

# INDEX

## A

- Aaker, D., 302
- ABC (activity-based cost accounting), 330, 331*t*
- A.C. Nielsen, 418
- Access (or equity):  
availability dimension of, 35–37; four dimensions of, 128–129; infrastructure dimension of, 37; percent of adults with chronic conditions lacking, 93*t*; strategic choices delivering stakeholder value, 28*fig*; sustainability dimension of, 37, 39. *See also* Availability of care
- Access Project, 79
- AdvaMed (Advanced Medical Technology Association), 69
- Advertising: Blue Cross/Blue Shield (BCBS) research on effectiveness of, 178–179; definition and qualities of, 396–397; DTC (direct-to-consumer), 63–64, 87, 88, 334, 354, 402–403; efficiency of, 481; evaluating effectiveness of, 409–410; example of newspaper, 388*fig*; interactive marketing with online, 464–467; Listerine, 386, 414–415; as marketing skills, 10; medical journal, 64; PATH Model applied to, 178–179; place (or out-of-home), 407, 408; product life cycle and modifying, 311; Roche's Tamiflu, 402–403; social responsibility review of, 402; types of, 406*t*–407*t*. *See also* Marketing communications
- Advertising programs:  
deciding on budget for, 401; deciding on media for, 404–409; developing and managing five Ms of, 398*fig*; developing campaign, 402–404; evaluating effectiveness of, 409–410; Kaiser's "Thrive," 420; National Ovarian Cancer Coalition (NOCC), 399–400; setting objectives of, 397–400
- Aetna, 320
- Affordable method, 394
- Agatston, A., 42
- Age differences: as demographic segmentation, 224; outpatient visits and, 89*fig*; per capital spending on personal health care, 90*fig*
- AIDA formula, 452
- Allocation cost process, 327–329*fig*
- Allscripts, 73
- AMCs (academic medical centers), 138
- American Association for Hand Surgery, 68
- American Association of Advertising Agencies, 424
- American Cancer Society, 4, 69
- American College of Physician Executives, 68
- American College of Physicians, 68
- American College of Surgeons, 68
- American Drug, 221
- American Heart Association, 4, 69
- American Hospital Association, 117
- American Lung Association, 69

- American Lung Association of Metropolitan Chicago, 26
- American Marketing Association, 5, 296
- American Medical Association (AMA), 6, 62, 68, 117, 457
- American Nursing Association, 68
- American Organization of Nurse Executives, 68
- America's Health Insurance Plans (AHIP), 68, 187
- Amgen, 117, 140
- Anderson, J. C., 173
- Anderson, O., 16
- Annual-plan control, 479–480*fig*
- Aravind Eye Care System (India), 247
- Area market potential, 209–210
- Argentina: health insurance system of, 17; PAMI (Programa de Asistencia Medica Integral) of, 27
- Aronin, J., 312
- Arranged interviews, 196
- Associative network memory model, 153–154
- Augmented product, 263–264
- Availability of care, 92–94
- Available market, 206
- Average cost, 327
- B**
- Balter, D., 440
- Bannan, K. J., 467
- Basic product, 263
- Battle plan, 141
- Bayer Corporation, 356
- Behavioral marketing research, 197
- Behavioral segmentation, 223*t*, 227–229
- Beliefs: health care utilization and patient, 94–95; primary and secondary, 80
- Benefit advantage, 136
- Besanko, D., 119
- Best, R., 231
- BIO (Biotechnology Industry Organization), 69
- Biogenic needs, 147
- Birth Place (Gaston Memorial Hospital), 265
- Blanket contract, 173
- Blue Cross/Blue Shield (BCBS): customer awareness of, 237; effectiveness of advertising by, 178–179; new offering by BCBSNC, 282–283; turning insurance success into banking success, 284–285
- Blue Healthcare Bank, 284–285
- Body work and massage, 47
- Bohmer, R., 81, 126
- Bonoma, T., 478
- Boston Scientific, 117, 140, 318
- Brand: building, 296, 298; building, maintaining, terminating a, 313–314; cobranding, 301–302; definition of, 296; developing the, 300–304; levels of brand meaning, 297*t*; PCL as dependent variable of, 314; physicians becoming a, 298–299; repositioning, 303–304, 388–390
- Brand acceptability, 302
- Brand awareness, 302
- Brand concept, 290
- Brand equity: description of, 302–303; marketing communications to build, 378*fig*–380
- Brand loyalty, 302
- Brand repositioning, 303–304
- Brand valuation, 303
- Brand-positioning map, 290. *See also* Market positioning
- Brandpulse (Intelliseek), 188
- Brigham and Women's Hospital (Boston), 283, 301–302, 476*fig*
- Bristol Myers Squibb, 404
- BTC (“behind-the-counter”) mechanism, 66
- Budgeting: advertising programs, 401; marketing communication,

- 394–395. *See also*  
 Costs  
 Burson-Marsteller, 432, 465  
 Business market:  
   overview of, 164–165;  
   segmentation of, 229–230  
 Business plan, 141  
 Business-goods market testing, 296  
 Buvik, A., 174  
 Buy grid model, 170–174  
 Buyer power, 133–134  
 Buyer-readiness stage, 228–229  
 Buyers: behavioral segmentation of, 223*t*, 227–229; consumption system of, 264; demographic segmentation of, 223*t*, 224–226; geographic segmentation of, 223*t*–224; psychographic segmentation of, 223*t*, 226–227; psychological resistance of, 452; sequential segmentation of, 230–231; value, price, and loyal brand, 333. *See also* Consumers; Customers; Market segmentation; Payers  
 Buying center, 167–170  
 Buying decision making:  
   buy grid model of, 170–174; consumer, 147–163; five-stage model on, 155*fig*–163; models of purchase behavior, 156–158, 157*t*; organizational, 163–175  
 Buzz marketing, 435, 438  
 Bypass attack, 254  
 BzzAgent Health Care marketing, 440–441
- C**  
 CABGs (coronary artery bypass grafts), 306, 307*fig*  
 Cafferky, M., 436  
 CAM (complementary and alternative medicine), 46–48  
 Canada: health insurance system in, 17; Patented Medicines Prices Review Board of, 344; socioeconomic and cultural view of health care, 19*t*  
 Capitation: Denmark's use of, 102; as HMO hallmark, 53  
 Care providers: definition and functions of, 48–51; illustrated diagram on types of, 50*fig*  
 Cardinal Health, 64  
 CAs (customer attributes), 294  
 Category concept, 289  
 Category membership, 237  
 Category points-of-parity, 236  
 CATI (computer-assisted telephone interviewing systems), 198  
 CCDV (create, communicate, and deliver value), 7, 11  
 CCDVT (create, communicate, deliver value, and target market), 7  
 CCDVTP (create, communicate, deliver value, target market, and profitability), 7  
 Celebrity endorsements, 390  
 Centers for Disease Control and Prevention (CDC), 6, 69–70, 86, 88, 100, 403  
 Centers of excellence, 22  
 Certificate of insurance, 344  
 Channel bonding, 115  
 Channel competition, 371–373  
 Channel cooperation, 371  
 Channel differentiation, 239*t*, 245  
 Channel pricing, 338  
 Channels. *See* Marketing channels  
 Charmel, P., 245  
 Chengbiao Medical Supplies, 248–249  
 Cherry, W., 110  
 Children's Miracle Network, 462  
 Chilean health insurance system, 17  
 Chintagunta, P. K., 173  
 Christensen, C. M., 81, 126  
 CIGNA-March of Dimes event, 421  
 Cipher Systems, 188

