

# [Marketing analysis of the nhs](https://assignbuster.com/marketing-analysis-of-the-nhs/)

## NHS Resource Profile

The essence of developing a marketing strategy for a company is to ensure that the company’s capabilities are matched to the competitive market environment in which it operates, notjust for today, but into the foreseeable future. At the heart of strategy liesthe need to assess critically both the organisation’s resource profile (often referred to as its strengths and weaknesses) and the environment it faces (Hooley, Saunders and Piercy, (2004).)

With reference to academicliterature and to the National Health Service as an organisation, criticallyevaluate the mechanisms available to management by which it can assess:

* The organisations resource profile and
* The marketing environment it faces.

Background to the NHS

The NHS was set up on 5 th July 1948 to provide healthcare for all citizens, based on need, not theability to pay. (www. nhs. uk) Prior to this date access to treatment depended oneither the ability to pay, or the goodwill of doctor’s in hospitals funded bycharitable donations. The latter was a very strained resource and often it wasonly the working parent, usually the man, who was able to access suchtreatment, which he often paid for by way of deductions from salary to schemessuch as the Hospital Saving Association ( www. hsa. co. uk ). Today the healthservice is formed of many trusts, reporting into the department of health, consisting of community services Trusts, Ambulance Trusts to Hospital Trusts. Care is made available for all who need it. Current government statedpriorities, as quoted on www. nhs. uk are given in National Service Frameworks are

* Cancer
* Paediatric Intensive Care
* Mental Health
* Coronary Heart Disease
* Older People
* Diabetes
* Renal services
* Children’s services
* Long Term Conditions

The launch of the health servicewas very high profile (www. bbc. co. uk) and still often shown within healthcaretelevision coverage today. Over the last fifty years, many changes have beenmade to the service (www. nhs. uk/history) to enhance it’sofferings to the public, yet today the NHS is often in the news for negative reason’s. Despite the obvious good work that the NHS does, it is the longwaiting lists, MRSA and occasional health problems that come to the forefrontin the eyes of the media. Again, marketing can play a big part in theperception of the service in the eyes of the public.

Organisations resource profile

At the heart of strategy lies theneed to assess critically both the organisation’s resource profile (oftenreferred to as its strengths and weaknesses) and the environment it faces(Hooley, Saunders and Piercy).) In the 1990’s the inside-out approach tomarketing, the resource based view (RBV) became popular with strategists suchas Grant, for it’s new approach which looked inside the firm to assess it’score competencies and to determine which competencies should be used for competitiveadvantage. A neo-classical approach, the resource view was that the externalenvironment was constantly changing and that it would be difficult forcompanies to keep changing with it, rather they ought to stick with what theyknow best and concentrate on their core offerings. The value chain approachoffered by Michael Porter, reaffirmed by Johnson and Scholes, also emphasisedthe importance of understanding how the internal organisational factors addvalue to and impact on the external environmental influences affecting thefirm. The value chain activities are split into primary activities (inboundand outbound logistics, operations, marketing, sales and customer service) andsecondary activities (infrastructure, human resource management, technologydevelopment and procurement). All of the above chain linkages will need tobe assessed for the NHS in trying to ascertain the organisations resourceprofile.

Taking the Value Chain approachand applying it to the NHS

The value chain will now be takenand applied to what is known about the NHS in the public domain. (newspapers, media and www. nhs. co. uk)

Primary activities

Inbound and outbound logisticsrelate to the receiving and distribution of goods and services. Within the NHSlogistics would consist of the following

* Patients, who would either be transported by their own methods or by ambulances in order to receive the treatment.
* Drugs, dressings and other pharmaceutical supplies
* Staff who may travel to and from hospitals, to and from other medical establishments and from either of the former to a patients home/ destination and so on
* Medical equipment, such as surgical instruments and monitors
* Non medical equipment such as beds, linen, catering requirements, cleaning equipment and stationary
* Warehousing of goods

From the above, it is noticeablethat there are a range of logistical activities, notably many of these aremanaged by different departments and others outsourced, such as catering andcleaning. Obviously where outsourcing has taken place, NHS Managers have takenthe decision that such services do not come under it’s core competencies andplaced the management of such activities in external hands. Non the less, outsourced activities are still very much an integral part of a company’s valuechain, but where control of activities is outsourced there is a chance of aweak link (Porter) and notably much of the bad publicity (regularly referencedon national and regional news) surrounding the hospitals is indeed as a resultof questionable cleanliness (such as MRSA) and poor quality nutrition. Poorpublicity has an impact on public perception of service quality and the waythat the NHS counteracts this by efficient use of marketing is of importance.

