

REPORT

ON MARKETING ISSUES AT THE NORK MARASH MEDICAL CENTER

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1.0 EXECUTIVE SUMMARY

This report is the deliverable of the marketing project that the Center for Business Research and Development at the American University of Armenia conducted on behalf of the Steering Committee of the American University of Armenia/Nork Marash Medical Center (NMMC).

This project was conducted at the request of the NMMC administration in order to assist in improving the current financial situation at NMMC. As part of the project, CBRD has been asked to review and provide alternative solutions to improving name recognition for NMMC both in Armenia and CIS countries. To address the issues raised by the administration, CBRD conducted multi-phase research, the findings of which are incorporated in this report.

This report will begin by reviewing relevant and significant findings from the various marketing research studies, which assisted CBRD in the development of their recommendations. More specifically the following areas will be reviewed:

- In-depth interviews of NMMC administration and employees
- Results of 275 telephone interviews with consumers living in Yerevan
- Findings from the focus group sessions held with the NMMC doctors, nurses and patients.

Each study was carried out with a specific purpose in mind. The in-depth interviews with NMMC personnel were aimed at getting an insider's view of the institution – its problems, potentials and perspectives. The objective of the interviews with high-placed individuals in the health care industry was to obtain an overview of the current situation in the health care market in Armenia. The focus group sessions were aimed at getting an in-depth picture of how NMMC is perceived by those who are involved– doctors, nurses and patients. Finally, the telephone survey was conducted to gauge the top-of-mind recall of hospitals, sources of information and their relative influence on the final decision-making process in choosing a hospital.

The overarching theme in CBRD's approach to this project has been one of adopting a long-term view anticipating the favorable positioning and health of NMMC in the long term rather than providing a short term solution and perspective.

RECOMMENDATIONS

Based on the results of the surveys and interviews the following general recommendations are being made (the reasoning underlying each recommendation and details about them are included in the body of the main report):

1. Although the administration at NMMC believes that the public has a negative perception and reservation with regard to advertising, CBRD highly recommends that NMMC embark on two types of advertising: testimonials and informative advertising. The informative advertising will create an opportunity for NMMC to publicize its name and secondly, it will create a positive perception of the organization as whole since they will not be selling but rather informing the consumers for their well-being. The second type of advertising, namely testimonials will give credibility to the expertise of the institution.
2. Another marketing activity that is highly recommended is a direct-mail campaign targeted at hospitals and doctors in general, and heart hospitals and cardiologists in particular both in Armenia and throughout the CIS. This will be reinforcement to the advertising campaign recommended above to be developed and targeted to the larger community.
3. CBRD also recommends that a series of "health" brochures be developed, printed and disseminated to the patients who come to the hospital.

4. With NMMC not being the top of mind hospital for heart care, the administration needs to focus on increasing name recognition. Contrary to the administration's belief that NMMC is a highly respected and a popular hospital, only six percent (6%) of the respondents indicated that they would choose NMMC if faced with a heart condition. CBRD strongly urges the NMMC administration to immediately begin an informative advertising campaign, as discussed above. This will contribute to both increasing name recognition and credibility. Without a strong name recognition, a competitor can easily have a negative impact on NMMC's financial condition.
5. Target customers are divided into two specific groups: Those who are familiar with NMMC and those who are not. Customers who have experience with NMMC, either directly by being a patient or through an indirect manner, have an extremely positive perception of the facility. On the other hand, those who are not familiar with the facility have no perception or limited perception. This is a very advantageous position to be in. It is much easier to create perception than to change one. Given the market situation in Armenia, NMMC should take advantage by embarking into a campaign to increase and create positive perceptions.
6. As compared to most western countries, Armenians and citizens of most CIS countries lack awareness and education regarding health issues in general and cardiac care specifically. NMMC can create good will among the citizens of these countries by developing an informative campaign to increase health awareness on matters associated with the heart and health in general. These campaigns should mainly be focused with distribution of brochures, strategically placement of billboards, and offering of free educational seminars, to name a few.
7. NMMC needs to find avenues for financially supporting its activities in performing humanitarian trips for performing surgeries in other countries. One possible alternative is to involve third parties such as benevolent unions and international organizations. A second alternative is to recruit an international fundraiser and or a program development officer to solicit endowments and research chairs for NMMC. A difficulty in the surgical trips abroad, which cannot be ignored, is the risk associated with them. These trips serve to enhance the reputation of a hospital only if a complicated surgical procedure is performed— safe operations do not impress as much. At the same time, complicated surgeries are risky. NMMC doctors have to operate in unfamiliar operating rooms; using equipment they are not comfortable with. So the marketing aspect of the trip becomes a gamble – safe and low risk operations do not necessarily enhance an organization's reputation or pay off financially, but at least the risk of losing the patient is minimal. Whereas complex operations which can have a very positive impact on the organization's reputation when successful, run the risk of losing the patient and creating a negative word of mouth. The doctors may understand the risks but the public will not. This is another reason as to why an advertising campaign using testimonials can be highly beneficial to the NMMC. CBRD staff believes that saturating the market with positive messages will position the hospital in such a positive light that even in cases where the outcome is negative, the public will justify and understand why there was a death. This is the methodology that was followed by many international hospitals during the first few years of heart transplants. Over time, consumers ignored many of the losses because they were inundated with positive messages and outcomes, rather than news of failures.
8. The possibility of utilizing the interns in NMMC's now-popular CIS Cardiologist' Internship Program as sources of continuous marketing monitoring is another option. This option would work as follows: an entry and exit interview should be conducted with each new and incoming intern. The purpose of these interviews will be to measure the intern's expectations and the final outcome and experiences and to take these positive scenarios and use them in future communications with potential funding organization, brochures, other facilities and doctors. Additionally, the exit interviews will the serve the purpose of keeping in touch with the intern for future referrals and source of information regarding the health and cardiac care industry/market in their countries, including identification of needs in various CIS countries.
9. NMMC does not have a Mission Statement, and this is an issue that needs to be addressed. Having a 'Mission' for an organization is not something thought of as important in Armenia and

the CIS. However, a common description for the members of the organization will be useful in keeping everyone focused on the goals and will promote “long term” thinking.

