

Healthcare Marketing Strategy to the Sustainable Development of Society

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Abstract: *Health is one of the priorities that ensure the sustainable development of society. But health is an area that raises many problems of economic, social and even moral, so to contribute effectively to sustainable development process requires a constant analysis of population health and how health services are provided the population. Healthcare industry plays a vital role in the development of nations. An effort towards good health is considered to be a crucial as it improves health of people which increases productivity of an individual and reduces absenteeism at work place. Improvement in survival rate and life expectancy increases the overall investment in national physical capital and in turn increases per capita Gross Domestic Product (GDP) growth In this regard, marketing of health care services plays an important role, which by creating an effective marketing policy, and by applying viable marketing strategy contributes to ensuring health services to the population at satisfactory level. This article aims to show how marketing contributes to sustainable development of society.*

Keywords: *Marketing of hospital services, marketing strategies, sustainable development*

I. Introduction

Health services have become increasingly globalized. This globalization is regarded as a new phase of world economic integration. In this dynamics, the nations are influenced by transnational processes occurring at every level of economic activity. The globalization of health service has been facilitated by advancement in information and communication technology, liberalization of foreign investment, greater international mobility of patients and demographic dynamics. As a result, health services are in the realm of multilateral trade negotiations under the World Trade Organization. India is one of the prominent participants.

The health sector is growing rapidly ever since the setting up of the WTO in 1995 with inclusion of the services sector. It has been estimated that this sector generated \$13.31 trillion business in 2012 with developing countries accounting for over \$2.67 trillion (20.06 per cent). It expected to grow by 17 per cent per annum till 2015. Indian health industry, valued at \$65 billion in 2012, is highly fragmented and dominated by private players. The healthcare sector of India is estimated to \$100 billion in size by 2015, growing 20 per cent per year. The industry is expected to touch \$280 billion by 2020. There will be increasing demand for specialized and quality healthcare services.

According to Investment Commission of India, the healthcare industry has experienced remarkable evolution of an added 12 per cent per year during the last four years, driven by a number of factors such as increase in life expectancy, rise in income levels and awareness of health insurance among the people. The rising demand from the middle income group in India's large cities is enhancing growth in private sector healthcare. Union and State government programmes will spur growth in the primary and secondary sector of healthcare. As the demand for healthcare services increases, it would pose enormous challenges and opportunities for the medical service community and other related service providers.

Foreign Direct Investment (FDI) inflow in hospitals and diagnostic centers was \$1597.33 million during April 2000 to March 2013. FDI inflow in medical and surgical appliances stood at \$604.47 million during the same period. At the same time, the drugs and pharmaceutical sector attracted FDI worth \$10,318.17 million². The hospital services market is expected to be worth \$81.2 billion by 2015. The healthcare providers in India plan to spend \$1.01 billion on IT products and services in 2013.

India attracts patients mostly from Africa, CIS countries, Gulf and South Asian countries who come mainly for organ transplant and treatment of orthopedic, cardiac and oncology problems. Medical tourism market is expected to expand at an annual rate of 27 per cent to reach \$3.9 billion in 2014 from \$1.9 billion in 2011³. The cost of medical treatment in India is much cheaper as compared to Western Europe and North America and also South East Asian countries. This segment is likely to grow more than 20 per cent in the current period. Many specialty hospitals have upgraded facilities; the treatment skills are comparable with western world.

II. Objectives Of The Paper

The objectives of the paper are:

1. A critical look at the status of healthcare system in India.
2. To assessment of trade dimension of healthcare services for India.
3. To know about the marketing of hospital services.
4. To find out the effective marketing strategies followed by the hospital management.

III. Status Of Healthcare In India

Poor health infrastructure in the colonial period continued to shape the health policy in India even after independence. The Indian states allowed little space for the health and wellbeing. The political economy of the healthcare reform in India has been characterized by widespread privatization and the dominant role of the private and informal sector in providing healthcare, even to the very poor. The private sector accounts for 80 per cent of healthcare delivery in India. An estimated 60 per cent of hospitals, 75 per cent of dispensaries and 80 cent of all qualified doctors are in the private sector. The health sector was never on the priority list of the states or the central government since independence. Only in the last few years the public expenditure on health has risen above the level of 0.9 per cent of GDP, which is India's historical average, lower than most of the other countries in the world. The share of public expenditure to total health expenditure in India is around 15 per cent: the average for sub-Saharan Africa is 40 per cent, and for high income European countries over 75 per cent.

