Lesson 12

MARKETING MIX

6EMHC2

Marketing in Healthcare

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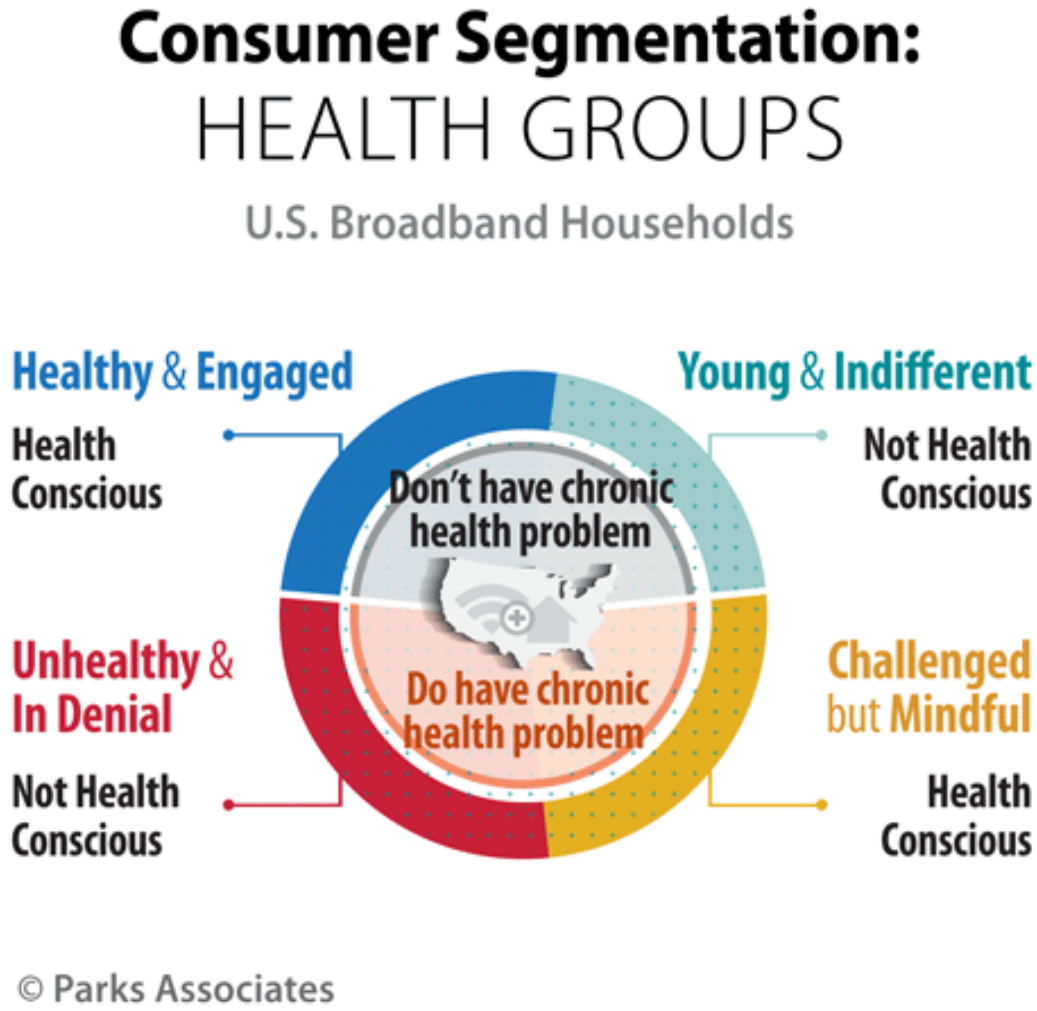
Market segmentation

- Consumers of medical products and services are very diverse, the requirements, the possibilities of satisfying their wishes and needs are different.
- Individual customers prefer different:
  - Quality and service level
  - Prices of medical procedures
  - Means of communication
  - Waiting room equipment, …
- The medical facility must therefore segment its clients.

