



INNOVATIVE MARKETING STRATEGIES IN INDIAN HEALTHCARE SECTOR FOR GAINING GLOBAL COMPETITIVENESS

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ABSTRACT

Indian healthcare sector is one of the fastest growing sectors in tandem with many foreign countries. The growth of corporate hospitals, popularity of alternative medical disciplines, health conscious public, increasing technological improvements and similar factors has led to the whopping development of the healthcare sector. Competition has grown as there are more players from domestic and international markets. Customers have a wider choice of options to choose from because of variety and variation in service levels. This has forced the healthcare organizations to concentrate on innovative marketing strategies to improve their delivery. This article elaborates the Indian healthcare sector, global competitiveness and innovative marketing strategies to be adopted to gain global competitiveness.

Keywords: Global Competitiveness, Strategies, Healthcare Sector

INTRODUCTION

The existence of competing organizations that serves international customers. Access to global customers has increased through enhanced communications, improved shipping channels, reduction of barriers, and centralized finance authorities. The International Institute for Management Development defines competitiveness as “a field of economic knowledge which analyzes the facts and policies that shaped the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its

people.”

Since businesses operate within the regulatory framework of the government, it assumes a very important role in enhancing competitiveness. Governments must be more business friendly by re-engineering systems Global competition is emerging in the health care industry. Wealthy patients from developing countries have long traveled to developed countries for high quality medical care. Now, growing numbers of patients from developed countries are traveling for medical reasons to regions once characterized as “third world.” Many of these “medical tourists” are not wealthy, but are seeking high quality medical care at affordable prices.

Although European leaders do not agree on how to address the immediate challenges, there is recognition that, in the longer term, stabilizing the euro and putting Europe on a higher and more sustainable growth path will necessitate improvements to the competitiveness of the weaker member states. All these developments are highly interrelated and demand timely, decisive, and coordinated action by policymakers. In light of these uncertain global ramifications, sustained structural reforms aimed at enhancing competitiveness. Competitive economies drive productivity enhancements that support high incomes by ensuring that the mechanisms enabling solid economic performance are in place. This article speaks about global competitiveness in Indian healthcare sector as there are more players in both domestic and international markets.

GLOBAL COMPETITIVENESS

Globalization and trade liberalization coupled with rapid advances in information and communications technology have resulted in an unprecedented intensification of market competition worldwide. The governments of many Asian countries have made competitiveness a high priority in their strategic planning and policy formulation for development plans.

Only nations with high levels of productivity will become domestically and globally competitive and have the capacity to exploit existing market opportunities to sustain and expand employment and real income growth in the long term. The imperatives for global competitiveness involve addressing the following issues: macroeconomic policies; government practices and regulations; the cost of doing business; education and skills upgrading; R&D and innovation; sustainable environmental management; conformity with international standards; and total factor productivity (TFP).

It also helps to develop the **Firm competitiveness**, embedded in inter-firm relationships with networks of suppliers, buyers and even competitors that help them to gain competitive advantages in the sale of its products and services. While arms-length market relationships do provide these benefits, at times there are externals that arise from linkages among firms in a geographic area or in a specific industry that cannot be captured or fostered by markets alone and **National competitiveness**, an important determinant for the well-being of states in an international trade environment. In recent years; the concept of competitiveness has emerged as a new paradigm in economic development. Competitiveness captures the awareness of both the limitations and challenges posed by global competition, at a time when effective government action is constrained by budgetary constraints and the private sector faces significant barriers to competing in domestic and international markets.

PILLARS OF COMPETITIVENESS

Many determinants drive productivity and competitiveness. The following pillars of competitiveness in a global arena are presented.

- **Institutions** - The institutional environment is determined by the legal and administrative framework within which individuals, firms, and governments interact to generate wealth. The importance of a sound and fair institutional environment became even more apparent during the recent economic and financial crisis and is especially crucial for further solidifying the fragile recovery given the increasing role played by the state at the international level and for the economies of many countries. The quality of institutions has a strong bearing on competitiveness and growth.
- **Infrastructure** - Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy, as it is an important factor in determining the location of economic activity and the kinds of activities or sectors that can develop in a particular instance. Economies also depend on electricity supplies that are free of interruptions and shortages so that businesses and factories can work unimpeded. Finally, a solid and extensive telecommunications network allows for a rapid and free flow of information.

