# Healthcare Marketing

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### Background

#### -Healthcare is changing!

- A shift from public (free) services (already overcrowded, no need to attract more consumers) to private dominance (fee-for service) hospitals (not afforded by everybody, need to attract consumers)

-Introduction of new services.

-Growth of elective procedures (Rise of cosmetic surgery, IVF, and medical tourism)

**Increased Competition & Consumer Power:** 

More Choices for Patients: → Patients compare providers via online reviews (e.g., *Google Reviews for hospitals*)+"Dr. Google" phenomenon: research symptoms/treatments online before visiting doctors.). The final decision belongs to the consumer.

#### The role of the provider has changed (Provider's New Role):

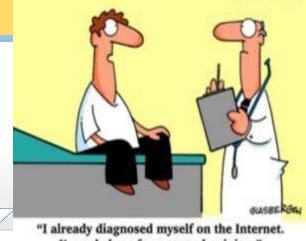


Building trust through communication (e.g., *doctors using Instagram to educate patients*). Marketing to reduce fear (e.g., *assurance campaigns for elective surgeries*).

Why Marketing is Essential?

Survival of Healthcare Businesses:

**Quote**: "No patients = no healthcare business."



I'm only here for a second opinion."

## **Definitions:**

**Marketing:** a management process that involves the assessment of customer <u>wants and needs</u>, and the performance of all activities associated with the development, pricing, provision, and promotion of product solutions that satisfy those wants and needs.

Healthcare marketing: involves any activities that relate to the <u>development</u>, packaging, pricing and distribution of <u>healthcare</u> <u>products</u> and to any <u>mechanisms used for promoting these products</u>.

### Wants and Needs

First, assessing the wants and needs of consumers.

**NEED:** is something that a person requires for well-being and survival (essential).

- Needs are universal and objective, they are necessary for all individuals regardless of personal preferences or cultural backgrounds.
- Unmet needs can lead to physical or psychological distress and impact overall health and quality of life.
- Needs are typically prioritized over wants due to their critical importance in sustaining life and meeting basic human requirements.
- Examples: Emergency care, life-saving treatments.

WANT: is something that a person simply desires (non-essential).

- Wants are subjective and vary among individuals based on personal preferences, cultural influences, and societal norms.
- Fulfilling wants often provides satisfaction, enjoyment, or a sense of fulfillment, but they are not essential for survival or well-being.
- Wants may include luxury goods, entertainment, leisure activities, and other items or experiences that enhance quality of life but are not necessary for basic human existence.

Examples: Cosmetic procedures, elective services.

### Products

The term product refers to any offer provided by an entity for purchase and consumption.

## **The Nature of Healthcare Products**

#### 1. Ideas:

- (Intangible) concepts that deliver a perception to the consumer.
- Example: The organization's image/ reputation, professionalism, quality care, patient experience standards Etc.
- Goal to increase familiarity----- $\rightarrow$  increase utilization.

#### 2. Goods:

- A (tangible) product that is Physical items with one-time purchase cycles.
- Example: Pharmaceuticals, medical devices, diagnostics, Health products (e.g. band-aids, toothpaste, home testing kits), Digital Health Goods: Wearable devices. (sale and rental).

#### 3. Services:

- Services are (intangible) (e.g. physical examinations, medical advice, surgical procedures).
- It is more difficult to quantify and evaluate services than goods (Quality varies by provider).
- Services cannot be stored for future use and once provided they have no residual value (Cannot be resold after delivery)s.

The purchase of goods tends to be a one-shot episode, while services may represent an on-going process.

### Brief history, stages of Healthcare Marketing

- **<u>1950s</u>**: Marketing viewed as unethical by hospitals/physicians
- **<u>1960s</u>**: Limited to media relations (e.g., patient condition updates). (Pre-marketing)
- <u>1970s-1980s:</u> Shift to ethical awareness campaigns slowly. Focus: Fact-based service promotion (no exaggeration). Example: Hospital brochures, community health fairs
- <u>**1990s:**</u> First TV commercials by major hospitals, Focus on service line marketing (cardiology, orthopedics), Beginnings of patient satisfaction metrics, First guidelines for truth in medical advertising
- <u>21st Century: Digital Revolution</u>: Mandatory marketing function for competitiveness. Digital expansion: Social media, telehealth platforms, chatbots, Google Reviews, Influencer partnerships.
- Audience shift: From sick patients  $\rightarrow$  whole populations (preventive care)

[1950s: "No Marketing"]  $\rightarrow$  ![1980s: "Brochures"]  $\rightarrow$  ![2020s: "Social Media"]



## Nowadays!

- Health care organizations <u>spend a lot on marketing</u>, advertising, and public relations activities on communication.
- Modern hospitals allocate 2-7% of budgets to marketing
- Marketing is now a proven revenue generator
- A line item to cover marketing, advertising and public relations activities should be included in the facility's budget.

## "Levels" of Marketing

- According to the scope of the market, these include:
- 1. Mass marketing
- 2. Target marketing

### 1. Mass Marketing

### • Mass marketing :

- Broad campaigns targeting entire populations
- Uses wide-reach media (TV, radio, billboards)
- Targets everyone, e.g., national health campaigns
- Early healthcare marketing utilized mass media broadly
- Promoted all services to all audience segments

### Target Marketing

### **Target marketing:**

- Focused outreach to specific patient groups
- Modern standard practice
- Target markets in healthcare are based on geography, demographics, lifestyles, insurance coverage, usage rates and/or other customer characteristics
- **Primary target market** Largest group with most frequent need or want for a product or service.