10. The lack of an organizational chart, along with the top-heavy organizational structure contributes to the lack of communication in the organization. CBRD highly recommends that NMMC develop a newly defined organizational plan with departmental responsibilities and tasks clearly defined for all levels of the organization. There appears to be a lack of clearly defined job descriptions and responsibilities. Along with the formalized organization, a formal monthly and quarterly meetings need to be held with various levels of employees to inform, involve and engage everyone in the progress and development of the hospital.
11. With the absence of a formal organization, such as the American Heart and Lung Association (AHLA) it is difficult to set guidelines and professional expectations. CBRD staff believes that NMMC can establish itself as the leader by developing a professional organization both in Armenia and CIS countries. This organization can hold semi-annual conferences, where ideas are shared, white papers are presented and future collaborative research projects planned. Attendance to such conferences can be funded with assistance from established organizations such as the AHLA.
12. In order to enter the Georgian market more effectively, CBRD recommends that the development of a public campaign, very similar to the one suggested for Armenia¹. First, informing Georgians of services provided by NMMC; second, placing informative billboards, TV advertising and brochures regarding heart issues increasing the positive perception of NMMC in Georgia and increasing the name recognition. Third, more conferences and interactive forums be provided to develop better relations with cardiologists in Georgia, preventing possible future animosity from cardiologists in those markets, as it exists in Armenia today. Finally, the fundraising activities can be targeted at annually identifying a special case in Georgia and raising funds for performing the surgery. This will provide NMMC with the opportunity to be present in the news, creating a positive PR opportunity.
13. Patients need to be provided with printed discharge instructions. This will be another form of positive influence on NMMC’s credibility.
14. Patients need to be given the option of being served with hospital food rather than having family members bring their meals. Although this will require a cultural change, it will differentiate NMMC’s services from other hospitals and eventually will become a standard.
15. Other services in addition to the meals can be providing TV and emergency call buttons in the rooms.

While some of these recommendations may not seem to bear a *direct* relationship to marketing issues, marketing is not a stand-alone aspect of running an organization, particularly a service-related enterprise such as NMMC. Having a Mission Statement and an Organization Chart aids immensely in clarifying the objectives in front of the organization, and makes it possible to set realistic marketing plans and implement them effectively.

¹ The Georgian market is of particular interest for NMMC. CBRD can only make tentative suggestions about marketing projects in Georgia (not having conducted any formal research within Georgia); however, careful analysis of the similarities between Georgia and Armenia suggest that marketing actions aimed for Armenia can also be implemented in Georgia.

2.0 MARKET RESEARCH STUDIES

2.1 Highlights from the Personal Interviews

The interviews conducted with NMMC personnel have been divided into three areas:

- Interviews with NMMC Administration
- Interviews with NMMC Doctors
- Interview with the Georgian intern

2.1.1 Interviews with NMMC Administration

The purpose of these interviews was to assist CBRD in developing a better understanding of NMMC as an institution and its marketing activities

2.1.1.1 Key Findings

The interviews indicated that the administration believes they have a strong grasp of the Armenian market, and that their marketing efforts should be focussed mainly on markets outside the country². The findings from the interviews indicated that this is an inaccurate perception that the administration has of its target market.

In terms of prior marketing activities, NMMC has not conducted any media campaign in the past³. As a matter of fact, what emerged from the interviews was that the policy seems to be one of avoiding mass media advertising, since it is believed that the public has a negative perception of a heart hospital advertising its services. The collective wisdom at the hospital regarding publicity is that advertising and publicity should be avoided with a topic as serious as heart surgery—which is perceived by many as the “ultimate” surgery. Currently, the only form of publicity NMMC has is a pamphlet provided to patients, describing services provided by the hospital. Unfortunately, with the exception of a few hospitals in Georgia, these pamphlets have never been systematically distributed to doctors or other facilities in Armenia or other countries in the CIS

The NMMC surgical team is frequently receiving invitations to perform surgeries outside of Armenia; a recent example is the invitation from Bishkek, to operate on seven newborns and children. The NMMC administration was somewhat ambivalent about the value of such trips. CBRD believes that such activities can greatly assist NMMC in its development of positive name recognition. Such activities are good public relations and marketing tools if used correctly by publicizing humanitarian acts. In the past, during the Soviet times, these were accepted practices in the medical circles. The biggest problem appears to be the financial drain, which such trips can have on the institution.

NMMC has an internship program which is in high demand. Currently, NMMC trains several interns from CIS countries. NMMC’s administration views these interns as an investment into its future, since wherever they go, they remain ‘students’ of NMMC and act not only as a mechanism by which to propagate the virtues of the institution, but also as agents of referral.

² Besides their belief that they have the Armenian market under control, another reason for wishing to concentrate marketing efforts outside Armenia was the fact that non-Armenian citizens get more financial support for health care from their governments than Armenians do. For example, in Armenia, the government pays for 5% of the operation’s cost, whereas other CIS countries cover almost the entire cost (e.g. the Turkmenistan government pays for upto 80%).

³ However, NMMC has had some mass media exposure, both in Armenia and abroad. In Georgia, for example, several of their patients have, of their own initiative, published letters and articles in leading newspapers praising NMMC, as did a patient from Moscow. NMMC has also appeared on the TV show ‘Mir’, and a year and half ago, two TV shows about the center featuring Russian patients talking about their experiences were telecast in Sochi. The results in all these cases were positive.

The intricacies of referral systems were discussed during more than one interview. NMMC has undertaken several steps to develop a network of referrals from other hospitals in Armenia, and especially from outside of Armenia. The main nature of this work has been through communication channels created at the administrative level. Specifically, Lida Mouradian has established contact with other Directors, and continues to act as the liaison between NMMC and other hospitals. NMMC has also begun a practice of offering a 5% post-operative referral fee to doctors -- a model currently in use with institutions in Georgia.

The administration's view that there is a general lack of public awareness on health care issues in general, and cardiac care in particular, also emerged during the interviews, as did their belief that NMMC has not had the time to concentrate on establishing a reputation for itself in the academic arena⁴.

Finally, it should be noted that the administration at NMMC is a top-down structure with almost all the power being concentrated at the top. A concurrent issue, in terms of organizational 'structure', is the absence of a formal Mission Statement.

⁴ They did recently participate in two medical conferences, and have published some papers in a few Russian-language medical journals, all of which have elicited praise. The administration feels that while no direct outcome from such efforts is forthcoming, they do serve a useful purpose.

2.2 Interviews with NMMC Doctors

The objective of these interviews, which consisted of three sessions each with Dr. Sarkissian and Dr. Kurdov was for CBRD members to have a clearer understanding of the institution's care takers, namely the doctors. CBRD also hoped to gain insight into the nature of the competition in the market, as well as the 'mechanism' by which the consumers choose hospitals in case of heart trouble. Several points of interest regarding NMMC's relative position in the market and the role the doctors see NMMC playing emerged.

2.2.1 Findings

NMMC has two basic sources of patients: First, direct arrivals who are almost always referred to NMMC through former patients, neighbors and relatives acting as walking advertisements; and second, doctors and polyclinics referrals. NMMC needs to develop positive relationships with both these groups.

The interviews revealed that the physicians at NMMC believe there to be a level of animosity between 'outside' cardiologists and NMMC cardiologists. Some of it is attributed to professional rivalry/jealousy, but for the most part it is due to the fact that NMMC cardiologists take away business from the other cardiologists. This lack of collegiality is due to competitive forces in the marketplace. With no other players in the heart surgery market⁵, competition is with other cardiologists. They are housed primarily in the Mikaelian Institute and the Cardiology Institute. They provide medical consultation on cardiac issues, prescribe medication and run diagnostics. Another aspect connected with outside cardiologists is the lack of a strong and effective central body such as the Heart and Lung Association in the United States. Such organizations can play a role in bringing experts together.

