

Healthcare marketing

[Business](#), [Marketing](#)



Renaming trade-off: If the practices are renamed to include River Valley Associates then the brand of the hospital will grow beyond its territory. However, this is a long-term process since it will consume a considerable amount of time for the brand (practices) to become famous.

Not renaming trade-off: There will be confusion among the clients (patients) if the practices are renamed and in severe circumstances client will consider certain services are not offered in that hospital and opt to go to another hospital. Therefore, by not changing clients will not be confused, and perhaps market the new practices to other members of the community.

Question 4

A new innovation in a market always faces a challenge of breaking through the market, but how the challenges are addressed is what that matters. In this case of health saving account plan, some of the factors to be considered include; culture, and level of income. Culture has to do with the employees' attitude towards saving and since this health saving for coverage, it should be marketed intensively. To overcome the problem of saving culture, the hospital can diversify the level of services based on an employee's capability of saving. This too will have conquered the challenge arising due to the difference in the level of income.

Question 5

Analyzing the cost implication of these two groups, the level of return will be a key element to be considered. The radiology group has a fixed cost amounting to 70% and a variable cost of 30%. It, therefore, means radiology will incur less cost when offering services. Therefore, its level of profitability will be higher due to the low cost required. The pediatric group has a cost

structure of 20% and a variable cost of 80%. This indicates that purchasing the equipment was cheaper than the cost of maintaining it. Therefore, a high proportion of proceeds from patients will be used to maintain the equipment. It can be concluded the cost structure for the Radiology group is advantageous than that of the pediatric group if they are contracted with Medical Care Organizations (MCO).

Question 6

Break-even point refers to where profit is equivalent to zero; the cost of production-profit= 0

B. $ep = \text{fixed cost} / (\text{selling price} - \text{variable cost})$

If Selling price \$ 100; $36,000 / (100 - 80) = 1,800$ eyeglasses

If selling price is \$ 200; $36,000 / (200 - 80) = 300$ eyeglasses

For the ophthalmologist to break even with \$ 100 per glasses he/she will have to sell 300 pieces of the eyeglasses, 1,800 pieces if he/she sells at \$ 200. Therefore, the higher the selling price the faster it is to break even.