- Clancy, K., 336  
 Claritas, Inc., 224  
 Clustered preferences, 222  
 CMS (Centers for Medicare and Medicaid Services), 273, 341–344. *See also* DRGs (diagnosis related groups)  
 Co-optation, 372  
 Co-payment, 344  
 Coastal Physician Services, 252  
 Cobranding, 301–302  
 Coca-Cola, 202  
 Coinsurance, 344  
 Collins, J. C., 139  
 Commercialization, 296  
 Communication: channels of, 392–393; marketing, 376–427; objectives of, 385–386; personal marketing, 429–467; research on effect of, 409. *See also* Marketing channel systems; Messages  
 Competition: channel marketing system conflict and, 371–373; identifying, 245; industry concept of, 246–247; internal rivalry, 127–131; market concept of, 248; monopolistic, 247; non-price, 127–129; between on-line medical Web sites, 159–160; price, 129–131; using price as strategy for, 332; pure, 247. *See also* Markets  
 Competitive frame of reference, 236  
 Competitive intelligence, 184*t*–186*t*  
 Competitive points-of-parity, 234  
*Competitive Strategy* (Porter), 127  
 Competitive turbulence model, 127, 128*fig*  
 Competitive-parity method, 395  
 Competitor map, 248*fig*  
 Competitors: analyzing costs, prices, and offers of, 332; analyzing your, 248–250; balancing orientations of customers and, 257; selecting, 249–250  
 CON (certificate of need) regulations, 83, 103  
 Concentrated marketing, 222  
 Concept testing, 290–291  
 Conjoint analysis, 291–292  
 Consumer buying decisions: five-stage model of process, 155*fig*–163; key psychological processes of, 147–155. *See also* Markets; Organizational buying decisions  
 Consumer feedback method, 409–410  
 Consumer payers: adapting the price and, 335–339; initiating and responding to price changes, 339–341; out-of-pocket expenses for, 96–97, 345, 346; price setting and, 323–335; pricing and psychology of, 320–323  
 Consumer print campaign, 387*e*  
 Consumer promotion, 411  
 Consumers: definition of, 25; evaluating advertising effectiveness with, 409–410; PATH Model for understanding, 178–179, 197–201; psychological resistance of, 452. *See also* Buyers  
 Consumers International, 62  
 Consumption levels, 251  
 Consumption system, 264  
 Context clues, 267–268  
 Contraction defense, 252  
 Cooper, R. G., 288  
 Coordinated medical service concept, 52–53  
 Copernic Tracker, 188  
 Core beliefs and values, 80  
 Core business processes, 115  
 Cost advantage, 136  
 Cost shifting, 32  
 Cost-benefit analysis, 330  
 Costs: ABC (activity-based cost accounting), 330, 331*t*; actual payment definition of, 30;

- commercialization, 296; estimating new offerings/products, 292; formula for relationships of, 30*fig*–31; IMC (integrated marketing communication), 425; intensity of service determinant of, 33–34; price setting and estimating, 326–332; quality determinant of, 34*fig*–35; strategic choices delivering stakeholder value, 28*fig*; volume determinant of, 32–33. *See also* Budgeting; Economic domain; Health care expenditures
- Counteroffensive defense, 251–252
- Couric, K., 390
- CPT-4 (Current Procedural Terminology 4th Edition), 341–342
- Creative communication strategy, 385, 388–390
- Credit availability, 77, 79
- Culture: definition and characteristics of, 94; health care utilization and, 94–95. *See also* Social/cultural domains
- Customer acquisition, 115
- Customer experience engineering, 267
- Customer identification, 113–114
- Customer intimacy positioning, 136
- Customer relationship management, 115
- Customer value hierarchy, 263–265
- Customer-centered company, 257
- Customer-focused value proposition, 235
- Customer-generated media (CGM), 393
- Customer-intimate (or total solution), 36*fig*
- Customer-segment pricing, 337
- Customers: balancing orientations of competitor and, 257; brand awareness, acceptability, preference, and loyalty by, 302–303; CAs (customer attributes) of, 294; definition of, 25; “fuzzy front end” discovery through, 288; “holdout,” 252; improving hospital rating through focus on, 244–245. *See also* Buyers; Market share
- CVA (customer value assessments), 173
- CVS (now CVS Caremark), 72
- D**
- Dana-Farber Cancer Institute, 301–302
- Dana-Farber/Partners Cancer, 302
- The Dartmouth Atlas*, 106
- Data: primary, 9, 190–191; secondary, 9, 189–190
- Data analysis: conjoint, 291–292; cost-benefit, 330; net price, 336; PATH Model marketing research, 198–200; product-line, 273–279*t*; SWOT, 120–126; trade-off, 28–29. *See also* Information
- Davis & Geck, 48
- Debt ratios, 77, 79
- Decision making: buy grid model of, 170–174; consumer buying, 147–163; for events/experiences, 420–421; five-stage model on, 155*fig*–163; marketing public relations, 415–418; MDSS (marketing decision support system), 201–203; models of purchase behavior, 156–158, 157*t*; organizational, 163–175
- Deductible, 344
- Demand: market forecasting and measurement of, 206–212*t*; price setting by determining, 324–326. *See also* Health care demand
- Demand chain planning, 354–355
- Demographic domain: health care

- environment of, 73–76;  
 how much is paid  
 decisions by, 21; where  
 is care provided  
 decision by, 23; who  
 and what are covered  
 decisions by, 22; who  
 pays decisions made  
 by, 17*t*, 18; who  
 provides services and  
 products decisions, 24.  
*See also* Population
- Demographic  
 segmentation, 223*t*,  
 224–226
- Detailing, 62
- Dhalla, N., 314
- Diabetes personal  
 marketing  
 communication,  
 432–433
- Diagnostics suppliers, 67
- DiClemente, C., 148, 150
- Diet-based therapy, 47
- Differentiated marketing:  
 described, 234; number  
 of sellers and degree  
 of, 246–247; strategies  
 used for, 239*t*–245
- Differentiated oligopoly,  
 247
- Differentiated pricing,  
 337–339
- Differentiation strategies:  
 channel, 239*t*, 245;  
 example of, 244–245;  
 image, 239*t*, 245;  
 personnel, 239*t*, 244;  
 product, 239*t*–241;  
 services, 239*t*,  
 241–243; variables  
 listed, 239*t*
- Diffused preferences,  
 222*fig*
- Direct buyer power,  
 133–134
- Direct costs, 327, 329*fig*
- Direct mail, 459–461
- Direct marketing:  
 personal marketing  
 communications,  
 458–467; various  
 forms of, 422–423
- Direct-mail invitations,  
 389*fig*
- Discounts/allowances,  
 336
- Disease: definition of, 15;  
 payment coding  
 systems identifying,  
 341–342
- Disposables suppliers, 67
- “Disruptive  
 technologies,” 81
- Dissatisfiers, 148
- Dissonance attribution  
 model, 157*t*–158
- Distribution. *See*  
 Marketing channels
- Distribution efficiency,  
 481
- DME (durable medical  
 equipment) suppliers,  
 67
- DNR (Do Not  
 Resuscitate) orders,  
 100
- Doctors Making  
 Housecalls, 361
- Dranove, D., 101, 119
- DRGs (diagnosis related  
 groups): described, 18;  
 Medicare payments  
 based on, 32, 342,  
 343*t*; product-line  
 analysis by, 273–277;  
 segmentation of, 135.  
*See also* CMS (Centers  
 for Medicare and  
 Medicaid Services)
- Drucker, P., 111
- Drug manufacturers,  
 62–64
- DTC (direct-to-consumer)  
 advertising, 63–64, 87,  
 88, 334, 354, 402–403
- DuPont, 82
- Durable goods, 266
- E**
- E-marketing guidelines,  
 465–466
- EAs (engineering  
 equivalents), 294
- EBRI (Employee Benefit  
 Research Institute), 66
- Economic domain:  
 environment of, 76–79;  
 how much is paid  
 decisions by, 20; where  
 is care provided  
 decision by, 22; who  
 and what are covered  
 decisions by, 21; who  
 pays decisions made  
 by, 17*t*–18; who  
 provides services and  
 products decisions,  
 23–24. *See also* Costs;  
 Price/pricing
- Educational differences:  
 health care utilization  
 by, 92; in specific  
 population groups, 75
- Education/self-manage-  
 ment programs,  
 99