Operations transforms these variousinputs into the final product or service (Johnson and Scholes) by pulling allthe operational activities together, be they controlled directly oroutsourced. It is therefore a key link in the chain to ensure servicedelivery.

The marketing and sales activitiesare responsible for raising awareness of the services provided by the NHS andthe perception of the quality of service it supplies to the public. Doctors’waiting rooms are full of adverts for services to prolong life, enhance healthand therefore use the service less such as those that target smokers to stop, heart disease campaigns to encourage the public to eat 5 or more portions offruit and vegetables per day, well man and well woman clinics and so on. Manyof these adverts run into national advertising, such as the daily newspaper, whilst local initiatives are often mentioned on the regional news. In additionthe NHS has an informative website www. nhs. uk which gives advice offeringa section on ‘ your health’ (to include self help guidance) and information oncurrent national health campaigns such as ‘ help a heart week’ and ‘ everymanmale cancer campaign’. Just how much the website is referenced is unknown andone must question whether indeed the public even know of it’s existence.

But marketing is not all aboutadvertising campaigns, especially within the not for profit sector where thereis a reliance on key relationships and networks (Caeson, Cromie, McGowan, Hill). Whilst logistics partners have already been referenced, a goodrelationship between the NHS marketing departments and the outsourced companiesis very important to ensure consistency of message on joint issues, such as thecleaning contractors approach to cleanliness and the rise of MRSA. Within thenot for profit sector there is a reliance on corporate support, national andlocal government support and the goodwill of the public, some of whom areinvolved in management committees (positions are advertised within the localpress). With the NHS being split into multiple trusts, some with differingspecialisms inter trust relationships are key to the treatment of certainpatients, thus creating more linkages in the chain and more marketingrelationships required.

All of the above impact on bothinternal and external customer service and perception of service.

Secondary activities

Secondary activities are sometimescalled support activities as they support the primary activities mentionedabove.

Procurement is ‘ the processes foracquiring the various resource inputs to the primary activitiesoccurs in manyparts of the organisation.’ (Johnson and Scholes). Within a complexorganisation, such as a trust, there are many ways to procure goods andservices from both the physical approach to the electronic methods.

Technology development ranges fromthe hospital Consultant’s know how, to computer systems used for medicalrecords, to pharmacy systems linked to drugs. All of these will be managed byhuman resources some directly employed by the trust, some contracted to thetrust and some working for contract companies contracted to the trust. Allstaff will report directly to their line manager, and ultimately they to thetrust manager, advised by a committee, and that manager to the Secretary ofState for Health. Non-the-less, each member of staff employed by or within atrust is an internal marketer (Gummesson) and who they interact with bothinside and outside of the trust gains an impression of the trust by associationwith them.

This is all held together by thefirm’s infrastructure, ‘ the systems of planning, finance, quality control, information management’ (Johnson and Scholes).

Marketing environment facing theNHS

Successfulcompanies take an outside-inside view of their business. They recognise thatthe marketing environment is constantly spinning new opportunities and threatsand understand the importance of continuously monitoring and adapting to thechanging environment. (Kotler)

Analysing theenvironment for any organisation will involve a review of the political, economic, social and technical (PEST) environment it is in or faces. For theNHS, it is a UK based healthcare provider for the public, funded bycontributions made from taxes distributed by the government to each of thetrusts. It operates within a politically stable economy with funds pledged byboth the current and previous governments to the service for improvements inhealthcare and salaries for staff. The economic environment facing the NHS isa growing economy with a rising elderly population and less working people tosupport them. In addition, it has become increasingly difficult to recruitmedical staff (national press) and shortages have often been counteracted byemploying staff from other EU countries, which in turn increases the populationwithin the UK. This again has been a subject of press attention, againnegative for the NHS. The social/ cultural environment shapes beliefs, valuesand norms (Kotler). Belief in the core values of the health service and theservices it offers was high on the publics list of concerns during the lastgeneral election, as if the NHS is an integral part of the UK and it’s culture. The technological environment is moving fast within the health caresector, as well as drugs being continually developed, techniques for operationsare being advanced and the use of technologies for both medical andadministrative procedures. Such are rarely mentioned in the press.