It should be noted that the low level of awareness among the public about heart disease and its symptoms⁶ means that many people do not seek medical aid until their conditions are at a fairly progressed stage, if not already critical. This problem is further exacerbated by the general mistrust of doctors and physicians, which exists among the general public. The prevailing perception (sadly justified by the stark realities concomitant with the existing economic environment) is that doctors put patients through a 'medical fee' process by stretching treatment periods beyond what is necessary, by prescribing drugs that are not needed, etc. Thus, the low levels of awareness and the high levels of mistrust mean that many patients do not receive adequate medical attention.

Both doctors also felt that a general improvement in the living standards of the people will need to take place before the heart care market can see much improvement. A patients' economic condition goes a long way in determining to what extent s/he can follow-up on the doctor's medical advice. In fact, with so many people needing heart surgery that they cannot afford, the doctors suggested that NMMC should consider alternative approaches, such as establishing funds that will link up needy patients with potential donors. Obviously, the establishment of a medical insurance system is another avenue, however; neither Armenia nor the CIS countries are set up for such services.

⁵ By all indications, NMMC has a de-facto monopoly on the Armenian heart surgery market. The only other institution that has the capacity to perform cardiac surgery is the Mikaelian Institute, and (depending on who you ask) they do between 0 and 14 surgeries a year (in an average week, NMMC does that many).

⁶ Such low levels of public awareness and understanding are characteristic of health care in general, and are not confined to cardiac care alone. The Director of the National Institute of Health, Derenik Doumanian, lamented the terrible lack of knowledge among the public about fundamental aspects of preventive care, such as hygiene (more on this in the section dealing with Findings of Interviews with individuals outside NMMC).

2.3 Personal Interview with Georgian intern

The objective for this interview was to develop an overview of the cardiac care market in Georgia and to compare it to Armenia.

2.3.1 Findings

The most revealing finding was that there are very few differences between the Armenian and Georgian markets with respect to health care. The general public is just as ‘distrustful’ of medical practitioners in Georgia as they are in Armenia, preferring to go to people they know or are related to. The socio-economic conditions of Georgia mirror those of Armenia⁷, resulting in the inability to give health care issues the attention they require. The two markets are also quite similar in that very few insurance companies exist, although there are more of them in Georgia than in Armenia.

Where the two markets differ is in the extent of information on cardiac care. In Georgia, there is far more information dissemination on health care issues. The main medium utilized is television, and many hospitals/health care centers engage in direct advertising.

The two markets also differ in how the consumers choose their hospitals. Georgia has shifted from the old Soviet polyclinic approach, still prevalent in Armenia, to a family General Practitioner (GP) model. As such, a patient first sees his/her GP, who in turn refers him/her to a hospital. The patient has the final say in where s/he chooses to go, although, as in Armenia, the family, friends and the GP play a key role in influencing the decision.

The differences on the supply side of the market are much larger. There is no facility that can match NMMC in Georgia. In fact, there is only one cardiology department in the country, located in Tblisi. There are very few cardio-surgeons permanently stationed in Georgia – most of the surgery is conducted by visiting surgeons from Russia, Europe, and the United States.

As far as NMMC’s reputation in Georgia is concerned, Dr. Vasadze described that NMMC was well known and respected by many. The fact that it is located in Armenia, a close neighbor, offers lower prices than other cardiac centers with comparable services, positions NMMC as a viable competitor in Georgia. She believes all the cardiologists in the country know about NMMC and most of the public is already aware of it by reputation.

In terms of what she considers the best ways of improving ties between NMMC and Georgian cardiologists, Dr. Vasadze felt the best way would be through interactive forums such as conferences (to be held in Georgia). The most interesting themes for these would be cardiosurgery, and the treatment of heart valve conditions (which are widespread among the Georgian population).

The basic implication of the results of this interview is that the similarities between the two countries will allow for easy transmittal of any marketing strategy from one to the other. Similar social make-up and economic conditions mean that there will be similar target audiences in both countries.

The greater awareness of cardiac care issues, combined with the lower availability of quality cardiac care implies that the Georgian market is “ripe for the taking”, and the geographical proximity makes it a very viable source of income for NMMC.

⁷ See Appendix 4 for a brief comparative analysis of the two countries

2.4 Interviews with Outside Experts

The objective of these interviews, which consisted of one session each with Derenik Doumanyanyan, Director, National Institute of Health; Steven Willis, Head of Delegation, American Red Cross; and Todd Jackerson, Acting Country Director, International Federation of the Red Cross and Red Crescent Societies, was to develop an overview of the health care market in Armenia, focusing on health awareness issues.

2.4.1 Findings

The principle finding of these interviews was that there is a lack of awareness among the public about basic health care issues, let alone complex topics such as cardiac care. The international body representatives (Steven Willis and Todd Jackerson) were aware of no preventive care or health education campaign being undertaken in Armenia. The Director of the NIH, Derenik Doumanyanyan, acknowledged that there are really no sustained efforts aimed at improving public awareness on health issues. Whenever any campaign is launched, it is piecemeal at best, and short-lived – there is no central agenda to increase the level of health knowledge. This is partly the result of a lack of adequate finances and partly the result of poor organization.

Another issue is the existence of widespread institutional corruption among health care providers. This is ascribed mainly to the poor socio-economic conditions, which have taken their toll on doctors and nurses just as they have on the average citizen. Nonetheless, it is a major factor in the current distrust most people have towards hospitals in Armenia.

The outlook for the future, as seen through the eyes of the interviewees, was guarded to optimistic. A strong, centrally organized approach, both to weed out the corruption and to increase health awareness, seemed to be the consensus, although the international body representatives encouraged individual hospitals to take the lead as well.

The consistent finding that the public is generally unaware of important health care issues implies a strong need for a public awareness campaign. This could be a major marketing vehicle. Given that there is a strong dislike in the Armenian public's mind for direct advertising on the part of a medical center, NMMC could advertise itself under the guise of public service messages (precedents exist in the Grand Tobacco ads that urge the public to pay their taxes).

Besides this, the fact that corruption has been stamped out at NMMC, with all payments fully above-board, is a very strong benefit of turning to NMMC for cardiac care. Various means of getting this message across need to be considered.

2.5 Results of the Telephone Survey

A telephone survey of 275 respondents (approximately 70% of whom were women) was conducted in the city of Yerevan to measure the level of “name recognition” NMMC had among the general public. The sample size was not chosen for statistical significance; the survey was designed for informative purposes only. The methodology employed in conducting this survey is described in Appendix 2.

In order to maintain anonymity and a non-biased approach (in terms of which field of medicine this survey was interested in), the questions included small sections on stomach trouble and maternity, whose results are not being reported.

2.5.1 Findings

In terms of being thought of as the place to go to in case you have heart trouble, NMMC was far from being foremost on people's minds. Of the 275 respondents, only 17 (6.2%) said they would go to NMMC if they had heart trouble. The most frequently named hospital for such an eventuality was the Mikaelian (61 respondents, 22.2%), followed by Erebuni (29 respondents, 10.5%). More people would go to a relative/acquaintance who happens to be a doctor (26 respondents, 9.5%) or to no one at all (25 respondents, 9.1%) than go to NMMC. This was the most striking revelation of the survey⁸.