- Efficiency controls, 480–481
- eHealthinsurance, 322
- Eisenberg, J. M., 101
- El Camino Hospital (California), 116
- Elliott, S., 391
- EMD Pharmaceuticals, 356
- Employee health plan enrollment, 52*fig*
- Employers: health care system role of, 48; health insurance provided by, 57
- EMTALA (Emergency Medical Treatment and Active Labor Act) [1986], 22
- Encirclement attack, 254
- End-of-life issues, 99–100
- Energy therapies, 47
- Enron scandal, 79
- EPA (Environmental Protection Agency), 86
- Ernst & Young, 233
- Estimating costs, 326–332
- Estimating demand, 325
- Ethical issues: market targets and related, 235; marketing channel relations, 373; social responsibility review of advertising, 402
- Ethnic markets, 74–75
- Evanston Northwestern Healthcare (Illinois), 11, 477
- Event creation skills, 421
- Events/experiences: decision making related to, 420–421; description of, 418; objectives of, 418–419; sponsorship activities, 421
- Examples: advertising effectiveness research, 178–179; BCBSNC new individual insurance product, 282–283; building integrated health care delivery network, 352–353; CIGNA-March of Dimes event, 421; conducting an image analysis using semantic differential, 384, 385*fig*; El Camino Hospital's strategic planning, 116; embarrassment barriers to health care, 86; finding suppliers, 172; GSK personal marketing campaign, 430–431; hospital changing its brand name, 300, 301; hospital drug buying reactions to market changes, 146–147; hospital rating improvement through customer focus, 244–245; hospitals building better healing environments, 243; Humana Inc., 110–111; illness prevention programs, 42; indirect cost allocation impact on product costs, 330; Johnson & Johnson's price reduction to save market share, 318, 319; Kaiser's "Thrive" ad campaign, 420; local marketing, 221; marketing research plans, 203, 205, 206; meeting home care needs, 255; Oregon medical care allocation decisions, 14–15; organizational buying decisions, 169; out-of-pocket expenses applications, 345, 346; pervasiveness of health care marketing, 5; PLC as dependent variable of brand, 314; premium pricing success, 340; redesigning the wellness community, 262–263; repositioning hospital brand, 304; Rush Medical College's strategic planning, 472–474; segmented fall prevention program for seniors, 218–219; social marketing communications strategy, 376–377; strategic choice model, 25; U.S. Surgical Corporation sales training, 448; vision, values, and mission, 140. *See also* Field Notes
- Exclusive dealing, 373

- Exclusive distribution, 373
- Expanscience  
Laboratories, 363
- Expansible market, 207
- Expected product, 263
- Experience good, 136–137
- Experience-curve pricing, 327
- Experiential blueprint, 268
- Experimental brands, 301
- Expert channels, 432
- F**
- FABV (features, advantages, benefits, and value) approach, 452
- Familiarity scale, 383
- Favorability scale, 383
- FDA (Food and Drug Administration): drug safety regulated by, 18, 69; generic drugs chemical composition regulated by, 298; government's interest represented by, 86; monitoring drug approval by, 29, 146; Web site of, 220
- Feature product improvement, 310
- Federal government: as market, 166; organization of health care activities of, 69, 70*fig*, 71; payer role of, 56–57, 341–344
- FEHBP (Federal Employee Health Benefit Program), 56
- Field Notes: alternative and complementary medicine, 46–48; BzzAgent Health Care marketing, 440–441; competition of medical Web sites, 159–160; conjoint analysis, 291–292; consumer choice survey of providers and payers, 434–435; corporate imperative to contain health care costs, 59; customer-generated media using the Web, 393; direct mail promotion, 461; evaluating marketing channel intermediaries, 367–368; Lasky Skin Center, 267; marketing effectiveness review instrument, 482–485; marketing public relations tools, 416–417; model of three channel flows, 359; National Ovarian Cancer Coalition advertising, 399–400; nurse shortage problem, 270; nursing homes, 50–51; physicians becoming a brand, 298–299; physicians used in marketing communications, 391; podcasting marketing, 466–467; prescription for effective health care sales, 455–456; price variations for the same medical service, 319–320, 321–322; RAND Health Insurance Experiment (HIE), 97; retail health care delivery systems, 357–358; Roche's Tamiflu advertising, 402–403; text messaging to help manage diabetes, 432–433; turning health insurance success into banking success, 284–285; virtual reality technology supporting pharmaceutical sales, 449; Web site free forum to rate/select doctors, 158; working as medical device sales representative, 446–447. *See also* Examples
- First-degree price discrimination, 337
- Fisher, E., 104
- Fitzpatrick, R., 91
- Five Forces Analysis: description of, 28; limitations of using, 134–135; strategic planning using, 127–134
- Five-stage model of consumer buying: 1: problem recognition, 155–156; 2:

- information search, 156–160; 3: evaluation of alternatives, 160–161; 4: purchase decisions, 161–162; 5: post-purchase behavior, 162–163
- Flanagin, M., 472
- Flank attack, 253–254
- Flank defense, 251
- Florida State University's College of Medicine, 262
- Focus groups: marketing research using, 190–191; on-line, 191–192
- FONASA (Chile), 17
- Fontana, P., 319–320
- Forecasting: definition of, 211; demand measurement used in, 207–208*fig*; description and functions of, 206; determining market to measure, 206–207; estimating current demand and, 209–210; estimating future demand, 211; methods used for sales, 211*t*–212*t*; organization demand and sales, 208–209
- Fortune Magazine*, 244
- 4Ps of marketing mix, 7–8*fig*
- FPL (Federal Poverty Line), 57
- Franchise organizations, 370
- Franklin, V., 432
- French provider-induced demand, 102
- Freud, S., 147
- Friends of the Earth, 80
- Frontal attack, 253
- Fuld & Company, 184
- Fuld, L., 184, 186
- Fulfillment management, 115
- Full-line forcing, 373
- Functional brand, 300
- “Fuzzy front end,” 288
- G**
- Gain-sharing pricing, 334–335
- Gaston Memorial Hospital, 265
- Gatekeeper concept, 52–53
- GDP (gross domestic product): global health care expenditures and, 20*fig*; and sample health measures for selected OECD countries, 44*fig*
- Gender differences: as demographic segmentation, 225; health care utilization by, 90; image pricing catering to, 338; outpatient visits and, 89*fig*
- General Electric (GE), 120, 255
- General Electric (GE) Medical Products, 10
- Generation segmentation, 226
- Geographic segmentation, 223*t*–224
- Geographical pricing, 335
- Georgia Hospital Association, 320
- Girolam, P., 340
- Gittelsohn, A., 104
- Gladwell, M., 438
- Glaxo (now GlaxoSmithKline), 323, 340
- Global environment deterioration, 80–81
- Goal setting/objectives: advertising programs, 397–400; communication, 385–386; events/experiences, 418–419; by sales forces, 443; selecting pricing, 323–324; strategic planning and, 118
- Going-rate pricing, 333–334
- Gorman, M., 299
- Government: as market, 166; organization of health care activities of, 69, 70*fig*, 71; payer role of, 56–57, 341–344
- GPOs (group purchasing organizations), 49, 164
- GreenBook Worldwide Directory of Marketing Research Companies and Services*, 201
- Greene, S., 432
- “Grey markets,” 18
- Griffin, A. J., 288