- **Macroeconomic environment** - The stability of the macroeconomic environment is important for business and, therefore, is important for the overall competitiveness of a country. Although it is certainly true that macroeconomic stability alone cannot increase the productivity of a nation, it is also recognized that macroeconomic instability harms the economy.
- **Health and primary education** - A healthy workforce is vital to a country's competitiveness and productivity. Workers who are ill cannot function to their potential and will be less productive. Poor health leads to significant costs to business, as sick workers are often absent or operate at lower levels of efficiency. Investment in the provision of health services is thus critical for clear economic, as well as moral, considerations. In addition to health, this pillar takes into account the quantity and quality of the basic education received by the population. Basic education increases the efficiency of each individual worker.
- **Higher education and training** - Quality higher education and training is particularly crucial for economies that want to move up the value chain beyond simple production processes and products. In particular, today's globalizing economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the economy. This pillar measures secondary and tertiary enrollment rates as well as the quality of education as evaluated by the business community.
- **Goods market efficiency** - Healthy market competition, both domestic and foreign, is important in driving market efficiency and thus business productivity by ensuring that the most efficient firms, producing goods demanded by the market, are those that thrive. The best possible environment for the exchange of goods requires a minimum of impediments to business activity through government intervention.
- **Labor market efficiency** - The efficiency and flexibility of the labor market are critical for ensuring that workers are allocated to their most effective use in the economy and provided with incentives to give their best effort in their jobs. Labor markets must therefore have the flexibility to shift workers from one economic activity to another rapidly and at low cost, and to allow for wage fluctuations without much social disruption.

- **Financial market development** - The recent economic crisis has highlighted the central role of a sound and well-functioning financial sector for economic activities. An efficient financial sector allocates the resources saved by a nation's citizens, as well as those entering the economy from abroad, to their most productive uses. Therefore economies require sophisticated financial markets that can make capital available for private-sector investment from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital, and other financial products.
- **Technological readiness** - In today's globalized world, technology is increasingly essential for firms to compete and prosper. The technological readiness pillar measures the agility with which an economy adopts existing technologies to enhance the productivity of its industries, with specific emphasis on its capacity to fully leverage information and communication technologies (ICT) in daily activities and production processes for increased efficiency and enabling innovation for competitiveness.
- **Market size** - The size of the market affects productivity since large markets allow firms to exploit economies of scale. Traditionally, the markets available to firms have been constrained by national borders. In the era of globalization, international markets can to a certain extent substitute for domestic markets, especially for small countries. There is a general sense that trade has a positive effect on growth, especially for countries with small domestic markets.
- **Business sophistication** - There is no doubt that sophisticated business practices are conducive to higher efficiency in the production of goods and services. The quality of a country's business networks and supporting industries, as measured by the quantity and quality of local suppliers and the extent of their interaction, is important for a variety of reasons.
- **Innovation** - Innovation can emerge from new technological and non technological knowledge. The final pillar of competitiveness focuses on technological innovation. In the long run, standards of living can be largely enhanced by technological innovation.

It is important to keep in mind that they are not independent: they tend to reinforce each other, and a weakness in one area often has a negative impact in others. Improving the physical infrastructure will lead to the smoother movement of people, products, and services, facilitating

faster delivery of goods and services. Developing a communications infrastructure with broadband transmission provides an effective platform for e-commerce and real-time business transactions.

INDIAN HEALTHCARE SECTOR

Hospitals serve an important function in India's healthcare system. They provide in-patient and out-patient services and also support the training of health workers and research. Indian hospitals can be broadly classified as public hospitals, private and not-for-profit hospitals. Corporate hospital chains that provide tertiary healthcare services in large towns and cities have also been established. The public healthcare system consists of healthcare facilities run by the central and State government which provide services free of cost or at subsidized rates to low income group in rural and urban areas. Healthcare spending in India accounts for over 5 per cent of the country's GDP. Out of this, the public spending in percentage is around 1 per cent of GDP. The presence of public health care is not only weak but also under-utilized and inefficient. Meanwhile, private sector is quite dominant in the healthcare sector.

Around 80 percent of total spending on healthcare in India comes from the private sector. Inadequate public investment in health infrastructure has given an opportunity to private hospitals to capture a larger share of the market. In addition the demand for hospital services has been increasing due to the rise in lifestyle related diseases.