The spending on healthcare is very low in India as compared to many countries. India's health spending is less than half of global spending and is far below the spending of other developing market economies. The low per capita income dictates the spending on health. Per capita expenditure on healthcare is extremely low in India as compared to many countries. For example, India's per capita expenditure on health was \$40 as compared to \$108 in China, \$606 in Brazil and \$7285 in the US. It is also far below the average per capita global expenditure of \$802.

The difference between rural and urban indicators of health status in India is very much visible. The urban and rural differentials are substantial and the gap is widening. The disparities tend to get even worse for rural children. There is considerable discrimination against women in healthcare. The gap between the better-performing and other states is wide. Large differences also exist between districts within the better performing states. The urban areas appear to have better health outcomes than rural areas. Slum population is increasing and is estimated to be in the range of 190 million in 2011. The healthcare for this segment of population is highly inadequate, particularly in rural slums. Further, the hospital bed density in India has stagnated at 0.9 per 1000 population since 2005 and fell significantly short of WHO laid guidelines of 3.511 per 1000 patients' population. In 2012, there were 12,760 hospitals having 576,793 beds in India, out of these 6795 hospitals were in rural areas with 149,690 beds and 3748 hospitals were in urban areas with 399,195 beds. Average population served per government hospital is 90,972 and average population served per government hospital bed is 2,012.85. Low healthcare insurance coverage led to high levels of out-of-pocket spending, with close to 80 per cent of spend in India being out-of pocket, primarily due to limited insurance coverage, both personal and government funded.

Besides, there are inadequate numbers of healthcare centers. For instance, there were 145,894 sub-centers, 23,391 primary healthcare centers and 4510 community health centers in India as on March 2009. There are only a few blood banks; it numbered 2445 in January 2011. There is a need of establishing more medical colleges and Para-medical training centers. There were 314 medical colleges and 289 colleges for BDS courses. This is highly inadequate. Nurses and mid-wives are not properly trained due to inadequate infrastructure. In spite of these inadequacies, India is one of the main players in international trade in health services.

IV. Trade Dimension Of Healthcare In India

India's healthcare sector, one of the fastest growing industries, is expected to advance by 15 per cent in compound rate during 2011–17 periods and is expected to reach from \$68.4 billion in 2011 to \$158.2 billion in 2017. The market segment is dominated by hospital business and its share is 71 per cent and that of pharmaceuticals 13 per cent, medical equipment and supplies 9 per cent, medical insurance 4 per cent and diagnosis 3 per cent. Rising incomes levels, ageing population, growing health awareness, and changing attitude towards preventive healthcare is expected to boost demand for healthcare services. The low cost of medical services has increased the country's medical tourism. More importantly, India has emerged as a hub for R&D activities for international companies due to its relatively low cost of clinical research. Conducive policies for encouraging FDI, tax benefits and promising growth prospects have helped the sector to attract private equity and venture capitals from foreign players.

Share in healthcare spending in India is likely to go up in the near future. Private sector has emerged as a dominant component of India's healthcare industry. The private sector share in health delivery is expected to increase from 66 per cent in 2005 to 81 per cent in 2015. Private sector share in hospitals and hospital beds is estimated at 74 per cent and 40 per cent respectively. The per capita health expenditure increased at CAGR 10.3 per cent during 2008–11 to \$57.9, this figure is set to touch \$88.7 by 2015. This is due to rising incomes, easy access to high-quality healthcare facilities and greater awareness of personal healthcare, besides rising penetration of health insurance.

In India, there has been a shift from communicable to lifestyle diseases due to increasing urbanization and problems related to modern day living conditions; currently about 50 per cent of spending is on inpatient beds for lifestyle diseases. This has increased the demand for specialized healthcare, particularly in tier II and tier III cities. As a result of these developments, health insurance is gaining momentum. The gross healthcare insurance premium was expanding at a CAGR of 39 per cent over 2006–10. This trend is likely to continue. Strong mobile technology infrastructure and launch of 4G is expected to drive mobile health initiatives in the country. Mobile industry in India is expected to reach \$600 million by 2017. Healthcare sector's spending on IT products and services are expected to rise to \$67 billion by 2015.