- Griffin Hospital  
(Connecticut), 244–245
- Group model, 54
- Guerrilla warfare, 254
- H**
- Hall, A., 116
- Harris Interactive, 321
- Hauser, J., 288
- HBM (health belief model), 151–153
- HCA (Hospital Corporation of America), 301, 371
- HCPCS (Healthcare Common Procedural Coding System), 342
- Health: indicators of, 15–16; WHO definition of, 15. *See also* Wellness
- Health advocacy organizations, 48, 69
- Health Canada, 6
- Health care:  
embarrassment barrier to, 86; overview of why people seek, 86–95, 87*t*; strategic implications of health care systems for, 29–39; utilization of, 95–104
- Health care demand:  
consumer factors reducing, 95–100; local (small area) variations in, 104–106; market forecasting and measurement of, 206–212*t*; provider factors affecting, 100–104. *See also* Demand
- Health care environment:  
changes in, 73; demographic, 73–76; economic, 76–79; global natural, 80–81; political-legal, 82–83; social-cultural, 79–80; technological, 81–82
- Health care expenditures:  
corporate imperative to contain, 59; end-of-life issues and, 99–100; increasing rate of, 77; international differences in, 20*fig*; in the U.S. (2005), 49*fig*. *See also* Costs
- Health care organizations:  
buying decision making by, 163–175; defining purpose and mission of, 111, 117; marketing planning by, 141–144; marketing strategies used by, 135–139; reassessment of mission statement by, 139–140; strategic alliances used by, 141; strategic choice model for, 25–29; strategic planning by, 111–135; vertical integration of, 247
- Health care products. *See* Products
- Health care services. *See* Services
- Health care systems:  
defining, 15–16; defining a well-designed, 45–46; framework for payment decisions on, 16–18; framework for understanding, 16–24; strategic choice model for, 25–29; strategic implications for health care, 29–30. *See also* U.S. health care system
- Health care utilization:  
consumer-related, 95–100; provider-related, 100–104; stakeholder characteristics influencing, 86–95
- Health insurance:  
financial stake in patients' seeking health care, 87; nonelderly population by income (2005) with, 78*t*; private, 320, 344–347*t*; RAND Health Insurance Experiment (HIE), 96, 97; translating success to banking success, 284–285; transparency issue and, 320. *See also* Medicaid; Medicare
- Health Systems, 242
- Health-seeking behavior:  
health care utilization, 95–104; stakeholder characteristics influencing, 88–95
- HealthGrades Inc., 322
- HealthStream Express, 300
- HealthSouth, 79, 415
- Henderson, D., 403

- Herbalism, 47  
 Herzberg, F., 147, 148  
 HFMA (Health Care Financial Management Association), 69  
 HIMSS (Healthcare Information and Management Systems Society), 69, 172  
 Hispanic Health Council (HHC), 415  
 Hitachi Data Systems, 187  
 HMOs (health maintenance organizations):  
   enrollment for covered workers by, 52*fig*; four types of models used for, 54–55; payer role of, 51–55  
 Home care, 255  
 Homeopathy, 47  
 Homer, J., 270  
 Homogeneous preferences, 221, 222*fig*  
 Horizontal marketing systems, 370  
 Hospitals: association membership of, 69; becoming patient-oriented, 477–478; building better healing environments, 243; consumer print campaign promoting physicians of, 387*e*; as health care stakeholders, 72; personal marketing for health care sales to, 454–458; product-line analysis of, 273–279*t*; sales departments of, 458; SNFs (skilled nursing facilities) cooperation with, 72; swing beds of, 72. *See also* Physicians  
 Housecall (Mayo Clinic), 463  
 Household patterns, 75  
 Hovland, C. L., 388  
 Howard, C., 14  
 HSAs (health savings accounts), 56  
 Human Genome Project, 81  
 Humana Inc., 110–111, 322  
 Hypnotherapy, 47
- I
- ICD (International Classification of Disease), 342  
 Idea screening, 289  
 IDI (individual in-depth interviewing), 192, 196  
 IDN (integrated delivery network), 352–353  
 IEG Sponsorship Report, 418  
 Illness prevention programs, 42  
 Image, 383  
 Image analysis, 384–385*fig*  
 Image brands, 300–301  
 Image differentiation, 239*t*, 245  
 Image pricing, 338  
 IMC (integrated marketing communications), 424–425  
 Income differences: global distribution and, 76–77; health care utilization by, 91–92; segmentation using, 225–226  
 Index method, 210  
 Index (or reference) pricing, 342, 344  
 Indirect buy power, 133–134  
 Indirect costs, 327, 329*fig*, 330  
 Information: buying decision search/sources of, 156–160; marketing research system, 188–197; MIS (marketing information system), 180–188; need for market, 179–180; PATH Model used to collect/analyze marketing, 178–179, 197–201. *See also* Data analysis  
 Information systems suppliers, 68  
 Infrastructure, 37  
 Innovation: Birth Place (Gaston Memorial Hospital) as, 265; continuous, 251. *See also* New offerings  
 Institute for Health Care Improvement, 34  
 Institutional market, 165–166  
 Integrative medicine, 46–47  
 Intelliseek, 188

- Intensity of service, 33
- Interactive marketing, 463–467
- Intercept interviews, 196
- Internal rivalry, 127–131
- International sector:  
 demographic health care environment changes in, 73–76;  
 health care expenditure differences in, 20*fig*;  
 income distribution in, 76–77; local area variations in the, 104–106; percent GDP and same health measures for, 44*fig*;  
 provider-induced demand in the, 102–104. *See also* OECD countries
- Internet: customer-generated media using the, 393; interactive and online marketing on the, 463–467; niche marketing through the, 220; price-shop for health care services on the, 321–322; “shopbots” allowing price comparison, 319. *See also* Web sites
- Interstitials, 464–465
- Interviews: different types of, 196–197, 198; focus group, 190–192; IDI (individual in-depth interviewing), 192, 196
- Invasion plan, 234
- IPA (individual practice association) model, 54, 55
- ISAPRE (Chile), 17
- Isham, J., 262
- J**
- Jain, D. C., 173
- Japan Medical Association, 26
- Japanese provider-induced demand, 102
- Jaworski, B. J., 248
- Jerry Lewis Muscular Dystrophy Labor Day Telethon, 462
- John, G., 174
- Johnson & Johnson, 59, 249, 318, 319, 464
- Johnson & Johnson credo, 111
- Jones, D. A., 110
- Juran, J. M., 113
- K**
- Kaiser Family Foundation, 62, 63
- Kaiser Permanente, 243
- Kalra, R., 245
- Keller, K. L., 212, 303, 425
- Kelly, C., 270
- Kenagy, J., 81, 126
- Kerber, R., 318
- Key buying influencers, 169
- Kitzhaber, J., 14
- Kleinschmidt, E. J., 288
- Kodak, 170
- KOLs (key opinion leaders), 437
- Kotler, P., 212, 297, 485
- L**
- Lachner, b. J., 477
- Laddering, 147
- Landro, L., 243
- LASIK Vision Institute, 323, 397
- Lasky Skin Center, 267
- Lavidge, R. J., 382
- Learning: model on process of, 157*t*; motivation, behavior, and, 153
- Legal issues: legislation related to, 22, 82–83, 83, 103; marketing channel relations, 373
- Legislation: CON (certificate of need) regulations, 83, 103; EMTALA (Emergency Medical Treatment and Active Labor Act) [1986], 22; increase of health care, 82–83
- Leonhardt, D., 42
- Level of service, 33
- Life stage segmentation, 224–225
- Life-cycle stage segmentation, 224
- LifeSpan Health System, 355
- Lifestyle: PRIZM Clusters segments related to, 224; promoting healthier, 100; VALS system segmentation related to, 226–227
- Listerine PocketMist, 388, 414
- Local marketing, 221
- Location pricing, 338

- Logistic strategic alliance, 141
- Long, B., 474
- Low-involvement model, 156–157*t*
- Loyal brand buyers, 333
- Loyalty status, 229
- LTM (long-term memory), 153–154
- Lumsdaine, A. A., 388
- M**
- Macro model of communications process, 380–381*fig*
- MADD (Mothers Against Drunk Drivers), 80
- Mahoney, M., 474
- Malcolm, C., 472
- March of Dimes-CIGNA event, 421
- Market demand: definition of, 207; estimating current, 209–210; estimating future, 211; measurement and functions of, 207–208*fig*; sales forecast and organization, 208–209; sales forecast methods for, 211*t*–212*t*
- Market minimum, 207
- Market nicher strategies, 255–256
- Market positioning: competitive frame of reference for, 236; differentiation strategies used for, 238–245; establishing category membership for, 237; overview of, 135–137, 235; points-of-parity and points-of-difference and, 236, 237–238; updating segmentation schemes using, 234–235. *See also* Brand-positioning map; Positioning
- Market potential, 207, 207–208
- Market segmentation: of business markets, 229–230; of consumer markets, 222–231; definition of, 7, 219–220; fall prevention program for seniors as, 218–219; local marketing as, 221; as marketing strategy, 135; niche marketing as, 220; patterns of, 221–222*fig*; sequential, 230–231; updating, 234–235. *See also* Buyers
- Market segments: definition of, 7, 219–220; effective criteria for, 231; evaluating selecting, 231–234
- Market sensing, 115
- Market share: expanding, 252–253; Johnson & Johnson's price reduction to save their, 318, 319; trying to win greater, 207. *See also* Customers
- Market skimming, 324
- Market specialization segmentation, 233
- Market targeting: additional considerations for, 234–235; effective segmentation criteria for, 231; ethical issues related to, 235; evaluating/selecting market segments for, 231–234; needs-based market segmentation approach, 231, 232*t*; S.A.I.L. (Stay Active and Independent for Life) program as, 218–219. *See also* Target market
- Market testing, 295–296
- Market-buildup method, 210
- Market-challenger strategies, 253–254
- Market-follower strategies, 254–255
- Market-leader strategies, 250
- Market-preferences patterns, 221–222*fig*
- Marketing: barriers to calculating ROI on tactics for, 417*t*; e-marketing guidelines for, 465–466; elements of, 6–11; evaluation and control of, 479–490; implementation of, 478–479; MIS (marketing information system), 180–188;