Market drivers of healthcare sector are:

- Rising Health awareness;
- Shift to lifestyle related diseases;
- Increasing government expenditure on health care sector;
- Health insurance sector is also on the rise;
- Private sector companies are growing fast in terms of owning and managing hospitals;
- Growth in medical tourism;
- Cost-effective surgical services. According to report, the cost of surgery in India is just about 10% of that in USA;

- Gradual corporatization of the Healthcare sector.

NATIONAL PROGRAMS AND SCHEMES:

National Rural Health Mission: This mission was launched in April 2005 by the Government of India to fulfill the Government's commitment to meet people's aspirations for better health and access to healthcare services. NRHM's goals include the training of 250,000 women volunteers designated as Accredited Social Health Activists (ASHAs) over the next three years across 18 states with weak rural health infrastructure.

National Health Policy-2002: The National Health Policy 2002 focuses on the need for enhanced funding and organizational restructuring of the national public health initiatives in order to facilitate more equitable access to health facilities.

Other National Health Programmes:

- National Vector Borne Disease Control Programme (NVBDCP)
- National Filariasis Control Programme
- National Leprosy Eradication Programme
- Revised National TB Control Programme
- National Programme for Control of Blindness
- National Iodine Deficiency Disorders Control Programme
- National Mental Health Programme
- National Aids Control Programme
- National Cancer Control Programme
- Universal Immunization Programme

INNOVATIVE MARKETING STRATEGIES FOR INDIAN HEALTH CARE SECTOR

The following innovative marketing strategies can be adopted by Indian healthcare organizations to gain global competitiveness.

MEDICAL TOURISM DESTINATIONS

Despite the long travel time involved, India is a popular destination for medical tourists. It

arguably has the lowest cost and highest quality of all medical tourism destinations and English is widely spoken. Several hospitals are accredited by the Joint Commission International (JCI) and staffed by highly trained physicians. Prices can be obtained in advance and many hospitals bundle services into a package deal that includes the medical procedure and the cost of treating any complications.

THE COST FOR SURGERY

The cost savings for patients seeking medical care abroad can be significant. For example:

- Apollo Hospital in New Delhi, India, charges \$4,000 for cardiac surgery, compared to about \$30,000 in the United States.
- Hospitals in Argentina, Singapore or Thailand charge \$8,000 to \$12,000 for a partial hip replacement — one-half the price charged in Europe or the United States.
- Hospitals in Singapore charge \$18,000 and hospitals in India charge only \$12,000 for a knee replacement that runs \$30,000 in the United States.
- A rhinoplasty (nose reconstruction) procedure that costs only \$850 in India would cost \$4,500 in the United States.

INCREASING AWARENESS OF THE PHYSICAL BEAUTY

Preserving and improving ones physical beauty has become the fashion today. The growing number of fitness centers is an example that could be cited. One is so aware and conscious of one's health and physical appearance that they go to any extent to preserve them. The movies have also been playing a role by motivating people to have good physical structure so that they are physically more attractive.

AVAILABILITY OF MANPOWER

India has been producing a lot of young professionals in the fields of medicine, including specialization in some of the traditional systems. In addition, many graduates are trained on the job in the travel and tourism industry, which also caters to the growth of healthcare tourism. The concept of freelancing is also picking up fast in India, especially in the traditional healthcare segment, where the healthcare professionals provide their services traveling to various places and offer their services across the world. As the availability of highly skilled healthcare

professionals, and well-trained travel / tourism professionals are the determinants of growth in healthcare tourism industry, India is considered as potential and for healthcare tourism business.

TRADITION OF NUTRITION VALUES

India is popular for its culinary traditions. Many spices used in Indian culinary traditions are claimed to be having medicinal properties. Even some of the tropical Indian vegetables are claimed to be having medicinal properties. The awareness among the people to be healthy has been encouraging them to consult nutritionists and dieticians for their overall health improvement. Naturopathy is also one of the traditional Indian systems of medicine. Many nutritionists and consultants trained in the naturopathy are advocating special natural way of diets for various ailments. Consultancy services are provided by nutritionists which is a great opportunity for people engaged in that field. The number of students enrolling for the nutrition and dietetics course is also witnessing a rise due to the diverse opportunities that the field provides.