Traditionally, before formulating a marketing strategy a company would usually undertake aSWOT analysis, that is to understand its strengths and weaknesses and realiseopportunities and steer clear of known and potential threats. The keyelements, in the authors opinion are listed below.

Strengths

* Although not a monopoly, there is no real competitor for the NHS.
* Whilst private hospitals are available throughout the UK, the Accident and Emergency service is unique to the NHS.
* The fact that there is continual monitoring of waiting lists is proof that the demand outstrips supply
* The NHS has been established since 1948 and continues to grow and expand upon it’s services.

Weaknesses

* Unable to cope with the demand due to the increasing population
* Possibly the management of the linkages of the chain, per the resource analysis

Opportunities

* To use marketing strategies to raise the profile of the NHS
* Increase of private investment

Threats

* Image of the NHS being affected by the work of contractors
* Staff turnover high

Of course, theabove SWOT is written down by the author with no first hand working knowing ofthe NHS trusts. As with most SWOT’s, the above is based on perception which, in turn, is based on the interpretation of information in the public domain, based on regular articles in the media. So in effect, marketing has alreadyhad an impact on this view. It is likely that many people will all havedifferent perceptions of the NHS, depending on their outlook and any personalexperience they may have. However, given the number of NHS trusts in operationand the number of different operating units even an employee working for onebusiness unit is likely to have a different perception to another.

Another tool toassess the NHS would be to undertake a marketing audit, a comprehensive, systematic, independent, and periodic examination of a company’s marketingenvironment. with a view to determining problem areas and opportunities(Kotler) . This would indeed be a complex affair. Each trust is strategicallyresponsible for itself, so it may be presumed that it is responsible for it’smarketing activity, but with one NHS website indications are that it iscentrally controlled. Included within the audit would need to be an audit ofthe outsourced companies and their way of representing the NHS. With differentcompanies and indeed trusts operational throughout the UK there are bound to be different corporate cultures and core values which would need tobe considered and addressed if possible.

Resource basedview resume v marketing based strategies – recommendations

From theresource based critique, it was seen that marketing affects every part of theNHS. Having evaluated the NHS against the resource based view, using thevalue chain model; it can be observed that the NHS is indeed a complex organisation. Over the years, it has gone from being a totally autonomous organisation whichdoes everything for itself, to one that now out sources various functions suchas technology, hygiene, and distribution and so on. Of course it hasrecognised that it’s core competencies lie within the medical services itprovides to it’s customers, patients, and has concentrated on this side. However, despite the obvious good work it undertakes and millions of livestreated, there is not much awareness made of this important achievement in thenational press, rather it is the down side that is much advertised, much ofwhich is as a result of losing control by outsourcing activities such ashygiene. The NHS does not appear to use marketing as a way of counter attackingsuch reports with headlines such as ‘ Doctor saves x many lives in one year.’. The resource based view takes very much the relational approach of the notfor profit sector, relying on goodwill, government interaction, committees, initiatives and letting the public know via a website. Probably the marketingfunction is not prominent within the NHS Trust.

Whilst the traditional 4P’s (price, product, place, promotion) approach to marketing may not necessarily be thebest approach for the NHS Trust, given it’s unique prominence in healthcarewithin the UK, there is a definite need to promote the success stories, ofwhich there are most likely to be numerous. Key recommendations for futuremarketing and development are to

* Place marketing at the centre of the management function
* Enhance PR activities to both feed positive information into the government as well as out to the various publics in the country.
* Appoint marketing oriented representatives on each of the trusts managing committees.
* Internally market successes to staff and try and retain staff for longer. (A separate exit interview exercise will need to be taken for this)
* Encourage more private investment to grow the service and it’s core staff.

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