- need for information on, 179–180;  
negotiation component of, 453; as organizational function, 5; organizing for, 474–478;  
pervasiveness of health care, 4–6; podcasting, 466–467; product life cycle and modifying, 310–311; social, 69
- Marketing audit, 485, 490
- Marketing channel systems: design decisions for, 361–362; dynamics of, 369–373; evaluating major alternatives, 364–365*fig*; identifying major channel alternatives, 362–364; importance of, 353–354; legal and ethical issues in relations of, 373; management decisions of, 365–368; modifying arrangements of, 368; retail health care delivery systems, 357–358; rights and responsibilities of members of, 364; value networks, 354–356. *See also* Communication
- Marketing channels: definition of, 353; direct-response, 459–467; efficiency of, 481; functions and flows of, 358–360; levels of, 360; model of three, 359; role of, 356–358; service sector, 360–361. *See also* Media
- Marketing communications: building brand equity by integrating, 378*fig*–380; consumer print campaign promoting hospital physicians, 387*e*; coordinating media used for, 424–425; description of, 377–378; developing effective, 382–396; direct-mail invitations, 389*fig*; establishing budget for, 394–395; events and experiences, 418–423; factors in setting mix of, 422–423; implementing integrated, 425–426; macro model of communications process, 380–381*fig*; managing integrated process of, 424; measuring results of, 424; micro model of consumer responses, 381–382; newspaper advertisements, 388*fig*; physicians used in marketing communications, 390; PSI's social marketing communications strategy, 376–377; public relations and publicity, 413–418; response hierarchy models, 382*fig*; sales promotion, 411–413. *See also* Advertising; Sales
- Marketing communications development: choosing the media mix, 396; designing the communications, 386–391; determining communications objectives, 385–386; eight steps listed, 382–383; establishing total marketing communications budget, 394–395; identify target audience, 383–385; selecting the communications channels, 392–393
- Marketing controller, 480
- Marketing departments: annual-plan control by, 479–480*fig*; Brigham and Women's Hospital's, 476*fig*; characteristics of effective, 476–477; efficiency control by, 480–481; helping hospitals become patient-oriented, 477–478; marketing implementation by, 478–479; MVP (marketing vice

- president) role in, 475–476; strategic control activities by, 481–490
- Marketing effectiveness review, 482–485
- Marketing elements: concepts of marketing, 7–8; 4Ps of marketing mix, 7–8*fig*; main skills of marketing, 9–10; marketing organization in health care, 10–11; purpose of marketing, 6–7
- Marketing penetration pricing, 324
- Marketing planning: composition and content of, 141–142; for marketing research, 203–206; sample content of, 142–143. *See also* Strategic planning
- Marketing public relations (MPR), 413–418
- Marketing research: developing plan for, 203–206; forecasting and demand measurement using, 206–212*t*; gathering information on, 179–201; overcoming barriers to use of, 202–203; supplies of, 201–202
- Marketing research system: description of, 188; exploratory, 189–190; MDSS (marketing decision support system), 201–203; preview of process, 189; primary, 190–197; supplier component of, 201–202
- Marketing skills: advertising and sales promotion, 10; distribution and pricing, 9–10; effective research, 9; product design, 9; sale force management, 10
- Marketing strategies: changing forces, 135; limits to value-driven, 138–139; for new offerings/products, 292; positioning, 135–137; push versus pull, 354; segmentation, 7, 135; STP (segmentation, targeting, and positioning), 235; word-of-mouth, 438–439. *See also* Strategy
- Marketing vice president (MVP), 475–476
- Marketing weaknesses review, 486*t*–489*t*, 490
- Markets: barriers to new entrants into, 131–133; business, 164–165; expanding total, 250–251; forecasting and demand measurement of, 206–212*t*; government, 166; hospital drug buying reactions to changes in, 146–147; institutional, 165–166; segmentation of consumer, 222–231; threat of new entrants into, 131. *See also* Competition; Consumer buying decisions
- Markup pricing, 332–333
- Maslow, A., 147, 148
- Mason, M., 320
- Massachusetts General Hospital, 225–226
- Massage and body work, 47
- Maximum current profit, 323–324
- Mayo Clinic, 128, 137, 237, 303, 463
- McGlynn, E. A., 45
- McKesson Health, 64, 242, 251
- McNeil's Tylenol brand, 303
- MDMA (Medical Device Manufacturers Association), 69
- MDSS (marketing decision support system), 201–203
- Meals on Wheels program, 148
- MedAssets, 49
- Media: advertising, 405–410; coordinating marketing communications, 425; coordination, 424; direct-response marketing, 459–467; marketing communications media

- mix, 396; timing of, 408–409. *See also* Marketing channels
- Medic Computer Systems**, 368
- Medicaid**: debate over nursing homes payment by, 50–51; federal government payer role in, 57; income criteria for, 77; overview of, 57; price discounts/allowances used by, 336. *See also* Health insurance
- Medical associations**: health care system role of, 48; types of, 68–69
- Medical device suppliers**, 67–68
- Medical expense ratio**, 344
- Medical groups** value-driven strategy, 138–139
- Medical journal** advertising, 64
- Medicare**: federal government payer role in, 57; funding of, 18; overview of, 57; payment methods used by, 58*t*, 342, 343*t*; price discounts/allowances used by, 336; reimbursement standard used by, 32, 328, 330; Web site on private drug plans of, 344–345. *See also* Health insurance
- Medtronic**, 117
- Memorial Hermann Healthcare System Hospitals**, 243
- Memory**: LTM (long-term memory), 153–154; STM (short-term memory), 153
- Memory encoding**, 154
- Memory retrieval**, 154–155
- Merck**, 82, 117, 332, 404
- Messages**: advertising campaign, 401–402; marketing public relations, 415; sources of, 390–391; strategies used for, 385–390. *See also* Communication; Marketing communications
- Micro model of consumer responses**, 381–382
- Microsoft Excel**, 188
- Miller, L.**, 338
- Mind-body interventions**, 47
- MinuteClinic**, 153, 357
- MIS (marketing information system)**: components of modern, 180–181; examples of internal records supporting marketing, 183*t*; health care services, 182; internal records system component of, 181–182; MIS (marketing intelligence system) component of, 182, 184–188
- MIS (marketing intelligence system)**, 182, 184–188
- Mission statement**: examples of health care organization, 117; organization purpose defined through, 111; reassessment of, 139–140
- Misys Healthcare Systems**, 366
- Misys Valued Partners (MVP)**, 366
- MMA (Medical Marketing Association)**, 69
- Mobile defense**, 252
- Monopolistic competition**, 247
- Motivation**: health belief model (HBM) on, 151–153; laddering to trace, 147; learning and, 153; memory and, 153–155; perception and, 151; psychological theories on, 147–150*t*; sales representatives, 450
- Multi-channel marketing systems**, 370–371
- Multilevel in-depth selling**, 169
- My Medical Control**, 319–320
- MYCO Medical**, 239
- N**
- NAICS (North American Industry Classification Systems)**, 210

