

## PREFACE TO THE THIRD EDITION

**S**ince the publication of the second edition of *Marketing Health Services* a little more than five years ago, the world of healthcare has changed significantly—and with it the practice of healthcare marketing. Healthcare is now in the era of the Affordable Care Act (ACA), the healthcare reform law passed in 2010 whose most publicized and controversial provision—the health insurance exchange—has just taken effect in 2014. The ACA provisions emphasize value over volume and population health over episodic healthcare delivery. These are difficult mandates for healthcare organizations, many of which lack the financial, staffing, and other resources needed just to stay open.

Beyond the ACA and amid many threats in the environment lie opportunities—such as social media channels, healthcare globalization, and consumer engagement, to name a few—that an organization can explore and benefit from with guidance from the marketing function. As always, marketing is an indispensable partner in healthcare, especially in the uncertain period between the blanket implementation of new rules and the rush to adopt compliant strategies and adjust existing approaches.

In other words, each time the paradigm has shifted in healthcare, marketing has been there to move the organization in the ideal direction. That was true when reimbursement infrastructures changed in the 1970s, when competition between providers skyrocketed in the 1980s, when mergers and consolidations surged in the 1990s, and when technology and customer relationship became a force in the 2000s. This list drives home the point that the trends and challenges that emerged in the past decades have remained fixtures in the healthcare environment of the 2010s.

This book, like the first two editions, enumerates the forces that are changing and challenging healthcare. It also chronicles the evolution of healthcare marketing—from one purely associated with advertising or promotion to one that counts research, education, and strategy formulation as major responsibilities. Such comprehensive coverage of healthcare marketing illustrates its value and deep contributions to the goals of the healthcare system.

## A Little History

Most marketing insiders consider 1977 to be the year in which healthcare marketing was officially launched. In that year, the American Hospital Association sponsored the first conference on healthcare marketing, and the first book on healthcare marketing was published. However, hospitals and other healthcare organizations had been engaging in public relations, physician relationship development, community service, and promotional activities long before that time—just that few people equated these efforts with marketing.

Since then, healthcare marketing has gone through a series of highs and lows. In the 1980s, marketing was formally recognized as an appropriate activity for healthcare providers, an important milestone given that it was initially perceived as an inappropriate—even an unethical—discipline for the helping profession. In addition, some healthcare organizations began to establish marketing departments; set marketing budgets; create new positions, such as vice president for marketing; outsource marketing activities to agencies; adopt marketing concepts and methods from other industries; launch aggressive marketing campaigns; and, most important, learn that marketing healthcare goods and services was not the same as marketing hamburgers and widgets—thus, the approaches that are required and effective in the healthcare arena are expressly different from those in other industries.

The reception that healthcare marketing received in those early years wasn't always warm, however. It was the first to get cut when budgets were tight. It caused tension between those who eagerly accepted it and those who doggedly resisted it. It suffered through periods of marketing frenzy followed by periods of neglect and retrenchment.

Through the 1990s and 2000s, healthcare marketing continued to prove itself as a legitimate organizational function. More full-service marketing departments were being established in house. More healthcare marketers were being appointed as heads of marketing departments and thus as part of management or administration. More sophisticated and healthcare-specific marketing techniques (such as Internet marketing) were being developed and implemented. More trained and experienced healthcare marketers were emerging.

This proliferation of marketers dedicated to the business of healthcare imparted several lessons that still resonate today. First, marketing is so much broader than mass media advertising, a realization that prompts organizations to reassess their marketing efforts. Second, understanding the market in which the business operates; the customers who live in that market; and those customers' needs, wants, behaviors, and motivations is critical.

## Conclusion

Although healthcare is a service industry, it is still a business that needs marketing interventions. However, these interventions must be unique and appropriate for healthcare products and their consumers—not a copy of the prevailing techniques used in other industries. This book walks readers through both traditional and contemporary processes and approaches that healthcare marketers rely on and that enable healthcare organizations and providers to rise above current trends and turmoil and to position themselves for the future healthcare environment.