It should also be noted that among the respondents who said they would go to NMMC, several identified it as "Hrair's Hospital" – they did not know exactly what it was called, but they knew of Dr. Hovakimian.

In terms of where most people get their information about hospitals, the vast majority (52.7%) of respondents turned to friends/relatives/acquaintances; in other words, more than half the respondents get their information through word-of-mouth. Doctors came in next (18.6%), and followed by TV (13.3%). Other sources of information included former patients (9.6%) and newspapers (4.3%). A couple of respondents said they did not know where they received their information from, and many of them began their answer by saying "my general environment", before specifying/qualifying their response.

Friends and relatives played an important role in influencing the choice of the hospital, but the "individual" single largest influencing factor was the patient's doctor (34%). Spousal influence was 15%, other family members 29% and friends/neighbors 14%. Eight percent of the respondents said they made their own decisions, with no outside influence.

In terms of factors considered important (besides the opinions of the aforementioned parties), the single most popular answer was "professionalism" (33.3%), which was described as "knowing the doctors can do their job well". The next largest factor was the overall image/reputation of the hospital (15.7%), followed closely by the affordability of the price (15%). Other factors mentioned as being important included the level of care/humanity of the staff; the cleanliness of the hospital; the location of the hospital; modern equipment; past experience with the hospital; and having a contact at the hospital.

When asked whether they have ever requested to be treated by a specific doctor or at a specific hospital, the respondents were almost evenly divided between yes and no, with slightly more people saying yes (51.8%) than no (48.2%).

The respondents provided the following suggestions as to how health care in Armenia can be improved:

- Make medical care free; government support/sponsorship of medical care
- Reduce costs of medical care
- Eliminate the bribery system
- Improve the cleanliness of the rooms; and general sanitary conditions of hospitals
- Improve overall economic conditions in the country
- Introduce an insurance system
- Privatize the hospitals
- Increase salaries of doctors
- Use a family doctor system

⁸ It might be worth noting here that the results of the focus group clearly indicate that those patients who have had prior experience with NMMC, or know people who do, are very clear on the fact that they would go to NMMC in case they have heart trouble. In the niche market of heart ailment sufferers, NMMC is well known and loved, but the general public, as a whole is not particularly aware of its existence. So NMMC's case, to borrow from marketing phraseology, is one of very high customer loyalty, but rather low brand name recognition.

- Upgrade medical technology
- Foreign support/donation/sponsorships
- Train doctors abroad
- Improve the medical education/training received at medical school⁹
- Introduce a “medicare” system

Suggestions for improving health awareness in Armenia included:

- Organize conferences and seminars
- Organize TV shows
- Home visits by doctors/nurses

In general, the findings reaffirm most of what previous findings have mentioned in terms of the patient’s thought processes in selecting a hospital. But the single most “impressive” finding of these interviews was that the name recognition of NMMC is nowhere near as high as is considered by the NMMC personnel. This implies that the marketing strategy needs to be re-evaluated, and emphasis needs to be placed on the local market as well (and not just the CIS market).

The findings also shed light on the information gathering and the decision-making processes employed by the public when it comes to health care. The implications of this information will be very useful in the design of marketing campaigns aimed at the general populace.

2.6 Focus Groups

CBRD held a series of focus groups and personal interviews on the 20th and 21st of September 2000, at NMMC. Focus group sessions were conducted with three groups: doctors, nurses and former patients. Additionally personal interviews were conducted with current patients. The questions answered by these groups focused primarily with their impression of the NMMC and solicited remarks/recommendations about what they would change/improve and how (see Appendix 1 – Focus Group Questions for a full list of the questions asked).

2.6.1 General Findings

The general attitude of all four groups towards the hospital was extremely positive. NMMC is seen as a unique facility in Armenia. It was described as a great place to work and learn, a “place of hope”, populated by professionals who know their job well, and who also know how to treat patients with humanity.

One finding worth noting was that a large part of the popularity of the hospital could be attributed to the presence of Dr. Hrair Hovakimian. Both the doctors and nurses cited Dr. Hovakimian as a reason for working there, and the patients (current and former) spoke very highly of him. In fact, many of them essentially said they ‘worship’ him (one patient spoke with reverence of how, since his successful operation, he has made it a practice to go light a candle in Dr. Hovakimian’s name at church every Sunday).

Other findings that were common to all four groups included their belief that the patients of the NMMC were the best ‘advertisements’ for the establishment; that financial constraints were the single-largest problem (both from the point of view of the hospital staff as well as the patients); and that more government support was needed.

⁹ One angry respondent said we should “stop admitting idiots into the medical university”

2.6.1.1 Detailed findings

Doctors

The reasons cited by doctors for choosing NMMC as their work place ranged between the fact they were among the “founders” of the revived NMMC (and the Heart Center in particular) to the growing reputation it has of being a good place to work – with opportunities to really utilize skills and ‘grow’ on the job. The existence of an “atmosphere of innovation” was cited, as was the opportunity to work with Dr. Hovakimian. The good relationship among the doctors (“a patient of any one of us is a patient of us all... we do not say ‘this is his patient so I shouldn’t bother with him’”) was also mentioned as a very positive feature of the hospital.

The doctors spoke with a great sense of belonging. Those who had been there the longest kept referring to how they basically built the heart center from scratch by themselves – from physically laying bricks in new sections to working overtime for days at a time. One doctor stated “we spent New Year’s here instead of with our families”.

The exceptionally high levels of professionalism that characterize NMMC were praised. The stable workload, the availability of all the necessary equipment and medicines, and the existence of an atmosphere conducive to learning (the youngest doctor said he chose NMMC particularly for this feature) create a good working environment.

Another feature that was stressed as having very positive value was the NMMC policy of keeping all payments above-board. With bribes strictly prohibited, ulterior motives in the means of treatment are eliminated, and the doctors do their job the way they really think it should be done.

The doctors wanted salaries to be increased. They realize that a step like that is tied to the financial situation of the hospital, and they also mentioned that they do what they do out of a love for their job, but they still feel like they needed to be paid more. Secondly, while they have adequate equipment, they complained that there is no systematic plan in place by which to replace older equipment. Right now, they get new equipment at the mercy of a donor, or whenever Dr. Hovakimian can scrounge items that are about to be discarded by bigger hospitals in the States. Another complaint about the equipment is that it is generally second-hand (a recently acquired brand-new x-ray machine was cited as a rare exception).

Asked about dietary advice they provide to their patients, the doctors mentioned that they gave detailed advice to their patients about what they should eat (and this advice normally took the form of what would be best to eat, as opposed to what they should not eat). But they also noted that such advice was often not followed, since the guiding principle that determines people’s diets was their economic condition.