- National Heart, Lung and Blood Institute, 152
- National High Blood Pressure Education Program, 152
- National Ovarian Cancer Coalition (NOCC), 399–400
- Natural environment deterioration, 80–81
- Natural market segments, 222*fig*
- Needs-based market segmentation approach, 231, 232*t*
- Negotiation, 453
- Net price analysis, 336
- Network model, 54–55
- New Coke failure, 202
- New Marketing-Old Marketing shift, 6–7
- New offerings: BCBSNC example of, 282–283; building, maintaining, and terminating a brand, 313–314; building the brand, 296–304; development process of, 283–296; managing stages of product life cycle, 304–312; realization of, 115; risk associated with, 287–288; six categories of new products or, 284, 285. *See also* Innovation; Products; Services
- New York* magazine's "Best Hospitals" survey (2005), 304
- New York-Presbyterian Healthcare System, 304
- Nexium, 237
- NICE (National Institute for Clinical Excellence) [U.K.], 18, 29
- Niche marketing, 220, 255–256
- Nielsen Media Research, 210
- Non-price competition, 127–129
- Nondurable goods, 265
- Nonexpansible market, 207
- Nonpersonal communication channels, 392
- Norcross, J. C., 150
- Northwestern Memorial Hospital (Chicago), 117, 140, 190, 408
- Novant Health (North Carolina), 352–353, 458
- Novation, 49
- Nurse shortage problem, 270
- Nursing home Medicaid payments, 50–51
- O**
- Objective-and-task method, 395
- Objectives. *See* Goal setting/objectives
- Observational marketing research, 190
- OECD countries, 44*fig*. *See also* International sector
- Old Marketing-New Marketing shift, 6–7
- Omerod, P., 440
- On-line advertising/promotion, 464–467
- On-line interviewing, 196
- Oneupweb, 466
- Operational excellence positioning, 136
- Opinion leaders, 436–437
- Opportunism, 175
- Order-to-payment cycle, 182
- Oregon Health Plan (OHP), 14–15
- Organization demand, 208–209
- Organization sales forecast, 209
- Organization sales potential, 209
- Organizational buying decision: business customers involved in, 170; buying center (decision-making unit), 167–170; buying process or buy phases of, 170–174; buying situations involved in, 166–167; decision makers and, 167; relationships, risks, and opportunities involved with, 174–175; three types of markets involved in, 164–166. *See also* Consumer buying decisions
- Organizations. *See* Health care organizations
- Osgood, C. E., 390
- OSHA (Occupational Safety and Health Administration), 86

- OTC (over-the-counter) medications: consumer access to, 66; efficacy versus gentleness positioning of, 273*fig*; marketing testing prescription only to, 295. *See also* Prescription medications
- Out-of-pocket expenses: health care services, 345; for pharmaceuticals, 346; trend toward increasing, 96–97
- Outpatient visits, 89*fig*
- Ovation Pharmaceuticals, 312
- P**
- PACs (political action committees), 83
- PAMI (Programa de Asistencia Medica Integral) [Argentina], 27
- Pardes, H., 304
- Partners HealthCare Hospital, 301–302
- PATH Model, 178–179, 197–201
- Patient-oriented hospitals, 477–478
- Payer mix segmentation, 225
- Payers: consumer, 320–341; consumer choice survey of, 434; definition and types of, 48, 51–56, 68; federal government as, 56–57, 341–344;
- HMOs (health maintenance organizations) as, 51–55; POS (point of service) plans as, 56; PPOs (preferred provider organizations) as, 55–56; private, 344–347*t*. *See also* Buyers
- PBMs (pharmaceutical benefit management), 60*fig*, 66–67, 164, 247, 335, 475
- Peabody, F. W., 86
- Pediatric AIDS Foundation, 26
- Penetrated market, 207
- Percentage-of-sales method, 394
- Perception: buying decision motivations and, 151; channel conflict from differences in, 372; HBM (health belief model) on, 151–152; of information availability, 156–158
- Performance clues, 267
- Performance review of suppliers, 174
- Personal communication channels, 392
- Personal marketing communications: channels of, 431–433; designing sales force for, 441–454; direct marketing as, 458–467; GSK campaign of, 430–431; health care sales to hospitals and physicians, 454–458; negotiation component of, 453; principles of personal selling, 451–454; relationship marketing component of, 453–454; word-of-mouth, 433–441
- Personal selling, 422
- Personnel differentiation, 239*t*, 244
- Pfizer, 82, 117, 404
- Pharmaceutical industry: channel distribution by U.S. sales of, 61*t*; counterfeiting and illegal channeling problem of, 220; drug manufacturers as, 62–64; “grey markets” of, 18; increased regulation of, 82; PBMs (pharmaceutical benefit management) as, 60*fig*, 66–67, 164, 247, 335, 475; pharmaceutical and biotechnology companies as, 60*fig*; pharmacies as, 64–66; prevention products by, 98; top ten companies in spending/financial performance, 65*t*; wholesalers as, 64. *See also* Prescription medications; Supply organizations
- Pharmacies, 64–66; relationship between physicians and, 72–73

- Pharmacoeconomic analysis, 330
- Phillips House (Massachusetts General Hospital), 225–226
- PhRMA (Pharmaceutical Research and Manufacturers of America), 63, 69, 404, 430
- “Physician-Induced Demand for Childbirths” (Dranove and Wehner), 101
- Physicians: as brands, 298–299; consumer print campaign promoting hospital, 387*e*; as health care stakeholders, 72; HMO system, 52–54; used in marketing communications, 390; personal marketing for health care sales to, 454–458; relationship between pharmacies and, 72–73; Web site offering ratings to help select, 158. *See also* Hospitals
- PID (provided-induced demand): definition of, 100–101; international, 102–104; local (small area) variations in, 104–106; in the U.S., 100–102
- Place (or out-of-home) advertising, 407, 408
- Plan B (“morning after” contraception), 66
- Planning: marketing, 141–143, 203–206; strategic, 111–135
- PLC (product life cycle): critique as concept, 313–314; stages of, 304–312
- PMPM (per member per month) payments, 53
- Podcasting marketing, 466–467
- Points-of-difference, 236, 237–238
- Points-of-parity, 236, 237–238
- Political/regulatory/ judicial domains: environment of, 82–83; how much is paid decisions made by, 18; where is care provided decision by, 22; who and what are covered decisions by, 21; who pay decisions made by, 16–17*t*; who provides services and products decisions, 23
- Pop-up ads, 464–465
- Population: age mix, 74; ethnic, educational groups, household patterns in, 74–75; geographical shifts in, 76; nonelderly with selected health insurance by income (2005), 78*t*; worldwide growth in, 73–74. *See also* Demographic domain
- Porras, J. I., 139
- Porter, M., 32, 45, 114, 127, 136
- Porter’s competitive turbulence model, 127, 128*fig*
- Porter’s value chain model, 114–115*fig*
- Portfolio tests, 409–410
- POS (point of service) plans: enrollment for covered workers by, 52*fig*; payer role of, 56
- Position defense, 251
- Positioning, 235. *See also* Market positioning
- Potential market, 206
- Potential product, 264–265
- PPOs (preferred provider organizations): enrollment for covered workers by, 52*fig*; payer role of, 55–56; silent, 56
- PR (public relations), 11
- Predatory pricing, 324
- Preemptive defense, 251
- Preference segments, 221–222
- Premier Purchasing Partners, 49
- Premium, 344
- Premium pricing, 340
- Prepaid services concept, 53
- Prescription medications: counterfeited and illegally channeled, 220; “grey markets” of, 18; market testing move to OTC status from, 295; out-of-pocket expenses