Indian health insurance industry expanded at a CAGR of 33 per cent during the 2006–12 period; this fast pace of growth is expected to continue in the coming years. The share of population having medical insurance is likely to rise to 20 per cent by 2015 from 2 per cent in 2006. An increasing number of companies would offer health insurance to their employees; other private sector companies are also likely to join.

The presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism. The growth in this sector is underscored by the cost advantage that India provides to patients from developed countries. Notably, India attracts medical tourists from developing countries due to lack of medical facilities in these countries. The medical tourist market is expected to expand at a CAGR of 27 per cent to reach \$3.9 billion in 2014 from \$1.9 billion in 2011. Inflow of medical tourists is expected to cross 320 million by 2015 compared to 85 million in 2012. Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major services offered that attracts medical tourists from Europe and the Middle-East to India.

The traditional healthcare market (Ayurveda, etc.) in India was valued about \$1.4 billion in 2010 and is expected to grow by 20 per cent during the 2011–15 periods. This sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal medicine and spa. Many big hospitals are also setting up wellness centers with traditional healthcare remedies. There is a growing interest from many private equity firms in the traditional healthcare sector. The share of private sector in total health expenditure accounted for 74 per cent in 2009. The market size of private hospitals in India was estimated at \$54.7 billion in 2012, with the private sector accounting for 82 per cent.

The market size of hospitals was estimated to have increased at a CAGR of 26.9 per cent. Increase in number of hospitals in tier-II and tier-III have fuelled the growth of private sector. Now, over 75 per cent of human resources and advanced medical technology and 37 per cent of hospital beds are owned by the private sector. In India reportedly at least 20 international players are competing for a share in the hospital and medical devices segment; about 90 per cent of the demand in the hi-tech medical devices segment accounting for \$770 million is met by imports from the US, Japan and Germany/.

The 12th Plan budget for the health sector has been enhanced by \$55 billion, which accounts for 2.5 per cent of GDP. To encourage private sector, the benefit of section 10 (23G) of IT Act has been extended to financial institutions that provide long-term capital to hospitals with 100 beds or more. The government is encouraging the PPP model to improve availability of healthcare services. To encourage investments for healthcare in rural areas, the benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas. These hospitals are also entitled to 100 per cent deduction on profits for five years. Customs duty on life-saving equipment has been reduced to 5 per cent from 25 per cent in 2013. Import duty on medical equipment has been reduced to 7.5 per cent. Incentives and tax holidays are being offered to hospitals and dispensaries providing health travel facilities. The government has accorded infrastructure status to the hospitals.

During 2010–13 periods, pharmaceutical segment accounted for more than 70 per cent of M&A deals. In 2012, M&A value in healthcare stood at \$2.7 billion, an increase of more than 30 per cent compared to those in 2011. Pharma, healthcare and biotech emerged as top sectors, accounting for 14 per cent and 41 per cent of the M&A deal value. The healthcare sector in India is attracting a number of PE (private equity) investors; of the total PE deals, healthcare accounted for 70 per cent of the deals and 65 per cent of the deal value. About 38 PE deals (\$856 million) were concluded in health sector in 2012. Diagnostic centers, multi-specialty hospitals, and chain of single-specialty hospitals attracted the majority of PE investments in 2012.

Huge healthcare infrastructure is required to meet the growing urban and rural demand. Additional 1.8 million beds are needed to achieve the target of 2 beds per 1000 people by 2025. Additional 1.54 million doctors and investments worth \$86 billion are needed to achieve this target. Contract research is a fast growing segment in Indian healthcare industry. Cost of developing a new drug is as low as 60 per cent of the testing cost in the US. About 60 per cent of global clinical trials are outsourced to developing countries and in which India is expected to get the major share. Indian medical tourism industry is poised to grow at 30 per cent per annum to \$2 billion business by 2015. Cost of surgery in India is nearly one-tenth of the cost in developed countries and is less than South East Asian countries.

The current status of healthcare infrastructure in India

Indicator	India	US	UK	Japan	Brazil	Russia	China
Total expenditure on health as a percent of GDP (2007)	4.1	15.7	8.4	8.	8.4	.5.4	4.3
Government expenditure as a percent of total health expenditure (2007)	26.2	45.5	81.7	81.3	41.6	64.2	44.7
Private expenditure as a percent of total health expenditure (2007)	73.8	54.5	18.3	18.7	58.4	35.8	55.3
Per capita total expenditure on health (PPP int. USD)	109	7285	2992	2696	837	797	233
Per capita government expenditure on health at average exchange rate (USD 2007)	11	3317	3161	2237	252	316	49
Per capita government expenditure on health (PPP int).	29	3317	2446	2193	348	512	104

Source: World Health Statistics 2010.