The doctors were of the opinion that “our patients are walking advertisements”. They believed that NMMC is getting the best kind of advertising through the word-of-mouth efforts of their patients. ‘Testimonials’ offered to friends and neighbors is the most suitable kind of promotion for a hospital, they felt, and this is exactly how NMMC is getting promoted in Armenia and the region. Besides which, they felt the real ‘advertising’ effort needed to be targeted not at the public, but to other doctors, stating their belief that cardiologists outside NMMC need to be the focus of any effort of NMMC to market itself. They felt the most appropriate way to do so would be through publishing articles, attending and hosting conferences (“we are still reaping the benefits of the previous one we hosted, in terms of patients being referred to us”). The doctors justified their stand by explaining how such measures will result in a better understanding within the medical community of what exactly is done at NMMC and how it is of international caliber. This way, cardiologists can be convinced they will be doing what is best for their patients by sending them to NMMC. Of course, these measures are all linked to finances, and that, ultimately, was what all the doctors cited as the main problem for NMMC.

Nurses

The common thread in the reasons cited by the nurses for choosing NMMC as their workplace was the excellent working environment. Some chose to stay on after their internships, others came in from other hospitals (one of whom cited having watched Dr. Hovakimian operating, and the resulting desire to work with him as the reason for transferring to NMMC). All the nurses agreed that NMMC was the best place for a nurse to work. They mentioned the high level of mutual respect among the medical personnel and the freedom nurses enjoy in expressing their opinions. The doctors appreciate qualified nurses and work with them to train them. The existence of a strong teamwork approach was reiterated. The nurses were praiseful of the high service quality, and the humanistic approach that is characteristic of the hospital.

Among features that they like about NMMC, the nurses listed the sincerity, respect and sense of equality (“mutual trust, nothing secret”) among the medical personnel; the fact that all medical personnel liked their job; the dedication and utmost care granted to the patient “a unified vision to cure the patient”; and the possibility to increase ones’ knowledge in the area.

Among things they disliked, they mentioned the lack of clearly defined job descriptions. Also, the lack of an organized forum for meetings between the doctors and nurses was mentioned. The nurses have their say in how things are done, but they expressed a desire to have regular formal meetings with the doctors, preferably at least once a month.

When asked what surprised them here, the nurses mentioned the presence of very upgraded medical technology as one factor. Another surprise was that the doctors habit to keep teaching and informing the nurses about medical issues, which they ascribed to the doctors’ desire to work with highly competent nurses; so the doctors do all that they can to train the nurses whenever possible.

The nurses were very complimentary of their patients too (“our patients love us”). There is a strong sense of familiarity with the patients, and each one is treated with special care. The nurses advise their patients on diet issues, but they said the patients socio-economic conditions end up determining how much of that advice is followed.

The nurses also discussed their opinions of patients’ rooms. They felt that overall the rooms were satisfactory, but bigger rooms would be preferable, as would having a shower in each room. They also suggested installing a television in each room, and said it would be “highly desirable” to have a means of contacting the nurses installed in each room (currently, the patient has to physically call the nurse, or have a family member do so. In the case of a patient who is all alone, the nurses are extra vigilant). The nurses felt, however, that only 10% of the patients will be able to afford paying extra for larger and better equipped rooms, although sometimes there are patients that ask for bigger rooms, or rooms with a TV, and are ready to pay for it.

When asked their opinion on patient-reaction to the hospital providing them with food, they stated that Armenians are usually capricious when it comes to food. From their interaction with the patients, they believe half the patients would prefer the hospital serving them with food, while the other half would not like that. As it stands, the patients are informed about what to eat, but there is no mechanism by which to keep control over what they eat.

As with the doctors, the nurses echoed the idea that “our patients are our best advertisements”. They recommended airing programs featuring interviews with the patients, and publishing brochures, scientific articles and statistical data on patients and success rates at NMMC. They reiterated the idea the doctors had raised about the need for NMMC to participate more in conferences and seminars (they mentioned that there is a lot of scientific material written by the doctors at NMMC, which the hospital has not been

able to get published for financial reasons) and mentioned that such events would be good promotional activities, and are particularly important in getting NMMC known abroad. They further suggested initiating an expert-exchange program with other hospitals abroad. Within Armenia, they suggested training polyclinic doctors, especially those in the more remote cities and villages (since they do not know enough to understand the urgency of certain cases). Extensions of this suggestion included establishing links with rural hospitals and actually opening up sub-units or branches of NMMC in other places in Armenia.

The nurses also suggested creating a fund-raising group for the hospital to have an organized means of financing those patients who cannot afford to pay for their treatment. The nurses also felt the need for continuously upgrading the available medical technology and equipment (for example, there is a need to increase and improve the number of monitors in the patients wing). Patients who emerge from a non-surgical intervention procedure should not be taken to the same intensive care unit as patients who emerge from surgery, as it is psychologically disturbing to them. They also suggested that the adult cardiology department should be enlarged, and that better scheduling should be done for meetings with patients (including a separate room to meet with the patients).

The nurses also complained of the difficulty involved in commuting to work. Public transport doesn't come near the hospital and nurses need to walk a good distance. Some sort of transportation should be provided to the medical staff. Also, the nurses felt there is a lack of social activity, and recommended staff picnics or parties of some sort to be held at regular intervals.

In terms of getting more doctors to refer their patients, three ideas emerged. One was to provide financial incentives to the doctors to send their patients to NMMC. The second was to decree punishments to those doctors who do not send their critical patients to NMMC, as there have been cases of doctors who, for financial reasons, have held on to their patients until it was too late. Finally, there was the suggestion to train experts and send them to the relevant health facilities to monitor the situations as they develop there.

Finally, the nurses made the suggestion that English language classes and courses in using computers need to be organized for the staff at NMMC, since most of the modern literature in is English, and computer skills have become necessities in medicine.

Patients¹⁰

The most common answer to why patients chose to come to NMMC was that they knew someone who had been operated successfully at NMMC. Another answer was that the patients chose NMMC for “the sake of having Hrair as our doctor”. Some people had been recommended NMMC by their personal doctor (in a couple of cases the recommending doctors were not in Armenia – one was in Russia and the other in the United States) or friends/relatives (one person mentioned that the suggestion of his friend's father made him switch from Erebuni Hospital to NMMC). The praise some of the patients lavished on Dr. Hovakimian in particular was immense, with some patients likening him to God, for having granted them a new life.

Every single patient used the word “professionalism” in describing his/her impression of NMMC. They praised the “humanity” of the staff, the caring and positive attitude, and the well-organized structure. Professionalism again came up as the best feature of NMMC, as did the fact that there is “complete treatment and care of the patient”. The cleanliness was praised, and so were the “sincere conversations, explanations of the strengths and weaknesses of each option”. The teamwork evident was highly praised,

¹⁰ The focus group findings from the two kinds of patients interviewed – current and former – have been compiled in this section, since both groups said basically the same things. Distinctions, when important, have been drawn up in the body of this section

too. One patient said the best thing about NMMC was that it was “a place of hope”. When asked what was the thing they liked least, most patients could not think of anything to say, although a couple did mention the fact that the price was higher than they could afford to pay.