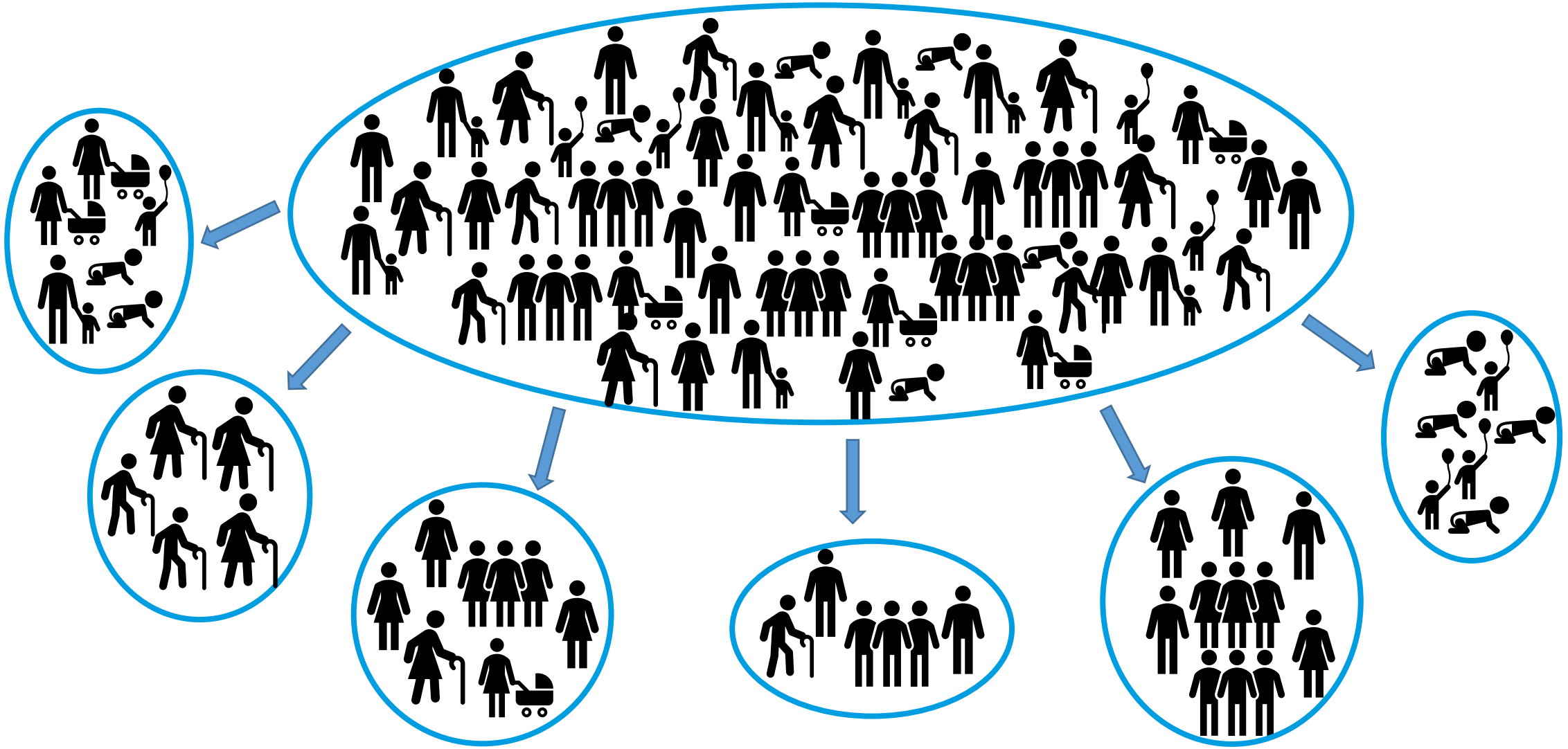
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Market segmentation

- Segmentation = integration of customers into groups with different needs and wishes, characteristics or behavior.
- Clients who respond in the same or similar way to marketing incentives are called the market segment.
- The market is divided into several market segments.



Market segmentation



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Target groups

- The group the organization focuses its marketing activities on.
- Medical facilities can only focus on some segments.

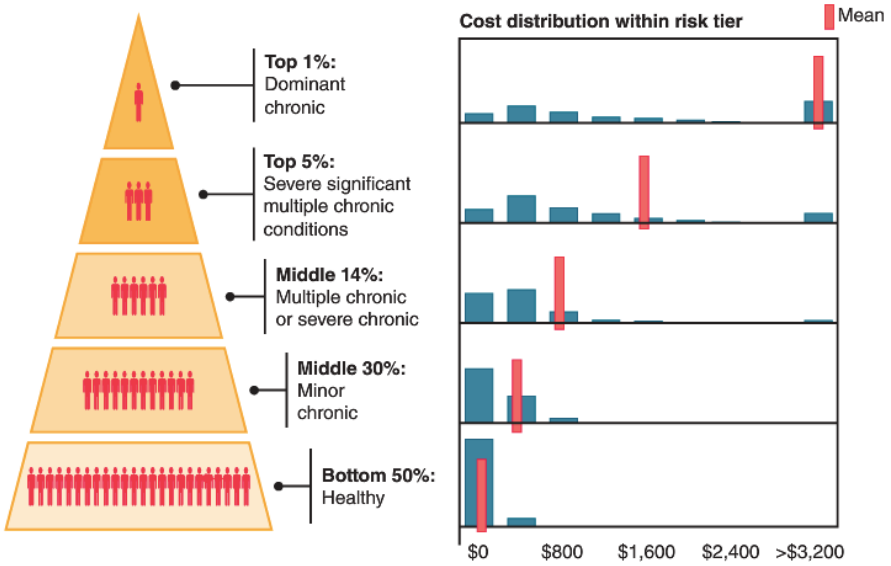


FIGURE 6-4 Population Risk Pyramid and Distribution of Costs per Tier of the Heavy Half Segment

