

HOW THE HEALTH CARE INDUSTRY CAN LEARN
FROM MARKETING MISTAKES THAT BUSINESSES MAKE

Peter M. Sanchez, Temple University

Abstract

As the health-care industry moves towards a fuller implementation of marketing techniques, it is likely to repeat many of the marketing mistakes that businesses have made over the years. The purpose of this paper is to review and explain some of the more common marketing mistakes so as to stimulate a greater understanding of the marketing discipline on the part of health-care professionals and lead to better marketing practices.

Marketing Process Versus Marketing Concept

In marketing practice, business firms often fail to understand the difference between the process of marketing and the marketing concept. The process of marketing includes all those activities associated with the development and implementation of marketing techniques. The concept of marketing can best be described as the underlying philosophy by which the organization operates. This philosophy holds that the basic reason for the organization's existence is to satisfy customer needs and wants in the marketplace in ways consistent with the firm's profit objectives. While it is relatively easy to implement the marketing process, it is much more difficult to achieve an understanding of the marketing concept. Unfortunately, how the "process" of marketing is carried out is vitally affected by the philosophy of the organization. Effective marketing practice includes using the "tools" involved in the marketing process but also, and more importantly, it involves a way of "thinking" about the market.

Short Run Marketing Versus Long Run Marketing

Closely related to the problem of getting an organization to "think" in a responsive way towards the market is the problem of short-run marketing versus long-run marketing. Most profit institutions as well as non-profit institutions desire to exist in the long run but obviously must deal with the more current short-run situations. The unfortunate problem that often occurs, however, is that so much of the institutions energies are devoted to solving short-run problems that the long-run is overlooked. But one thing is certain, and that is the fact that the long-run eventually comes. Reasons for this situation include the nature of incentive systems within the firm and increasing turbulence in short-run environments.

Reliance on Demand Creating Techniques

Another error quite common in the profit sector is the "so-called" demand creating techniques of marketing to sell goods and services. Although most often associated with advertising, these demand creating techniques can take a variety of forms such as sales promotion, couponing, special offers, rebates, and so on. The problems with the reliance on these techniques are threefold. First of all, they are often misunderstood for marketing. Secondly, they often create inappropriate expectations on the part of consumer. And finally, they often lead to an underestimation of the behavioral change problem on the part of consumers. Advertising and promotional variables are indeed essential to any well-conceived marketing strategy. However, health-care professionals must view these

variables within the proper perspective of the overall marketing mix.

Failure to Utilize Marketing Research
as an Effective Tool

Of all the marketing mistakes that businesses make, the failure to utilize marketing research as an effective tool is probably the most common. Most profit sector firms actively engaged in the process of marketing use marketing research information to some extent. The degree of usage and the sophistication of marketing research varies widely, however. The two most often cited reasons for the failure to utilize marketing research effectively are the perceptions that it is time-consuming and costly. Good marketing research does take time, no doubt, but it takes no more time to do than the other tasks in the marketing function. Marketing research should also return benefits that more than pay for itself in the long run.

Conclusions and Recommendations

Several marketing mistakes common to the business world have been discussed in the previous section. The following are some specific recommendations for the health-care industry.

1. Move slowly in implementing marketing in your institution. Creating an institutional environment conducive to good marketing practices will not be done overnight. On the other hand, nothing will doom marketing faster than an early record of failures.
2. Learn as much about marketing as possible. A two-day seminar in marketing principles is a beginning, but not nearly enough to thoroughly understand this complex discipline.
3. Pay as much attention to long-run marketing as to short-run marketing. Encourage long-range thinking through incentive and evaluation systems.
4. Avoid exaggerated or excessive claims for new or existing services. Unfulfilled consumer expectations can lead to unfavorable word-of-mouth communications, possibly spelling disaster even for a well-conceived new service.
5. When planning new health-care services, anticipate any behavioral changes required on the part of consumers. Many types of health-care consumer behavior are strongly ingrained habits.
6. View the marketing communications function as broader in nature than merely advertising. Do not expect advertising to compensate for deficiencies in other areas.
7. Plan, budget for, and use marketing research. Any well-developed marketing strategy has as its foundation solid marketing research.

References

- J.M. Carlsmith, and E., "Some Hedonic Consequences of the Confirmation and Disconfirmation of Expectancies," Journal of Abnormal and Social Psychology, Vol. 66, pp. 151-156 (1963).
- Wayne M. DeLozier, The Marketing Communications Process, (New York, N. Y.: McGraw-Hill Inc., 1976).