QUALITY OF SERVICE

Patients ensure the medical treatment they will receive will be of high quality through the following:

- **Physician credentials** - Foreign health care providers often have physicians with internationally respected credentials, many of them with training in the United States, Australia, Canada or Europe.
- **Accreditation** - More than 120 hospitals abroad are accredited by the Joint Commission International (JCI), an arm of the organization that accredits American hospitals participating in Medicare; another 20 are accredited through the International Standards Organization; and some countries are adopting their own accrediting standards.
- **Affiliation** – Some foreign hospitals are owned, managed or affiliated with prestigious American universities or health care systems such as the Cleveland Clinic and Johns Hopkins International.
- **Planet Hospital** - Planet Hospital is a medical tourism intermediary that screens providers to ensure quality of care and assists in connecting patients to international health care providers.

- **Increasing abroad investments** – it helps to widen the market.
- **Electronic media records** – for immediate counseling.
- **Online communications** – for follow up after taken treatment in abroad.

Let us describe these aspects in detail:

PHYSICIAN CREDENTIALS

Foreign health care providers and medical travel intermediaries also compete on quality by touting the credentials of the medical staff. These physicians are often U.S. board-certified, while others have internationally respected credentials. Many of the physicians working with medical tourists were trained in the United States, Australia, Canada or Europe.

HOSPITAL ACCREDITATION

More than 120 hospitals abroad are accredited by the Joint Commission International (JCI), an arm of the Joint Commission for the Accreditation of Hospitals that accredits American hospitals participating in Medicare. The International Standards Organization (ISO) also accredits hospitals that meet internationally agreed-upon standards. Nearly 150 foreign hospitals are accredited by ISO and JCI. In addition some countries are adopting their own accreditation standards. For instance, the Indian Healthcare Federation is developing accreditation standards for its members in an attempt to reassure potential patients about India's high quality health care.

HOSPITAL AFFILIATION

Some foreign hospitals are owned, managed or affiliated with prestigious American universities or health care systems:

- The Cleveland Clinic owns facilities in Canada and Vienna, Austria; and in Abu Dhabi, the clinic already manages an existing facility and is building a new hospital.
- Wockhardt (India) is affiliated with Harvard Medical School.
- Hospital Punta Pacifica in Panama City, Panama, is an affiliate of U.S.-based Johns Hopkins International.
- JCI-accredited International Medical Centre in Singapore is also affiliated with Johns Hopkins International.

PLANET HOSPITAL

Planet Hospital is a medical tourism intermediary that screens providers to ensure quality of care and assists in connecting patients to international health care providers. The company only refers patients to providers with recognized credentials that meet American standards. Once Planet Hospital has identified quality health care providers, it works closely with them to ensure they maintain quality and provide superior patient services. If the providers fail to do so, they are dropped from the referral network. Once the patient chooses a physician, Planet Hospital assigns a case manager from the destination country to make arrangements for the procedure, including additional details such as cell phone service, transportation and airport transfers.

OUTWARD GREENFIELD FOREIGN DIRECT INVESTMENT

A growing number of Indian pharmaceutical firms are undertaking outward FDI to diversify their business overseas.

ELECTRONIC MEDICAL RECORDS

Because potential medical tourists must first be evaluated remotely, most large health care providers and medical intermediaries for patients use electronic medical records (EMRs) to store and access patient files. Patients can then discuss the procedures with potential physicians via conference call. Modern hospitals abroad also use information technology to identify potential drug interactions, manage patient caseloads and store radiology and laboratory test results. By contrast, only about one out of four U.S. hospitals store medical records electronically. Third parties pay 87 percent of medical bills in the U.S. health care system, and most of the third parties do not reimburse physicians or hospitals for the use of EMRs. Since others pay the bills, patients usually do not choose hospitals or physicians based on their use of EMRs.

ONLINE COMMUNITIES

Potential patients can get some idea of the safety and quality of medical providers by searching online for testimonies of patients who have had surgery abroad. These Internet communities facilitate the exchange of information about providers, including facility cleanliness,

convenience, price, satisfaction with medical services and the availability of lodging while recuperating. **Plastic Surgery Journeys.com** has built such a community. Members, including both former and prospective patients, can exchange information in online discussion forums on such topics as destinations, specific physicians and types of surgery. Members answer questions about side effects, complications and occasionally even discuss patients who have died from surgery.

CONCLUSION

Only nations with high levels of productivity will become domestically and globally competitive and have the capacity to exploit existing market opportunities to sustain and expand employment and real income growth in the long term. All the sectors in a nation have to be globally competitive to achieve better market positions.

Indian healthcare sector is a booming sector thriving to gain global success amidst its counterparts around the world. It has to adopt innovative marketing strategies to be globally superior. This article has presented few innovative marketing strategies for Indian healthcare organizations to be firm in global markets.

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