Entrepreneurship marketing assignment

Art & Culture

Entrepreneurship Marketing Odette McBride HCS/567 July 05, 2010 Sherry McGee Entrepreneurship Marketing Marketing is a fundamental step when launching a new venture to determine if it will be successful. Is very important to complete a study of the market gaps in a particular industry to know whether or not a product or service is needed and how and how a product or service will be purchased. Understand customers and the market for a product or service is very important to achieve the success of a firm. One of the most competitive markets in the health care industry is the home health care.

Because of the new laws and regulations created to fight against fraud and abuse, and to attempt to decrease the cost of health care, many home health care agencies have problems to provide high quality and cost effective care and gain profits. According to Davis, Marino, & Davis (2007), the different changes applied to the prospectively-based payment system have impacted several health care organizations finances, causing their bankruptcy. New firms should determine what group of people is interested on the firm's product or service, and the characteristics of the group selected, this is a target market.

Selecting the target market is one of the most important steps of the marketing process. Before start to develop the marketing strategies, new firms must aim the market that they want to attract, and to establish the firm position (Barringer & Ireland, 2008). The different market segments are determined by a group of people with similar characteristics. Market segmentation is important because new firms have the opportunity to select

a specific group to target what benefits then because the limited resources availability the new firms have (Barringer & Ireland, 2008).

Home health organizations target different markets. One target market is the individuals needing this type of service. In general home health care organizations target homebound individuals with chronic diseases, functional and mental limitations who require some kind of assistance for personal care, disease, and medication management. Other important factor is the ability to pay for services, hence home health care organizations target individuals with health insurance that cover this type of service, such as Medicare and Medicaid.

Physicians, hospitals, and long term care facilities are other target market of home health care organizations because these health care institutions constitute sources of referrals. For home health care organizations is very important to determine their sources of referral because this constitute an important factor for the success of the organizations. The elderly population that prefers to stay longer at their home and to return to home after hospitalization rather than go to a nursing home or to a rehabilitation facility is one of the most important target markets of home health care organizations.

This group of patients generally have several limitations and they want to stay in the community, to achieve this they need services, such as nursing, home health aide, physical therapy, and medical social work. Selecting a target market is very important step of the marketing process. New firms must select a target market to develop effective marketing strategies

focused on the characteristics of the target market selected. Many new firms have limited resources available for their marketing process and market segmentation provides them with the opportunity to select one market segment to attract what can be easier and beneficiary.

Market segmentation indentifies groups with similar characteristics that make the same product or service attractive to them (Barringer & Ireland, 2008). The study permits companies to know their prospective customers needs, they preference, spending habits what will permit to identify what group or segment or segment will be a good customer for the firm. Understanding the value, needs, preferences, and behavioral choices of a specific target group is very important for place marketing promoting the firm's value and image to potential customers (Zenker, 2009).

Market segmentation is important to determine the size of the potential market for a new product or service permitting to target the segment uniquely capable of serving (Barringer & Ireland, 2008). For home health care agencies is very important to select a specific segment to target because they can focus on it and establish their position in the market. Some home health care agencies target patients and physicians as their source of referral and other target patients and facilities, such as hospitals and long term care facilities as their sources of referral.

This differentiates them according to the type of patients to serve and services to provide. Selecting and managing a target market is very important to achieve a success of a new venture. Entrepreneurs should consider several aspects during the process. Segmenting the market,

selecting a target market, and crafting a unique positioning strategy constitute some elements of the process of selecting a target market and positioning strategy (Barringer & Ireland, 2008).

During this process entrepreneurs should indentify the potential customers for their products or services, segment the market because will be more beneficiary to a new firm to be specialist on a specific market rather than to try to embrace different markets, and differentiate their product or service from competitors. Barringer & Ireland (2008) stated, " the biggest challenge a new firm faces when selecting a target market is choosing a market that is attractive enough to be interesting but is different enough that the firm isn't just another face in the crowd" (p. 19). Entrepreneurs should consider issues, such as selling of benefits rather than features, and establishing a brand during the marketing process to avoid sending a wrong message to the firm potential customers. Customers buy products and services because the benefits that they can bring to customers to improve their lives, many times entrepreneurial firms focus their marketing on the product or service features what is less effective than focus on what the product or service can do to satisfy customer's needs (Barringer & Ireland, 2008).

Establishing the brand is the process to enhance a set of attributes that can be positive or negative that characterizes a company. A brand is an instrument used to identify a company. According to Barringer & Ireland (2008), a brand is a promise, a guarantee, a pledge, a reputation, an unwritten warrantee, an expectation of performance, a presentation of credentials, a mark of trust, a collection of memories, and a handshake

between a company and its customers. The most valuable assets a company can have are the customer loyalty created through a company's brand.

Because this many organizations create mechanisms to monitor the integrity of their brands, such as brand management what permits to protect the image and value of the organizations brands in their customer's minds. Branding is very important to create and keep customer loyalty (Barringer & Ireland, 2008). Is very important for organizations to meet and exceed the customer expectations to create a lifelong loyalty. The brand management is an effort to make customers believe in the organization and it is treating them fairly and is concerned with their overall well-being (Lane, Posada, Manzanero, & Cohen, 2009).

The immediate creation of a company image is determinant to attract customers and to gain their loyalty. Companies use different techniques to create a specific image, advertising, public relation, sponsorship, good performance, logo, and website design are some examples of the techniques used to build customer loyalty what is the key of the success of a company (Barringer & Ireland, 2008). With the fast growing of health care industry a numerous of health care brands have emerged to fulfill the customer's needs.

One example is the managed care organizations. The image of managed care organizations is that they are health care providers or groups of medical service provider who contracts with insurers to provide a diversity of managed health care services to the enrolled individuals. Managed care organizations are well known as organizations that effectively manage the

health care services utilization and cost. Managed care organizations follow different regulations and requirements to control the increment of the health care cost.

The managed care organizations are considered the dominant health care delivery vehicle (The Next Generation, 2007). Everyday managed care organizations take better place in the market because they offer different solutions to health care issues that customers are facing. They offer affordable health care plans and other benefits they control finance, insurance, delivery, and payment of health care services. The described image of managed care organizations impacts customer decision, specially for those who are looking for more affordable and high quality care.

Although managed care organizations are growing fast some people have controversial opinions that affect customer's decision. The rapid growing of managed care organizations demonstrates the success of this health care service. The Next Generation (2007) stated, " Managed care gained rapid popularity in 1990s with the population under managed care increasing from 27 % in 1988 to 95 % in 2002 and enrollment in fee for service plans declining from 70 % to 5 %" (p. 1). The managed care organizations profitability depends on how well they achieve their objective.

Managed care organizations manage the delivery of care and its cost introducing different initiative of management, utilization analysis, and negotiation of contracts with providers. Managed care organizations have a fixed income that differ them from traditional insurance model where providers are reimburse for each episode of care (The Next Generation,

2007). I think that managed care organizations still have not satisfied all health care customer needs. The cost of the health care and deductibles continue high what makes difficult for many individuals to pay for it, hence their access to health care.

Managed care organizations should create new initiatives to serve the public needing health care services decreasing or eliminating deductibles what will attract a lot more customers because this opens people ability to pay for health care services. References Barringer, B. R. & Ireland, R. D. (2008). Entrepreneurship: Successfully launching new ventures (2nd ed.). Upper Saddle River, NJ: Pearson Prentice Hall. Davis, J. A. , Marino, L. D. , & Davis, L. (2007). Senior services: Exploring nursing home services for community-based seniors.

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