

# ABSTRACT

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Marketing planning for e-Health company services in the EU community: the case of Telbios.

The European Union is facing a convergence of socio-economic and technological factors that may both challenge and offer opportunities to Europe's healthcare players. People rightly want to be protected against illness and disease and are demanding advanced health practices using state of the art medical protocols combined with technological innovation. Telemedicine, as one of the fields that the e-Health marked is composed of, may provide a partial solution.

The goal of this dissertation is to undertake a marketing planning process related to the case of an Italian company called Telbios, with the aim of analyzing the probability of success of an e-Health service business idea through a marketing plan. It will be developed taking into consideration the launch of a new e-Health service to monitor chronic patients, and elderly and fragile people, who need frequent vital parameters observation, both for care continuity outside of the hospital and for disease surveillance that could, over time, be a cause of death.

The current Italian National Health Plan for 2006-2008 focuses on the re-launch of health research, innovative processes and operational knowledge development, and guarantees the constant and timely adaptation of the Italian sanitary system to the European scientific community and technological innovations. The National Healthcare System – SSN is composed of: 47,157 GPs for primary care; 842 hospitals and 509 clinics of which 461 are private accredited, providing hospital care. It generated a total health expenditure for the essential levels of assistance (LEA) of € 100 billion in 2007 (€1680 pro-capita quota) including a deficit of €8,3 billion.

The adoption of e-Health services by the private or public healthcare systems could contribute to improving people's lifestyle and healthcare quality as part of a population health management concept.

According to the Market Research Report: "*Healthcare Market in Italy*", and the AIOP "*Health & Hospitals in Italy*" 2007 annual report, the Italian public's consistent complaints about SSN including poor service, chronic delays, and inadequate medical equipment, have created increasing demand for private healthcare services. Telbios could take advantage of this by, introducing the vital parameters telemonitoring services as a tool to reinforce its role as a healthcare provider and to introduce a substantial revenue stream; according to the forecasted figures of the 2009-2011 Business Plan including IPO.

The marketing plan results report, a macro environment scenarios (PEST analysis) with a considerable patient health awareness, which would allow telemonitoring service promotion without tangible barriers due to insufficient income, religious views or technology. There is potential market growth even free of strong leadership, but controlled by only a few players. Further, in light of micro-environment scenarios (SWOT analysis), company strengths and market opportunities for the new telemonitoring service seem to have a real chance of successfully matching market needs. In addition, by working on a conversion strategy in terms of empowering employees and investing in company assets, in the short run some weaknesses could become additional strengths thereby increasing business chances.

Although the Italian health industry is an Oligopolistic market, in a stagnant economical stage, the industry analysis (Porter's model) reports increasingly strong competition due to small players sponsored by local specialist opinion leaders, social or pension funds enlarging their service offers from social to health services and European e-Health players that could invest in the Italian market. Over the next 3 years, according to the marketing mix tools, the company should aim to serve about 257 thousand chronic patients in the Healthcare market segment by targeting cardio hepatics, asthmatics, diabetics and people suffering from hypertension. This would represent 3% penetration of a total potential market of 8.5 million people.. With regards to Social care market, the company should aim to serve about 232 thousand senior citizens by targeting over 65 year olds whose health is fragile or who live alone, representing a 2% penetration of the total market of 11,6 million people. Specifically these people are looking for added-value service able to return tangible benefits.

The marketing strategy analysis using Boston and Ansoff's matrix and the evaluation of Bowmans Strategy Clock, point to a "product development" strategy, which foresees service differentiation to achieve penetration in a moderate growth market. Differentiation from competitors' proposals, in-depth knowledge of the target market of chronic patients and elderly people and understanding their needs, what is considered worthwhile for them and making an alternative service proposal.

At the end of the marketing plan, the control phase will put in place a cycle of feedback to measure, evaluate and monitor Telbios business progress and to undertake corrective actions in case of unexpected business results. Since the telemonitoring service is a people's business, non financial performance indicators like return of quality (ROQ), and customer and employee satisfaction and loyalty may be relevant as key performance indicators (KPI), as well as financial measures such as ROI, EBIT and the break-even point.

E-Health services, are finally classified as having a high degree of labor intensiveness; a high degree of customer contact; as requiring high professional skill levels by service provider personnel; as being price insensitive; as only being provided under doctor's prescription and finally as being accessible via exclusive healthcare institutions.

In conclusion, the value proposition supporting the business idea will aim to offer an e-Health service of telemonitoring at a cheaper price, which is easy to use, with a user-friendly and interactive interface to avoid any technological barriers for the target market of chronic patients and elderly people. The affordable price will allow the service, first to be offered by the private healthcare system as a complementary service to the public healthcare plan, then in the near future, of being introduced in the essential level of public assistance (DRG), as a part of reimbursable services offered by the SSN.

Future European demographic changes raise a critical issue for finding the best way to prevent diseases and chronic pathologies in order to reduce the growing demand on the modern healthcare system. The solution will have to overcome some obstacles such as medical ethics, local healthcare system reorganization and new regulation. Health intervention systems such as telemedicine applications and communication systems as a key to establishing health awareness and to driving behavioural changes in people's lives, could be the solutions to manage these changes.

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