Reproduced from Tim Darling, "The Next 'Top 5%': Identifying patients for additional care through micro-segmentation," Radar (August 20, 2013), http://radar.oreilly.com/2013/08/the-next-top-5-identifying-patients-for-additional-care- through-micro-segmentation-2.html

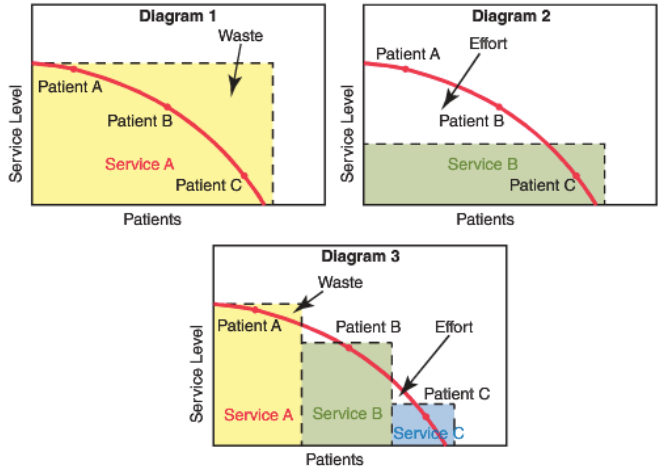


FIGURE 6-3 Improving Efficiency through Segmentation

Don Berwick, "One Size Does Not Fit All: Think Segmentation," Institute for Health Care Improvement (2015), http://www.ihi.org/resources/Pages/ImprovementStories/OneSizeDoesNotFitAllThinkSegmentation.aspx

Positioning of medical facility

- The position that the health care facility occupies in the awareness of clients compared to other healthcare facilities
- Positioning enables a healthcare facility to achieve the desired and differentiated location in its clients' minds, compared to competitors.
- The healthcare facility should choose the position that best meets the needs and aspirations of the target groups, based on the ability to best meet these needs and expectations - better than competing facilities.

Marketing mix (7P)

- Health service consumers have a choice of multiple competing providers.
- Segments have different reasons and prerequisites for choosing a specific bid. Target groups are influenced by marketing mixes.
- The marketing mix includes all the activities through which a healthcare facility can influence the demand for its services.
- Individual marketing mix tools can be combined, sorted, each instrument can be supported with different intensity.

Marketing mix

- The basic marketing mix consists of four elements (4P):
  - Price
  - Product
  - Place
  - Promotion
- However, for organizations offering services, 4 P is insufficient and therefore the marketing mix has been extended to 7P.

