

Children with Special Health Care Needs--Health Administration Case Study: Marketing

Following is an example of marketing in action for a health care provider servicing children and families with special needs.
(Common marketing concepts are noted in **bold** type.)

A clinic that provides care to families with cystic fibrosis believes that parents would benefit from more peer-to-peer support. Members of the staff brainstorm possible ideas and float these ideas to families as they come through the clinic. From a marketing perspective, clinic staff recognized an **unmet need** and developed **product concepts**. They then **tested** these product concepts by talking with people they expect to use this product, or the **target market**. Families are enthusiastic about the idea of getting together, especially in a more adult setting, such as over dinner once every couple of months. There are several **pricing** issues that face this program – obviously there is the monetary cost of dinner and the gasoline for driving, but there is also a price paid in time committed by the staff and the families that may attend dinner. Since marketing addresses **exchange**, from a marketing perspective families are being asked to exchange their time and money for the **benefits** that come from peer-to-peer support. In general, **satisfaction** arises when **benefits exceed costs**. Ideally, the clinic is **designing a product** that will lead to customer satisfaction.

Due to the high enthusiasm for this idea, the clinic decides to conduct a survey of families; this is a form of **marketing research** as were the early informal discussions with families. Taking the data from the survey (which supported the early findings), the clinic dietician approaches one of the companies that produce nutritional supplements and inquires whether the firm would be open to sponsoring the series of dinners. The dietician is **promoting** the idea of these dinners to another target market - the manufacturer of goods these families buy. The manufacturer agrees to sponsor the series of dinners because it is another form of **promotion** for the company that may allow the firm to increase **brand awareness**, increase **goodwill**, and maintain good **public relations**. The complexity of this promotion process demonstrates that multiple targets with differing exchanges often occur in marketing. As a side note, this process of marketing to two or more targets at once is quite common. An example of this is broadcast TV, newspapers, and magazines, where the bulk of the financing comes from advertisers to the communications providers because the communications provider then gives the advertiser a venue to reach a target market of potential customers.

Because the manufacturer has become involved in the exchange, the outcome is to lower the monetary cost to the families related to attending the dinners. The

cost that remains will largely be related to the **location** of the dinners (i.e., how much driving, how much time needed). The venue that is chosen will also be important to the nutritional supplement company not only because it impacts their overall **costs**, but because the nature of the restaurant will have an impact on their overall **brand image**. If they agree to a restaurant that is too luxurious it gives the impression they have money to burn and, inferentially, that their product must have a very high **profit margin**. On the other hand if they will only sponsor a dinner at a fast food restaurant, parents may think that the firm does not really understand good nutrition. Most companies and clinics are very concerned about their **public image** and organizations will often refer to the benefits associated with their good name as their **brand equity**. A common term that is used in brand management is **positioning**. This refers to how a customer thinks about a product (e.g., Dove soap is positioned as a cleansing bar that moisturizes, the Toyota Prius is positioned as a good car for environmentally conscious citizens, and so on).

Once the sponsor is on board, the clinic must also decide how to **promote** the product. One option is to hang a poster in clinic, another is to talk to families as they come in, and another is to send all families on the clinic database a postcard. The **promotion** decision should be made based on the number of attendees that clinic desires/can afford, and the likelihood that a parent will want to attend dinner once he/she receives information about it. That is, if the manufacturer will only sponsor 15 people for dinner ten times a year, and most families want to attend at least a couple of times, a mailing to 200 families will only result in unhappy families (which may reduce the brand equity of the clinic). On the other hand, if the clinic staff discovers that **demand** is low because the dinner is not held in a convenient geographic location, but they have a **capacity to produce** ten dinners a year, they may **redesign** the product so that there is a second or even a third **location** (allowing more families to participate). If the clinic staff discovers that **demand** is high, but their **capacity to produce** the dinners is limited, they may **redesign** the product so that families only attend a dinner once a year, thus allowing more families to participate.

In summary, the elements of marketing (product, price, location, promotion, target market and position) all come up in this clinical setting where the normal trappings of what we consider marketing in the larger material world are absent (e.g., advertising, coupons, superstar spokespersons, and so on).

Questions for discussion:

- 1) Identify one product your clinic or organization has developed and introduced recently. *Remember, "product" does not necessarily mean a physical good, it can be a service like the one described here or even an idea, like "eat more fiber".*
- 2) Discuss the process that was used to develop this product. Whose idea was it? Why did they think this was needed? How did they test out the idea? *Remember, this could be as simple as discussing it with others or as complex as doing a large survey.*
- 3) Who is the target market for this product? Are there two targets, such as the families you treat and the third party payer that must agree to the product or service?
- 4) What price does this target market(s) pay to consume/use/authorize this product? *Remember to think of more than just the monetary price (e.g., image, time, precedent, and so on).*
- 5) Where/how is this product acquired? *This can mean the physical location for this product/service provision, the nature of the physician/provider that referred the family to you (if relevant), the health care system that someone must be in to be authorized for your clinic, and even the maze they must negotiate to get an appointment (if relevant).*
- 6) How do customers learn about this new product? *Include written material, word of mouth, publicity like newspaper articles, and so on.*