therefore, focus was on the use of marketing communication as a tool to help the industry grow. Moreover, the corporate image and corporate reputation link have been discussed and how they can impact the healthcare marketing was considered. Not only this but the relevancy of preparing and presenting marketing models were also analyzed and discussed in details.

To formulate strategic plans, a large number of health care organizations are starting to consider the applicability of marketing models to make strategic plan for business. Hence models like market segmentation and targeting are being employed by numerous organizations. To support the marketing process a tool known as balanced score card was recommended by different authors as it provides the measurement guidelines.

Many aspects are still untouched in the field of health care marketing. Preferences and motivation differ for health care services throughout different psychographic and demographic characteristics. More studies are needed to identify underlying motivations. Public and private health sectors differ in their approach but enough research is not available to identify their differences. On the other hand still there is an ongoing debate between many authors on the significance of marketing in health care industry. To conclude health care marketing is still an emerging field which is in its infancy and if those who are passionate about it does not abandon it this field would attract the interest of many.

#### 4. CONCLUSION

The cost of and importance of health care marketing is continuing to increase, competition in medical industry is taking new turn and is becoming more intense. An effective marketing strategy involves extensive and thorough research of the patients and offering new services to patients they have not clearly expressed. You may find you invest your energy

and resource to single 'P' of marketing promotion. Broadening marketing perspective can help healthcare organizations while we don't have control over all the Ps we certainly have influence. Proper marketing plan which uses strategic marketing planning is required to earn revenue and markets and to gain competitive advantage.

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#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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