V. Marketing Of Hospital Services

In marketing of hospital services the healthcare service providers should adopt very dynamic approach and analyse the marketing environment so that appropriate marketing efforts can be planned. Marketing is just finding out what is required and then communicating to patients that the hospitals carry all those facilities that are expected by the patients. In contrast to whatever hospital marketer may think, marketing is not advertising, is not sales, it is not market research and it also not networking but, in reality combines all of these and much more .

India is witnessing an era where new hospitals are being built at a pace like never before. One discouraging task that every hospital, is facing today is the task of marketing itself. And therefore, an attempt from hospitals is urgently needed to generate referrals from the Registered Medical Practitioners (RMPs) and hospitals should also appoint Public Relation Officers (PROs) for the same. The job of the PRO would be to visit these RMPs every day and tempt them into referring patients. The another part-time business strategy is that two physicians with same skills, and if one physician offer services at a lower price, s/he will get more clients, but, the other physician will not remain quite on such strategy and the result will be that both the players will be forced to reduce profit margins and may make compromise in the quality of medical services.

Hospitals may follow strategy of 'Differentiation'. Customer Relationship Management (CRM) strategy is also applied by the hospitals for survival and hospitals may regularly send to its customers' cards, and gifts. It should also include the present and past patients to participate in these activities being carried out by hospital for social causes. Having feedback forms filled up during the discharge hour of the patient is one useful CRM exercise. Suggestion boxes and patient satisfaction surveys can also be used.

Apart from above mentioned practices the hospitals today have adopted modern concepts for marketing of hospitals, so that hospitals have become dynamic in shape, size and functions. More focus on business looks for marketing of healthcare services makes good business sense for hospitals. In order to market the hospital the important aspect hospital should consider includes , dress code of employees; professional set-up of business; housekeeping; providing high quality medical care not only lend a therapeutic and aesthetic touch but also provide many other benefits.

Hospital should use the Directional Graphics to provide direction to patients and visitors. Hospital with their maze of corridors and departments can be an intimidating place for both patients and visitors even at the best of times. Considering graphics design involves the use of Signs, symbols, directories, and room identification, play an important role in providing right direction so that time and motion are not wasted. Hospital should take concerted efforts to select appropriate terminology which is to be supplemented by visual symbols, maps and directory of floors and rooms. Hospitals and every department should have written safety rules and should make the use of signs relating to fire emergency, smoking, and safety at work place in general and in certain critical like the nursing floor, laboratory, kitchen and laundry in particular.

VI. A Hospital Service Strategy

A hospital service provider offers different types of services to its patients that is, the line services, supportive services and auxiliary services. The most important service that is being marketed by hospitals is the healthcare and hospitals therefore, need to provide quality healthcare and necessary infrastructure should be acquired before offering it to patients.

The hospital setup need to introduce any area of medical treatment with all facilities required for providing that medical treatment. The line services provided by hospitals include, emergency, outpatient, in-patient, intensive care and operation theatre services, whereas supportive services covers, diagnostic facilities and equipment, required for the medical treatment.

Hospitals in general should concentrate on patient population and an interesting list of hospital markets and the products they purchases is given as below

A list of hospital Markets and the Products

Hospital Markets	Selected Services
Investors	Dividend reasonable returns on investment
In patients and out - patients	Healthcare services, surgical services, nursing emergency, diagnostic and therapeutic services etc.
General public	Community health, health fairs health camps educational programmes etc
Patient families	Information about patients condition, kindness etc.
Press	News release about achievements VIP' etc.
Visitors	Courtesy, information, direction signs, parking etc.
Governing Board Members	Governance,, prestige, opportunity to give advice
Employees	Good perks, good working environment, career Growth
Government	Mass awareness about evils of health, contribution during disasters, immunization taxes etc.

