Strategic Planning & Marketing

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Principles of Health Policy and Management

Part 3 of 3

NO AUDIO ON THIS SLIDE
Marketing

• According to the American Marketing Association:
  – Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
What is Marketing?

• In public health, marketing is used to improve societal health through:
  – influencing changes in the health behaviors of individuals
  – in policies that impact health behaviors
  – in perceptions of and support for public health as an institution.
Social Marketing

- Social marketing has played a part in some highly successful efforts to influence personal health behaviors
  - Provides a problem-solving process from which behavior change strategies are formulated and translated into discrete and integrated tactics aimed at specific behavior change.
  - Began in 1972 - formation of the National High Blood Pressure Education Program to increase awareness, prevention, treatment, & control of hypertension.
- In 2005, the CDC created the National Center for Health Marketing as part of their new organizational structure.
# Common Differences between Preventing and Controlling Infectious versus Chronic Disease

<table>
<thead>
<tr>
<th></th>
<th><strong>Infectious Disease</strong></th>
<th><strong>Chronic Disease</strong></th>
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<tbody>
<tr>
<td><strong>Cause</strong></td>
<td>Straightforward (once infectious agent is discovered)</td>
<td>Complex; often unknown</td>
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<tr>
<td><strong>Taking preventive action</strong></td>
<td>Will prevent transmission</td>
<td>May reduce risk of developing condition</td>
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<td><strong>Availability of one-time preventive behavior versus permanent behavior modification</strong></td>
<td>Depends on disease&lt;br&gt;One-time or single-series vaccines available for some; periodic immunization required for others (e.g., influenza)&lt;br&gt;Permanent lifestyle modification required for those with no vaccine</td>
<td>If prevention is possible, generally requires permanent lifestyle modification</td>
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<td><strong>Treatment complexity</strong></td>
<td>Ranges from simple one-time treatment (e.g., course of antibiotics) to ongoing and complex treatment (e.g., HIV/AIDS)</td>
<td>Usually complex and ongoing treatment or monitoring for recurrence is required</td>
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<td><strong>Force of law</strong></td>
<td>In some instances (e.g., childhood immunizations)</td>
<td>No</td>
</tr>
<tr>
<td><strong>Public outcry/concern</strong></td>
<td>Spikes when new outbreaks occur</td>
<td>No</td>
</tr>
<tr>
<td><strong>Possibility of eradication from population</strong></td>
<td>Sometimes yes, if vaccine is available</td>
<td>No</td>
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Exchange

• Marketers believe that *exchange* is central to the actions people take
  – A person gives something in order to get something he or she values in return.

• Before entering into an exchange, a person weighs the benefits to be received against the costs
  – Money
  – Time
  – Psyche

• Only if the benefits are greater than the costs will the person make the exchange
  – Emphasize creating, communicating and delivering value as the essence of marketing
Self-Interest

• In most situations, people act primarily out of self-interest

• In public health, managers often ask members of the target market to behave in ways that appear to be opposite of that member’s perception of self-interest and are often the opposite of the current behavior
  – People eat junk food, do not exercise, smoke and drink to excess, or engage in unsafe sex
  – They evaluate their own situation and environment and made a self-interested decision to behave as they do
Understanding Self-Interest

• Understanding self-interest is critical to developing and delivering an exchange that target audience members will value
Behavior Change

• The bottom line of all marketing strategy and tactics is to influence behavior

• Sometimes this necessitates changing ideas and thoughts first, but in the end, it is behavior change that is sought

• Marketing is used by car dealers to influence our behavior to buy their cars, just as public health uses marketing tools to change behaviors that influence health
Competition

• Every choice of action on the consumer’s part involves giving up some other action.

• Marketing campaigns must keep in mind not only what the marketer is trying to get across but also what the customer sees as the major alternatives.

• For a public health initiative, competition can be defined as anything that limits resources, diverts attention from the subject of the initiative, or calls for contrary behaviors.
The Four Ps

- *Product, price, place, and promotion* constitute the marketing mix—the group of variables that a marketer can alter.

- Understanding these variables is central to understanding the marketing approach.
**Product**

- The physical product, service or behavior that is exchanged for a price
- Product decisions (such as selecting to purchase a particular automobile) include aspects such as function, appearance, service warranty
Price

• The cost to the target audience member, in money, time, effort, lifestyle, or psyche (of engaging in the behavior)
  – Examples – cost of a copayment for an office visit; the time cost of an exercise program; or costs to psyche on quitting smoking
• Refers to how the product gets to the customer
  – The channels through which products are distributed or situations where behavior changes can be made
  – Example – locating a public health clinic near the bus stop to enhance accessibility to target members who rely on bus service
Promotion

• Some combination of advertising, media relations, promotional events, personal selling, and entertainment to communicate with target audience members about the product

• Example – mandate decrease advertising space for tobacco companies
Two Other “Ps”

- *Partners* – other organizations involved in change efforts

- *Policy* change often needed for behavior change to occur
Unwholesome Demand

• *Unwholesome demand* occurs when an alternative product or behavior is more appealing than the public health product or behavior.

• On an individual level, tobacco products, alcohol, certain drugs, and foods of minimal nutrient value are examples of unwholesome demand.
No Demand

• Public health programs or products confront a situation of *no demand*—an instance where people are not necessarily against the product, but simply are not interested.