- applied to, 346; Plan B (“morning after” contraception), 66; sources influencing physician’s selection of, 159*fig*. *See also* OTC (over-the-counter) medications; Pharmaceutical industry
- Prevention: elimination and reduction of risk behaviors, 98–99; fall prevention program for seniors, 218–219; growing interest in, 42; health care demands and, 98; self-management and education for, 99
- Price adaptation: differentiated pricing, 337–339; discounts and allowances, 336; geographical, 335; promotional, 336–337
- Price buyers, 333
- Price changes: example on premium pricing, 340; initiating price increases, 339; reactions to, 339–341
- Price competition, 129–131
- Price cues, 322–323
- Price
- discounts/allowances, 336
- Price discrimination, 337–339
- Price elasticity of demand, 325–326*fig*
- Price indifference band, 325–326
- Price sensitivity, 324–325
- Price setting: determining demand for, 324–326; estimating costs for, 326–332; selecting pricing method for, 332–334; selecting pricing objective for, 323–324; selecting the final price, 334–335
- Price takers, 320–321
- Price-quality inferences, 321
- Price/pricing: adapting the, 335–339; as competitive strategy, 332; consumer psychology and, 320–323; gain- and risk-sharing, 334–335; government payers and, 341–344; initiating and responding to changes in, 339–341; Johnson & Johnson’s market share strategy of reducing, 318, 319; other factors determining, 32; price cues, 322–323; price-quality inferences, 321; private payers and, 344–347*t*; reference, 321; setting the, 323–335; shadowing, 332; “shopbots” allowing comparison of, 319; supply and demand dictating, 31; transparency of, 320; understanding, 318–320; variations for the same medical service, 319–320. *See also* Economic domain
- Pricing collaboration, 141
- Pricing methods: going-rate pricing, 333–334; markup pricing, 332–333; target-return pricing, 333; three Cs to select, 332; value pricing, 333
- Primary care physician, 52–53
- Primary data: definition of, 9; marketing research, 190–191
- Primary demand, 207
- Private insurance: common payment methods used by, 347*t*; out-of-pocket expenses applications, 345, 346; payer role of, 344–347*t*; transparency issue and, 320
- PRIZM (Potential Rating Index by Zip Markets), 224
- Prochaska, J., 148, 150
- Producer-sponsored retailer franchise, 370
- Product champion, 288
- Product differentiation: customer value hierarchy of, 263–265; product characteristics as, 265–266; as target marketing strategy, 239*t*–241

- Product idea, 289
- Product leadership positioning, 136
- Product life cycle (PLC):  
critique as concept, 313–314; stages of, 304–312
- Product line analysis, 272–279*t*
- Product mix, 271–272
- Product quality leaders, 324
- Product specialization segmentation, 233
- Product-form pricing, 337–338
- Product-positioning map, 289
- Production costs, 32
- Products: differentiation strategy for, 239*t*–241; experience good status of, 136–137; five levels of, 263–264*fig*; increasing usage/consumption of, 251; managing product lines, 272–279*t*; order-to-payment cycle of, 182; per unit cost of, 329*fig*; product mix of, 271–272; search good, 137; six categories of new, 284, 285; strategic alliances through, 141; substitute, 133; undifferentiated, 130. *See also* New offerings; Quality; Services
- Promotion: efficiency of sales, 481; healthier lifestyle, 100; on-line, 464–467
- Promotional pricing, 336–337
- Promotional strategic alliance, 141
- Prosthetics suppliers, 67
- Providers: consumer choice survey of, 434; demand induced by, 100–104; described, 68; silent PPOs and, 56
- PSI (Population Services International), 376–377
- Psychogenic needs, 147
- Psychographic segmentation, 223*t*, 226–227
- Psychological resistance, 452
- Public relations/publicity, 413–418*t*
- Pucci, M., 430
- Pull marketing strategy, 354
- Pure competition, 247
- Pure monopoly, 246–247
- Pure oligopoly, 247
- Push marketing strategy, 354
- Q**
- QFD (quality function deployment), 294
- QHR (formerly Quorum Health Resources), 232–233
- Qualified available market, 206
- Quality: as cost determinant, 34*fig*–35; dimensions of, 35; as product differentiation, 240; product modification to improve, 309–310; strategic choices delivering stakeholder value, 28*fig*. *See also* Products; Services
- Quality buyers, 333
- Questionnaires, 195–197
- Quill Medical, 363
- R**
- R&D budgets, 82
- Racial/ethnic differences, 91
- RAH (Right At Home) Senior Care, 255
- RAND Health Insurance Experiment (HIE), 96, 97
- Rapid prototyping, 290
- Ratcliffe, 291–292
- Rayport, J. F., 248
- RBRVS (Resource Based Relative Value Scale), 18, 342
- RediClinic, 357
- Reference (or index) pricing, 342, 344
- Reference price, 321
- Relationship marketing, 453–454
- Repositioning brand: description of, 303–304; physicians used in marketing communications for, 390
- Research. *See* Marketing research
- Response hierarchy models, 381–382*fig*
- Retailer cooperatives, 370

- RFPs (request for proposals), 172
- Ries, A., 235
- Ringling College, 262
- Risk of new offerings, 287–288
- Risk-sharing pricing, 334–335
- Risky health behaviors, 98–99
- Roberts, R., 285
- Robinson, P. J., 170
- Rochester, Minnesota, 137
- Roemer, M., 16
- Rogers, E. M., 382
- Roper Starch Worldwide, 432, 465
- Rubin, M.G., 267
- Rush Medical College, 472–474
- S**
- S-CHIP (State Children's Health Insurance Program), 77
- S.A.I.L. (Stay Active and Independent for Life) program, 218–219
- Sales: challenges of pharmaceutical, 456–457; estimating new offerings/products, 293; to hospitals and physicians, 454–458; product life cycle and declining, 311–312. *See also* Marketing communications
- Sales force: efficiency indicators of, 480; managing the, 445–451; objectives and strategy used by, 443; structure, size, and compensation of, 444–445; types and functions of, 441–443; virtual reality technology supporting, 449; working as medical device sales representative, 446–447
- Sales promotion, 411–413
- Sales quota, 209
- Samples/sampling: plan, unit, and size of, 193; probability and non-probability, 194–195; range of errors in, 194*t*
- Sampling (drug), 62–63
- Satisfiers, 148
- Saving ratios, 77, 79
- SBU's (strategic business units), 119–120, 144
- Schultz, D., 302
- Schultz, H., 302
- Science* (publication), 104
- Search-related ads, 465
- Second-degree price discrimination, 337
- Secondary beliefs and values, 80
- Secondary data: definition of, 9; marketing research, 189–190
- Sedita, J., 243
- Seehausen, B., 458
- Segment marketing. *See* Market segmentation
- Segment-by-segment invasion, 234
- Selective distortion, 151
- Selective retention, 151
- Selective specialization segmentation, 233
- Self-management/education programs, 99
- Sematic differential, 384–385*fig*
- Sequential segmentation, 230–231
- Service differentiation: characteristics of services as, 266–271; as market targeting, 239*t*, 241–243
- Services: channels of, 360–361; experience good status of, 136–137; health care clinical and financial information systems, 182; increasing usage/consumption of, 251; nature of, 266–271; as nondurable and intangible goods, 266; out-of-pocket expenses applied to health care, 345; per unit cost of, 329*fig*; price variations for the same medical, 319–320, 321–322; search good, 137; strategic alliances through, 141; substitute, 133; undifferentiated, 130. *See also* New offerings; Products; Quality
- SES (socioeconomic status), 91–92
- Shadow pricing, 332