As for the things that surprised them the most, the caring attitude of the staff (especially the nurses) was mentioned, since such behavior is not typical in Armenia. The patients also mentioned the above-board approach to payment as a good surprise, so that they did not have to worry about bribing everyone to get the treatment they need. One patient also mentioned as a pleasant surprise the flexible payment system, which allows the patient to pay the cost of the operation over a period of time.

The patients’ opinions of the treatment they received were very high. They said they were always under the “alert supervision” of the doctors and nurses, and they were treated with the utmost professionalism and care. Some patients said there was nothing in Armenia that compares to the treatment received at NMMC.

The patients said the doctors did give advice about their diet, but there was really nothing that they were strictly forbidden from eating/drinking (even alcohol was allowed in small quantities). The patients eat food brought by their relatives from outside. When asked whether they would prefer it if the hospital provided the food, the response was mixed. Some were against it; others felt it would be very convenient (especially for foreign patients who do not have local relatives to make the food for them). The main concern the patients voiced was that such a move would involve an increase in the cost of their stay at NMMC. Former patients also spoke of the regular check-ups they were required to have (which were free of charge for the first six months).

The patients’ opinions about the rooms in the hospital were very positive. They said the rooms were comfortable, neat, and clean and were “above the average and normal rooms”. One patient mentioned that he has spent time in other hospitals too and could say that the “deluxe” rooms of some hospitals had fewer conveniences than the ordinary rooms at NMMC. When asked if there was anything else they would like to have in their rooms, most patients didn’t think anything extra was needed (as one patient put it “we don’t have time to get bored. As soon as we are well enough to start wanting to watch TV, we are discharged; so we can go home and watch”). Some did mention adding a radio, or perhaps a TV, while others did say a bigger room would be better. The patients felt that there would not be a very high demand for such amenities, although they said there would be some patients who would probably be willing to pay an additional fee for these extras.

When asked about how they would go about advertising NMMC, the patients said the job being done here is its own best advertisement (one of the former patients said “we are all walking advertisements for this place”). Most patients cited word of mouth as the most effective medium, although advertising on TV or in magazines was also suggested, as was placing articles about the hospital in newspapers. Concrete suggestions included organizing TV programs to raise the level of awareness in Armenia about heart attacks, making people aware of what the symptoms were, what actions to take, and so on. Another suggestion centered on the patients’ belief that there exists a lack of knowledge and communication among doctors in Armenia today, and so the recommendation was to organize conferences for doctors, to help them better understand NMMC and the services it provides. Finally, specific formats for the kind of TV ads that should be used were suggested, and these included using a before-and-after approach with patients undergoing heart surgery; mentioning practical information such as how long the patient could expect to stay in the hospital, recovery rates etc.; and using doctors as spokespersons.

The patients also discussed actions they would recommend NMMC to take. These included lobbying for more government support; asking for help from abroad; creating an international Internet-mediated way of linking up potential sponsors and patients; adding more rooms (and one patient mentioned that patients who were not in need of surgery should also be allowed the option of being hospitalized); creating a

recreation spot in the park outside; and providing a means of transport for people wishing to come to NMMC.

The findings of these focus groups were, in general, very positive. However, there are a few disturbing implications amidst all the positive commentary. The most striking of these is the immense respect, love and reverence that Dr. Hovakimian commands. The doctor's skills and persona are no doubt one of NMMC's greatest assets, if not *the* greatest. Dr. Hovakimian can be a very good spokesman for the hospital, and be 'marketed' as the face of the hospital (his superlative work, and his legion of adoring patients, has already insured he is a long way towards being identified as such. Many people refer to NMMC as "Hrair's Hospital"). On the other hand, this very close identification can have negative implications. The hospital is putting a lot at risk by being so closely identified with one man. A sustained campaign needs to be carried out with the ultimate aim to instill in the public the idea that NMMC is 'bigger' than any one doctor, and that competence, care and success are 'institutional' at NMMC.

Another interesting implication arises from the fact that all the groups interviewed mentioned former patients as the best form of advertising for NMMC. Word of mouth goes a long way in Armenia, and the 'words' of these patients can indeed be used in an organized marketing campaign through testimonials. These can be short TV spots, articles in newspapers and magazines, or quotes on brochures.

Finally, the results imply that more contact needs to be established between NMMC and the rest of the medical community in Armenia and the region. Doctors, nurses and patients alike feel that NMMC should participate in or host more conferences, as a means of establishing rapport with other doctors, educating them as well as fostering more referrals.

3.0 NMMC STRENGTHS & WEAKNESSES

Based on all the aforementioned findings, a list of NMMC's basic strengths and weaknesses looks like this:

3.0.1 Strengths

- Hrair Hovakimian
- Highly qualified medical personnel, professional staff
- High quality of nursing care
- Mutual respect/trust among personnel
- Strong teamwork – united vision to “cure the patients”
- Very caring atmosphere/humanistic
- Excellent working conditions
- Great reputation in the region
- Patients leave satisfied with their treatment
- Patients' positive attitude towards NMMC
- Patients are “walking advertisements/testimonials”
- No “under the table fees”
- Flexibility in allowing patients to pay fees over months
- Relatively modern medical equipment
- Ties with US heart centers
- Ties with CIS hospitals
- Full range of heart surgery
- Only quality pediatric care unit in the region
- Separate clinics for children and adults
- Highest quality of surgeries and low post surgery mortality rate
- Considerably lower prices in comparison with international rates

3.0.2 Weaknesses

- Difficult financial situation
- Lack of financing options for many patients
- Low level of awareness – vast majority of population do not know about NMMC
- Weak communications with the relevant international health facilities (due mainly to financial difficulties and the lack of communication technology in Armenia and the CIS)
- Poor networking with other cardiologists in Yerevan
- Non-specialist in charge of PR/Marketing/Customer Relations
- Limited promotional activities and lack of advertising, both in Armenia and abroad
- Need for brochures (trilingual – English, Armenian, Russian)
- No link with rural hospitals or sub-units outside Yerevan
- Inter-hospital relationships involve discussion with “administration” only.
- Lack of computer and English skills
- 24 hour shifts
- Hospital does not provide meals
- Lack of diet educational material/instructions for patients
- Need for more monitors (patients wards)
- Limited capacity (number of beds)
- No “buzzer” system in rooms
- No showers in the rooms
- No TV/radio in the rooms

- No special/VIP rooms
- No waiting rooms for patients' families
- No recreation area around hospital grounds for recovering patients to walk around in or sit
- Difficulty in transportation to and from NMMC
- Lack of well-defined job descriptions
- No regular forum for discussions of ideas at different levels

In addition to these weaknesses that are specific to NMMC, there are several generic weaknesses when it comes to the health care market in Armenia and the region. The main such weaknesses are:

- Lack of a functional medical insurance system
- Lack of an organized Cardiac Association, or similar lobbying body
- Very low levels of awareness on health care issues on the part of the general public

3.1 Final Analysis and Recommendations

As mentioned earlier in this report, an overarching theme here is to have a long-term view on things, and not be limited in scope by the immediate realities that exist. Solving problems on an ad-hoc basis is not an appropriate strategy for long-term growth and success. This is where the need to have a well-defined mission comes in. An organization that has long-term goals formally defined is better able to keep its sights on those targets, and not be 'distracted' by the constant stream of short-term problems it has to solve. This is something CBRD emphasizes.