• For example, many employers may not be particularly interested in policy changes that would help employees get more physical activity during the work day.
Lack of Marketing Orientation

• Public health institutions often allocate resources based on legislative priorities as reflected in mandates or current funding streams
  – Example - if tax money or grants are available for tobacco control, then institution focuses on tobacco control

• Instead, could base decisions on analyses of what behavior changes might best impact a population’s health
Formative Research

• Underpins how the problem is defined and how strategies to address it are crafted
  – Selection of target audiences, actions they should take, and the approaches that will be used to help them

• If a strategy is wrong or incomplete
  – Every tactic can be executed flawlessly, but program objectives are unlikely to be accomplished.
Management, Planning & Marketing in U.S.

• Insurance, hospitals and professional practices need to focus on growth and success of the organization

• Management, planning and marketing decisions may not always driven by greatest needs in a community
Applying Marketing Concepts

TEEN SMOKING
Deaths in Florida From Smoking

• Adults who die each year from smoking 28,600

• Adult nonsmokers who die each year from exposure to secondhand smoke 2,960
Advised Not to Smoke

- Parents and relatives
- Schools
- Sports programs
Federal Laws

• Advertising of tobacco products is heavily regulated

• Public Health Cigarette Smoking Act of 1970
  – Banned television and radio ads
Statistics

• Every day, nearly 4,000 kids under 18 try their first cigarette and 1,000 kids under 18 become daily smokers.

• Children now under 18 and alive in Florida who will ultimately die prematurely from smoking 369,000

• Annual tobacco industry marketing expenditures nationwide $12.8 billion
Key points of Florida’s 1998 tobacco settlement:

1. Industry to pay $200 million - earmarked for an anti-tobacco advertising campaign, followed by $1 billion within a year and the balance within 25 years.

2. All cigarette billboards to be removed within six months, starting with signs within 1,000 feet of schools.

3. Cigarette vending machines to be removed from places accessible to children.

4. Outdoor advertising in sporting arenas and on mass transit will be banned.
Tobacco Company Marketing Expenditures in Florida 1998-2006
(in millions of dollars)

1998: $399.2
1999: $494.6
2000: $573.9
2001: $676.8
2002: $772.6
2003: $967.9
2004: $935.8
2005: $930.4
2006: $881.4

Percent Change
1998 – 2006: 120.78%
4 Ps & Cigarettes

• Product
• Place
• Promotion
• Price
New products

Orbs, Strips, Sticks are packaged to look like candy
Place - Point of Purchase Advertising

• Point-of-purchase tobacco advertising consists of cigarette and spit tobacco ads and functional items (such as counter mats and change cups) located inside, outside, and on the property of convenience stores, drug stores, gas stations, and other retail sales outlets.

• Studies show that such point-of-purchase advertising and promotion directly influences what products and brands kids buy and use.
Place

- Also occurs at clubs
- Fairgrounds
Before we get into anything, let us just say, “Welcome to Camel.” ‘Round here, we just like to be ourselves, follow our passions and enjoy the finer things in life: variety, creativity, and most importantly FLAVOR. Flip through this book and you’ll see—from cool smokes to cool folks and everything in between, Camel’s got something to satisfy your tastes.

SURGEON GENERAL’S WARNING: Cigarette Smoke Contains Carbon Monoxide.
Promotional Mailing

Hey, you want a lesson in tobacco? Go ‘head and light up a Camel. Everything you need to know about one-of-a-kind taste and world-class smoothness is right under your nose.

SURGEON GENERAL’S WARNING: Cigarette Smoke Contains Carbon Monoxide.
Promotional Mailing

Promotional mailing for Camel cigarettes. The mailing features various Camel cigarette packs with artistic designs and the slogan "Our Pack is Your Canvas." The text reads:

"Camera we believe in art. We treasure it, deeply, in our hearts and it's from this commitment to self-expression that our Art Packs were born. Over a dozen different brushmen (and women) lent their unique talents to our prestigious pack. The result: a museum's worth of mini-masterpieces, each pack's signature style. Feast your eyes."

"Like what you see? Check it out at www.cameismsokes.com.*"
Promotional Mailing

You know what they say about pretty ladies.
Promotional Mailing

At 5'3", the bubbly former still life model is proof that good things come in small packages.

Classic beauty with Ivy League brains. Don't miss your chance to hit the books with this 5'9" stunner.

They travel in packs.

SURGEON GENERAL’S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.
Promotional Mailing

GOD TIMES AHEAD.

CAMEL LIGHTS
11 mg. “tar”, 0.9 mg. nicotine av per cigarette by FTC method.
Actual amount may vary depending on how you smoke.
For T&N info, visit www.rjrtannic.com.

SURGEON GENERAL’S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health.
Promotional Mailing

Enjoy the freedom of Copenhagen® Pouches!

Easy-to-use Pouches are packed with authentic Copenhagen Snuff, so you can enjoy quality and satisfaction whenever you want.

PACKED AND READY
POUCHES

There's more inside at*
FreshCope.com

Copenhagen
POUCHES

*Access limited to age-verified adults.
Promotional Mailing
Promotional Mailing
Promotional Mailing
Price - coupons
2010 - New Restrictions on Marketing

• Tobacco companies banned from marketing to young people under the U.S. Food and Drug Administration's first moves in a decade to regulate the $80 billion industry.

• Prohibits cigarette makers from distributing branded merchandise such as T-shirts and sponsoring sporting or entertainment events.

• Bars the sale of fruit- or candy-flavored cigarettes or smokeless tobacco.
Applying Planning Concepts

• Planning – Group Case