- Shalowitz, J., 30, 36, 38  
 Shanley, M., 119  
 Sheffield, F. D., 388  
 Shewhart improvement cycle, 120*fig*  
 Shewhart, W. A., 120  
 Siemens' "Stop Worrying" promotion, 461  
 Sierra Club, 80  
 "Silent Hospitals Help Healing" program, 243  
 Silent PPOs, 56  
 Single-segment concentration, 232–233  
 Site of service, 33–34  
 Skinner, J., 42  
 Smith, S., 298–299  
 SNFs (skilled nursing facilities), 72  
 Social channels, 432  
 Social class segmentation, 226  
 Social marketing, 69  
 Social Security Disability payments, 57  
 Social/cultural domains: environment of, 79–80; health care utilization and patient, 94–95; health care views of, 19*t*; how much is paid decisions by, 20; where is care provided decision by, 22; who and what are covered decisions by, 21; who pays decisions made by, 17*t*, 18; who provides services and products decisions, 24. *See also* Culture
- Society: core beliefs and values of, 80; perceptions and views of, 79–80; subcultures of, 80  
 Sonte, G. W., 42  
 SourceBergen, 64  
*The South Beach Diet* (Agatston), 42  
 Special-interest groups, 83  
 Sponsorship activities, 421–422  
 SRI Consulting Business Intelligence, 226  
 SSWD households, 75  
 Staff model, 54  
 Stages of Change theory, 148, 149*t*–150*t*  
 Stakeholder value: access (or equity) choices delivering, 28*fig*, 35–37, 39; cost choices delivering, 28*fig*, 30–35; quality choices delivering, 28*fig*, 34*fig*–35  
 Stakeholders: access (or equity) of, 35–37, 39; definition of, 25; dynamic relations among health care, 71*fig*–73; identifying, 25–27; reactions to price by, 335; reasons for seeking care by, 86–95, 87*t*; strategic choice model on delivery value to, 28*fig*, 30–39; total system of variables for each, 38*fig*
- Steiner, G. A., 382  
 Stern, L. W., 357  
 Stern, S., 473  
 STM (short-term memory), 153  
 Stockless purchase plan, 173  
 STP (segmentation, targeting, and positioning), 8, 235  
 Strategic alliances, 141  
 Strategic choice model: access (or equity) under, 28*fig*, 35–37, 39; cost under, 28*fig*, 30–35; description of, 25; quality under, 34*fig*–35; stakeholder identification under, 25–27; on strategic choices to delivery stakeholder value, 28*fig*; strategic marketing plan under, 27–28; trade-off analysis under, 28–29  
 Strategic control: importance of, 481; marketing audit for, 485, 490; marketing effectiveness review for, 482–485; marketing weaknesses review for, 486*t*–489*t*, 490  
 Strategic group, 248–249  
 Strategic marketing plan, 120  
 Strategic planning: business definition of, 111–113; customer identification aspect of, 113–114; Five Forces

- Analysis used for, 127–135; goal setting aspect of, 118; strategy aspect of, 119–120; SWOT analysis used for, 120–126; value proposition of, 114–117. *See also* Marketing planning
- Strategy: definitions of, 119; Shewhart improvement cycle on using, 119–120*fig.* *See also* Marketing strategies
- STRATEGY! software, 187
- Strong, E. K., 382
- Style product improvement, 310
- Subcultures, 80
- Supplier power, 134
- Supply organizations: association memberships of, 69; buying process and search/selection of, 171–172, 173; health care system role of, 48, 59–60; marketing research, 201–202; medical device and supply suppliers, 67–68; opportunism concerns regarding, 175; performance review of, 174; silent PPOs and, 56. *See also* Pharmaceutical supply
- Surgical Specialties Corporation, 363
- Survey marketing research, 192–197
- Survival objective, 323
- Sustainability, 37, 39
- “Sweet Talk” text messaging, 432–433
- Swing beds, 72
- SWOT analysis: checklist for, 122*e*–124*e*; description of, 28; strategic planning using, 120–121, 125–126
- Systems buying, 167
- Systems contracting, 167
- Szabo, L., 393
- T**
- Tactical marketing plan, 120
- Take Care Health, 357
- Tannenbaum, P. H., 390
- Target communication audience, 383–385
- Target market, 206–207, 235, 236. *See also* Market targeting
- Target-return pricing, 333
- TCO (total cost of ownership), 325
- Technological domain: environment of, 81–82; how much is paid decisions by, 20–21; where is care provided decision by, 22–23; who and what are covered decisions by, 21–22; who pays decisions made by, 17*t*, 18; who provides services and products decisions, 24
- Teisberg, E., 45
- TelaDoc, 359–360
- Telemarketing, 461–462
- Telemedicine, 23
- Telephone interviewing, 196, 198
- Tenet Health Care, 79
- Terry, M., 255
- Testing consumer products, 295–296
- Therapeutics suppliers, 67
- Third-degree price discrimination, 337
- Time pricing, 338
- Total cost curves, 327, 328*fig.*
- Total cost of ownership (TCO), 325
- Total market potential, 209
- Trade associations, types of, 68–69
- Trade-off analysis, 28–29
- Traditional Chinese medicine, 48
- Transparency, 320
- Treacy, M., 136
- Tricare (VA), 56
- Trout, J., 235
- Tufts–NEMC (Tufts–New England Medical Center), 355–356, 496
- Two-factor theory, 148
- Tying agreements, 373
- Tylenol poisonings (1982), 303
- U**
- UCLA Medical Center, 395
- U.K. (United Kingdom): National Health Service of, 18; NICE

- (National Institute for Clinical Excellence), 18, 29; socioeconomic and cultural view of health care, 19*t*; stakeholders in, 27
- Ullmann, S., 270
- UN Universal Declaration of Human Rights, 19*t*
- UNAIDS (Joint United National Program on HIV/AIDS), 376
- Undifferentiated marketing, 233
- United States:  
demographic shifts in the, 74–76; health spending (2005) in the, 49*fig*; population age mix in the, 74; provider-induced demand in the, 101–102. *See also* U.S. health care system
- UnitedHealth Group, 104
- University of Chicago Hospitals, 313
- U.S. Bureau of Labor Statistics, 59
- U.S. health care system:  
changing environment of, 73–83; dynamic relations among stakeholders of, 71*fig*–73; improvements needed in the, 43–45; key managed care trends in, 56–71; major participants in the, 48–56. *See also* Health care systems; United States
- U.S. News & World Report*, 301, 304
- U.S. Surgical Corporation, 448
- V**
- VA (Veterans Health Administration), 56, 336
- VALS (SRI Consulting Business Intelligence), 226–227
- Value chain, 114–115*fig*
- Value networks, 354–356
- Value pricing, 333
- Value proposition, 114–117
- Values: mission, vision, and, 139–140; primary and secondary, 80
- Vertical integration, 247
- Vioxx, 82
- Virtual reality product testing, 290
- Vision statements, 139–140
- Visiongain, 62
- VMS (vertical marketing system), 369–370
- VOC (voice of the customer), 11
- Volume: components of, 32–33; discounts due to, 32
- W**
- WageWorks Inc., 322
- Wal-Mart, 72, 357–358
- Walgreens, 5, 72
- Washington State Department of Health, 218–219
- Watauga Medical Center (North Carolina), 146–147
- Web communication, 393
- Web sites: America's Health Insurance Plans, 187; Cipher Systems, 188; comparing prices of medical services, 319–320, 321–322; competition between on-line medical, 159–160; Copernic Tracker, 188; on counterfeiting pharmaceuticals alerts, 220; designing interactive marketing, 463–464; FDA (Food and Drug Administration), 220; Intelliseek, 188; Medicare private drug plans, 344–345; Microsoft Excel, 188; Phillips House (Massachusetts General Hospital), 225–226; rating physicians, 158; STRATEGY! software, 187; WebQL Software, 188; Wincite, 188; Wisdombuilder, 188. *See also* Internet
- WebQL Software, 188
- Wehner, P., 101
- Wehr, L., 466–467
- Weil, L. S., 298–299
- Welch, J., 255
- Wellness, 46–47. *See also* Health

- Wellness Community of Southwest Florida, 262–263
- Wellness Community's Building Hope campus, 263
- Wennberg, J., 104
- WHO (World Health Organization): health definition by, 15; ICD (International Classification of Disease) system used by, 342; smallpox declared eradicated by, 306; socioeconomic and cultural view of health care, 19*t*
- Wholesaler-sponsored voluntary chains, 369–370
- Wholesalers, 64
- Wiersema, F., 136
- Wincite, 188
- Wisdombuilder, 188
- Word of Mouth Marketing Association (WOMA), 433
- Word-of-mouth marketing, 433–441
- Worldwide population growth, 73–74
- X**
- Xerox, 139
- Y**
- Yale New-Haven Medical Center, 466
- Yuspeh, S., 314
- Z**
- Zero-sum model, 45