What emerges from all these findings is that, from the marketing point of view, NMMC essentially has to divide its attention between two 'markets' – doctors and patients. The former are the gatekeepers to the latter, and the foundation to the future success of NMMC. The latter are the basic 'clients' of NMMC and therefore it goes without saying that they need NMMC's attention.

The critical marketing issues boil down to cases of networking and public relations. NMMC needs to cultivate binding ties with the cardiologists and heart care centers in the region, and this will involve a great deal of networking. Incentives need to be given to doctors and hospitals to work with NMMC. The current 'Georgian model' of a 5% referral fee is one such model, but the problem with limiting oneself to incentives of the monetary nature is that it is always possible to trump NMMC's offer (in fact, a Turkish heart center offers 10%). Therefore, it becomes crucial to develop close personal ties between NMMC's doctors and those of other heart centers in the region. Transfer of ideas, expertise and information is the sort of incentive that cannot be easily duplicated and so (for the time being at any rate – given the NMMC staff's super skills) cannot be trumped. Therefore, while the usefulness of financial incentives is not being questioned (and certainly, given the current socio-economic conditions in the region, it is important that some sort of financial incentive be involved), it is important to note that financial incentives *alone* will not suffice in the long run.

The other 'market' NMMC needs to focus on is patients – both from Armenia and abroad. Any hospital, ultimately, operates in the service sector, and the 'product' the customer receives is not simply some medicines and an operation. The entire process, beginning with when the patient walks into the reception to when a nurse sees him off after recovering from surgery, is a process involving personal relationships at each stage. A 'hospital' is a service involving doctors and nurses; as well as the staff, the overall atmosphere of the place and the cumulative impressions left on the patient.

Therefore, in the final analysis, changes need to be made both within NMMC and outside NMMC. The section on recommendation will elaborate on what needs to be done, but before any contemplated action can meet with success, it is critical that three things be done:

1. First and foremost, a formal Mission Statement needs to be devised. As was stated in the introductory section of this report, while this does not bear a direct relationship to marketing issues, it is imperative that NMMC have clearly defined long term objectives for itself, in order to formulate and execute effective marketing strategies.
2. Secondly, a full-time marketing specialist needs to be hired, with expertise in consumer relations' management as well.
3. Finally, a reorganization of the overall communications processes, within and outside NMMC, between doctors and hospital administrations needs to be conducted. This refers not only to the 'paper-flows' of communication (as in Organizational Charts), but also to the physical communication infrastructure – doctors are being hampered in their efforts to have dialogues with their peers due to lack of telephone or email connections.

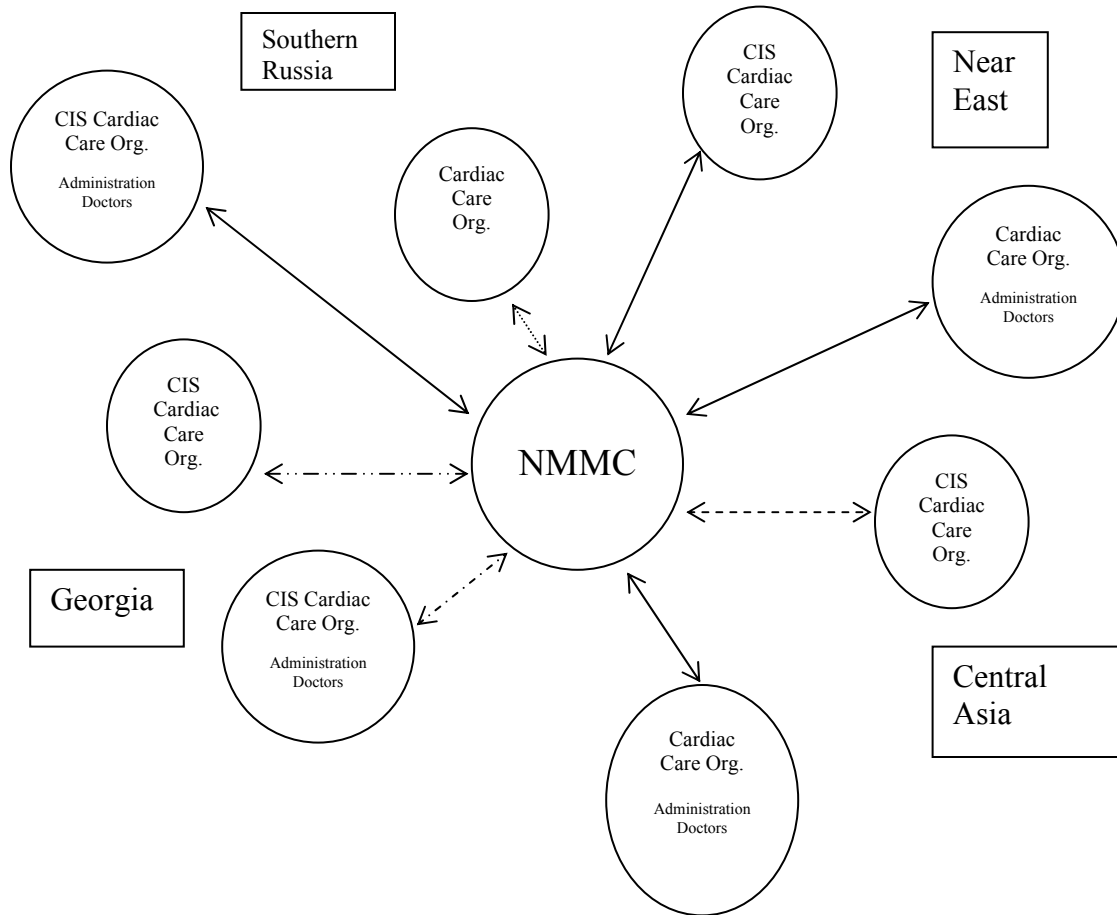
The task of the marketing and consumer relations' specialist will be to focus of liaisons and PR issues with the NMMC and the public, as well as doctors and Centers outside NMMC, and to be an in-house expert focussed on maintaining (and improving) the current high levels of customer satisfaction.

From the marketing viewpoint, the person's primary task will be to supervise the overall advertising and marketing aspects for NMMC in Armenia and the region. This will include creation of such databases as may be needed (or referring doctors, for example), handling PR within Armenia, organizing fundraising events, etc.. From the customer relations' viewpoint, the primary task will be to supervise the 'internal' aspects of building lasting relationships with patients and their relatives. This task will similarly involve creating databases of patients, regularly 'polling' them to find out what their likes and dislikes are, etc.. In an area of the world where word-of-mouth and the advice of friends and relatives is so decisive, this is an exceptionally important task.