In hospital marketing, branding, brand name, brand image are all important such as, Fitness Clubs, Well Baby Clinic, Day Surgery. Satellite Clinics, Good Health, Evening Clinics are marketable brands. All these hospital service brands convey the trust intended to convey the beliefs values and benefits of an intangible service. By promising only what hospital can consistently deliver, the hospitals need to establish trust with its patients; develop unique value of services in the patients' mind, and build perceptions like, best quality of service; availability of best medical and paramedical professionals; diagnostic equipment; best value; and hygienic atmosphere. Through a broad portfolio of services such as, branding, positioning and differentiating over the competitors the hospitals can market and deliver its services.

VII. A Price Strategy

In order to improve quality of healthcare facilities, the hospitals need to invest heavily on the sophisticated equipments; latest technologies; qualified professionals and on modern infrastructural facilities. The task of price fixation becomes difficult with increasing cost on inputs which compels the hospitals to make a possible fair synchronization of users and hospitals' interest. Value in terms of money and intangible price that patients pay for hospital services are two distinct aspects that should be considered by hospitals while fixing the price. Hospitals are expected to make efforts to reduce and or eliminate intangible price and deliver value for the money to its patients.

Hospitals are facing non-price competition and in the case of hospital setup, the greater the competition, higher the price because hospitals try to be ahead of others by providing superior services through use of high-tech diagnostic equipments and professional management. There is no fool-proof system of pricing in hospitals, and in some hospitals, prices are charged based on the economic status of the patients, the type of bed s/he occupy without any consideration of cost of providing these services

Many hospitals think that scientific method of pricing is a complicated exercise, and an expensive investment in terms of specialist personnel, time and money. In order to make hospitals survive the different pricing strategies being adopted by hospitals to attract customers. Some of the strategies include viz., psychologically satisfying pricing; psychological-cum-prestige pricing policy; skimming pricing policy, and penetrating pricing policy.

Psychologically satisfying pricing strategy is built on the psychological satisfaction of the patients. Patients in general make enquiries about hospital personnel that is, doctors and user charges. Corporate hospitals' pricing strategy is built around the room charges.

Psychological-cum-prestige pricing policy is being adopted by hospitals to convey that higher the price, higher the quality of service. Hospitals attempt to create impression in the minds of customers that, outstanding specialist doctors, hi-tech equipment and quality care they could demand higher price.

VIII. A Promotion Strategy

An appropriate tool for marketing of healthcare services is the communications programme hospitals need to select, which should include, Public Relations, Publicity, Advertising, Educational Programmes, Endorsement of Opinion leaders, Personal Selling and Direct Marketing. Further, hospitals need not only to select but also require to dividing the tasks amongst professionals. In earlier years, advertising by hospitals was strongly objected and was regarded as unethical and hospitals usually advertise on traditional lines to position hospital's image in the community.

The various promotional that can be put to use for promoting hospitals are healthcare and educational seminars, free health camps, health fairs, immunization camps, news, release, and annual reports, public service campaign.

IX. Sustainable Development

Sustainable development cannot be achieved without a constant attempt to improve the quality of life that means at least maintaining the health of the population at a satisfactory level. This role is for all organizations working in the area, mainly the Ministry of Health, which is responsible the analysis of environmental factors affecting human health and making sustainable decisions regarding supply mode of funding, distribution of public services and not finally the communication and promotion of certain services.

To achieve goals and increase quality of life, use of communicative consistent application programs on the most appropriate health services aligned with the target consumer profile can be a solution in terms of achieving quality of life. Although health penetrated hard, because these services features and ethical issues, marketing strategies helps to formulate viable and relevant in that they are formulated according to the needs, wishes and preferences of consumers. An important role in proper grounding strategies adopted in the field of health.

Only through a deep analysis of all the factors involved, the strategies adopted will be viable, will help ensure fairness and equality in the provision of public health, will also improve the quality of life and therefore will support sustainable development strategies undertaken by our country.

X. Conclusion

Today's healthcare providers are expected to be more thoughtful about their choice of strategies as the future of the organization and the individual is secured by strategic planning by crafting a viable future business. Strategic planning involves its stakeholders while making strategic plans, and it provides a road map, direction, and focus for the organization's future; and helps in aligning its activities sets priorities for the really important strategic tasks. The board should be involved in strategic planning as it concerned with the policy implications of strategic planning in hospitals, as well as the other groups also needs to be involved such as, medical groups, physicians; clinicians nurses; physical therapists, and psychologists .

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