## Marketing Mix 4Ps and 4Cs

Marketing Mix: marketers formulate the marketing mix for each customer group after target marketing is done.

- The 4Ps of Marketing
- 1. Product: Healthcare services/goods offered
- 2. Price: Cost to patients/insurers
- 3. Place: Service delivery locations (clinics, telehealth)
- 4. Promotion: Communication strategies
- These 4Ps of the providers are linked to the 4Cs of the consumers in that order,

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**1. Customer solution**  $\leftrightarrow$  Product

How services meet patient needs

**2. Customer cost**  $\leftrightarrow$  Price

Total expenses (time, money, effort)

**3. Convenience**  $\leftrightarrow$  Place

Accessibility of care

- **4. Communication**  $\leftrightarrow$  Promotion
- Two-way information exchange
- People, Process & Physical evidence are the <u>extended marketing mix.</u>





www.twitter.com/shreyasnavare

## **Marketing Planning**

• A marketing plan is needed to let consumer population (both current and prospective) know about the product/service. A sign on the door stating "Doctor's Office" is no longer enough information.

"The best medical care in the world helps exactly ZERO patients if they don't know it exists."

- <u>A written plan</u> is preferred to prevent the waste of efforts and money.
- Two-Phase Approach
  - Establishing Presence
  - Reinforcement
- Stage one establishes the presence in the community and attaches the image of what kind of health care provider you are, and stage two will maintain that presence in between campaigns.
- 10-80-10 rule.



## Marketing plan steps



1. Identify Target Patients

(Who needs your services most?) (a clear identification of primary target market).

#### 2. Focus Resources

(Spend smart on key groups, not everyone) (not a process of exclusion, rather is a process of focus).

#### **3.** Engage Supporters (Doctors, media, community partners)

### **4. Comparative analysis** (What are others offering? (current and any future new services).

#### 5. Measure Results

(Track calls, website visits, referrals)

#### 6. Time It Right

(Launch campaigns when patients are most likely to respond) Seasonal trends (e.g., flu shot campaigns in fall)

## Marketing Research

- Demographics and Psychographics
- A target market profile consists of demographic and psychographic descriptors.
- Demographics: Divide the general population into segments determined by age, gender, and income, occupation, education, location, marital status.
- Narrow the target market as possible using these segments. (e.g., Pediatric clinic near young families)

# • Basic psychographics describes internal characteristics Values, beliefs, lifestyle Health attitudes, fears, Media consumption habits.

(e.g., "30-min ER wait" for time-sensitive patients)

Mind-set timing: Match messages to patient readiness. marketers
must be certain to communicate message with consumers when they
are psychologically ready to absorb the information. "you have a
problem," followed by "we have a solution"



Demographic Segmentation (Who they are) Psychographic Segmentation (Why they choose you)

#### Psychographic Segmentation and The Art of Persuasion

#### Demographics

- Age

- Gender
- Occupation
- Location
- Education
- Marital status





## **Promotion**

- <u>Action component of marketing mix</u> to promote services/ideas.
- The variety of techniques used to reach consumers with the purpose of promoting an idea, organization, or product.
- Traditional promotional activities includes familiar techniques such as:
- 1. Public relations
- 2. Advertising, sales

## Public Relations and Communication

#### 1. Public relations include:

the process of building trust with the public.

Involves distribution and information dissemination to influence feelings, opinions or beliefs about an organization and its services

- **Collateral**: Brochures, letterhead, business cards, E-collaterals
- Media: Press releases, feature stories, Public Service Announcements
- Events: Health fairs, sponsorships

#### 2. Advertising

Direct method for calling attention via:

- **Print**: Newspapers, journals, flyers (detailed)
- Electronic: TV, radio, internet (interactive; costly/irritating)
- Outdoor: Billboards, transit ads (transport or stores) (visible; space-limited)

Communication: an opportunity to tell what services can be offer to consumers e.g. the organization's mission, the staff's skill and knowledge, accolades provided by accrediting bodies, and the assurance that the facility will give the best possible care to referred patients.













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## Advertising

- A. Print Advertising
- Types:
  - Newspapers/Magazines (e.g., "New Cardiac Center" feature)
  - Brochures/Flyers (e.g., vaccination schedules in clinics)
  - Direct Mail (e.g., postcards for annual check-ups)
- Pros:
  - High detail for complex services
  - Physical & trusted by older demographics
- Cons:
  - No real-time updates
  - Higher per-unit cost than digital



## Advertising

#### B. Television

- Pros:
  - High awareness (sound + visuals)
  - Large audience reach
  - Comfortable: at home view
- Cons:
  - Expensive airtime
  - Short-lived ("transient")
  - Commercials

#### C. Radio

- Pros:
  - Targeted by station/time
  - "Companion" medium
- Cons:
  - No visuals
  - Smaller audience





## Advertising

#### **D. Internet**

- Pros:
  - Low-cost targeting
  - Instant feedback (interactive)
- Cons:
  - Ad-blocker challenges
  - Pop-up irritation

#### E. Outdoor

- Billboards, Transportation venues or Signage
- *Rule:* ≤6 words + logo
- Example: "ER WAIT <30 MIN"



# THANK YOU