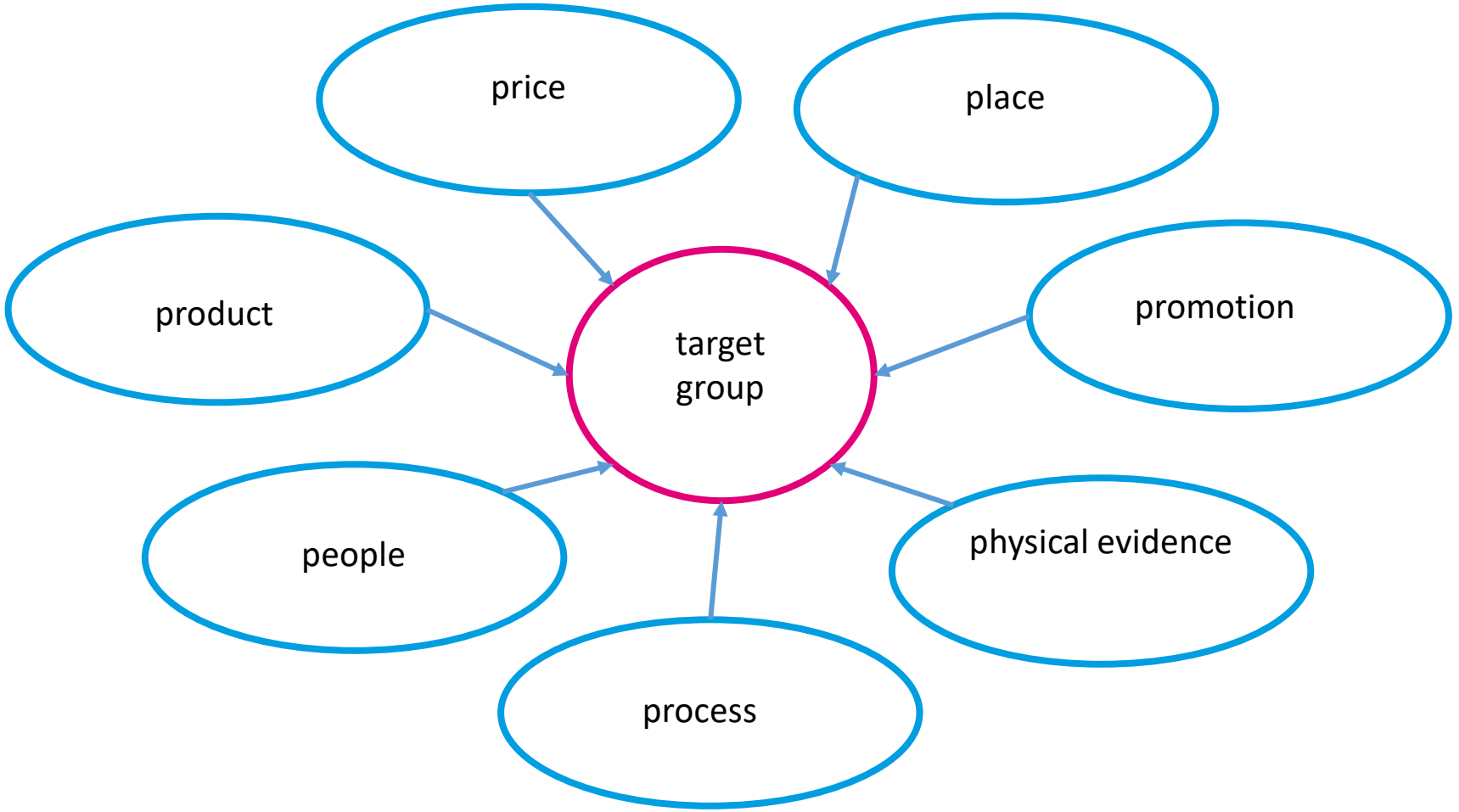
Marketing mix 7p

- The 7P marketing mix is enhanced with 3 elements, used in service (healthcare) organizations:
  - Product
  - Price
  - Place
  - Promotion
  - People
  - Process
  - Physical evidence

Marketing mix 7p

- With a diverse combination of these 7 marketing mix tools, health care facilities seek to influence potential and existing customers.
- The combination of individual tools depends on the wishes, needs and preferences of the target group to which the healthcare facility operates.

Marketing mix 7p



Marketing mix of medical facilities

- The usual healthcare facility emphasizes mainly the product and its benefits, other elements of the marketing mix are usually given less attention.

The Optimal marketing mix

- Marketing mix is a dynamic element of health care marketing activities.
- The healthcare facility must strive to build an optimal marketing mix so that all its components are in balance.
- The optimal marketing mix will help answer the question of how a healthcare facility with the least amount of resources (financial, material, human) can do its job, achieve its goals and meet the needs and wishes of target groups.

Creating an optimal marketing mix

- Creating an optimal marketing mix must follow these steps:

The **customer** always comes first

↓

Identify the **wishes and needs** of target groups

↓

Offering the **right products** and providing the **right services**

↓

Determine the **price** of products and services appropriately

↓

Ensure the **availability** of products and services

↓

Secure **human resources**

↓

Build an effective **communication program**

Quality of services provided

- The successful acceptance of a medical device product is closely linked to its quality, but also to the reputation of the healthcare facility itself.
- The hospital needs to upgrade its equipment and employ highly qualified professionals to ensure the quality of healthcare provided.
- Medical facilities need to inform their target groups (existing and potential, patients and sponsors) of all the services they can provide.

Linking service and service provider

- The level and quality of the service depends directly on the service provider.
- Depending on:
  - The **expertise, abilities and skills** of doctors
  - **Personal and moral qualities** and assumptions of doctors and medical staff

Awareness and prices of health services

- The role of target groups in providing health care providers with information about the health care facility's offerings and whether they consider the products of the healthcare facility to be affordable.
- High prices for health services could jeopardize the availability of health care and reduce the demand for health services.

Marketing mix expenses

- The medical facility must build a marketing mix that will support and strengthen its market position and competitive ability with regard to the costs it can afford.

summary

- The healthcare facility must segment its clients into several market segments. The market segment groups customers that respond in the same or similar way to marketing incentives.
- The medical equipment marketing mix consists of 7P: Product, Price, Place, Promotion, People, Process and Physical Records. By combining these 7 tools, healthcare facilities seek to influence customer target audiences.
- The healthcare facility must strive to build an optimal marketing mix so that all its components are in balance.

Thanks for your attention