The key concept in dealing with either group (doctors or patients) is building relationships. With doctors in particular, this will involve a good deal of networking (see Appendix 5 – Referral Sources, for capture strategy options and development guide), the ultimate aim of which would be to develop a hub-and-spoke setting, with NMMC at the center and large number of cardiac care organizations as 'satellites' (see Figure 1, on the page 20)

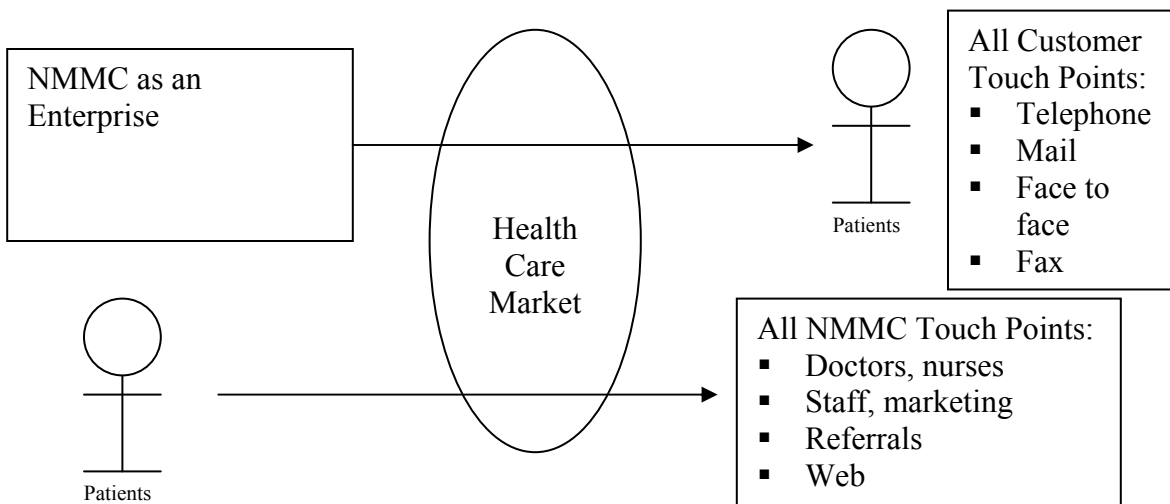
A similar approach needs to be adopted with patients. Figure 2 (page 20) represents the interactive approach that CBRD recommends NMMC adopt with its patients. NMMC and its patients interact as players in the health care market, and NMMC should recognize the value in building relationships with its patients (present as well as former) via various 'touch points' – their telephonic conversations and other communications with NMMC. Similarly, the patients will 'influence' NMMC through their interaction with the staff; through their 'referring' NMMC to others, etc. The latter point is especially significantly, since NMMC's former patients are 'walking advertisements', and in order to reap the maximum benefits from that, NMMC needs to use these 'touch points' to constantly re-enforce it's relationship with them; to re-iterate the message that "NMMC cares".

Figure 1: NMMC in a Hub-and-Spoke setting



NMMC, as the hub, will have different relationships with different cardiac care organizations. It acts as the nucleus of this network, channeling information (and patient) flows and interacting symbiotically with each organization.

Figure 2: NMMC-Patients' interaction in the Health Care Market



Adapted from Fingar, Kumar, and Sharma, Enterprise E-Commerce, (2000) Meghan-Kiffer Press Tampa, Florida

4.0 COMMUNICATION OBJECTIVES¹¹

Given that numerous communication techniques that can be used by NMMC, in order for it to communicate most effectively with its patients (particularly *potential* patients), NMMC will need to identify specific communication *objectives*.

4.1 Setting the communication goals for NMMC

The following are recommended communication objectives that can be targeted by NMMC:

- Making target consumers aware of NMMC
- Educating consumers about the NMMC services and programs
- Changing negative/unknown beliefs to the positive beliefs
- Improving the “image” and overall beliefs of NMMC in Armenia and the CIS countries
- Influencing/lobbying for continuing and increasing financial support of governmental agencies
- Influencing funding agencies in Armenia and CIS countries
- Proving the “superiority” of NMMC surgery services over competitors
- Combating injurious rumors of NMMC
- Increasing the “volunteers” at the hospital

There are different types of messages, which have been effective in accomplishing the above communication goals: emotional, rational, testimonial, and informational. All of which can, or could, be used in NMMC’s communication appeals. From the feedback from former and present patients, the common thread was the feeling of “hope”. The general agreement among all participants in the focus groups was that the general population lacks information and/or awareness of this fine hospital. By the present and former patients, nurses, and doctors the facility has extremely high approval ratings. Therefore informational campaigns and public relations are badly needed to inform the public in Armenia and the CIS countries.

4.2 Creative Ideas

Some sample ideas are included in this report.

The media that CBRD’s findings indicate will be most effective are TV, outdoor billboards and brochures.

The following advertising appeals are appropriate to be used for NMMC’s TV advertising:

- ◆ Emotional
- ◆ Testimonial
- ◆ Infomercial

Emotional advertising will target the families of prospective patients by emphasizing that they can save the lives of their loved ones by insisting that they should go to NMMC.

¹¹ Adapted from Kotler, Philip and Alan R. Andreasen, STRATEGIC MARKETING FOR NON-PROFIT ORGANIZATIONS, 1996, Prentice Hall, Inc. pp.484

Testimonial advertising will feature prominent people who have been cured at NMMC, and they will tell about their experience as patients of NMMC. Dr. Hovakimian's appearance in testimonial ads designed for Armenia will be especially effective.

In the long run, 30-minute infomercials will be used to feature NMMC as the regional leader in cardiac care. The infomercial will give general information about the kind of surgeries performed and facilities at NMMC. Interviews with former patients, doctors and staff will reinforce the message.

As an example of a TV advertisement for NMMC, a draft of a 30-second TV spot is shown. This can also be whittled down to a 10 second 'reminder' ad after the first one is run.

Outdoor billboard advertising will be placed in several of the most visible sites of the city. Hereafter we present several options, which we deem appropriate for outdoor billboard advertising:

1. Billboards with the question "What is the best kept secret in Armenia?" will be placed at strategic points in Yerevan for two weeks. Then they will be replaced by another billboard with the question "Who Cares?" and a week later, with yet another message showing a big red heart symbol and the copy will say "Nork Marash Medical Center". (See sample)
2. A big red heart symbol will be featured on the billboard with a copy, "It takes a big heart to cure a heart – NMMC" (see sample).

Two types of brochures should be produced:

- ◆ Designed for adult patients
- ◆ Designed for pediatric patients (see sample)

5.0 RECOMMENDATIONS

The recommendations shall be presented in three categories – short run (or immediate), medium run and long run. In each set, they are presented according to their priority.

5.1 Short Run Projects

The first set of recommendations includes those that CBRD feels need to be immediately implemented, and are relatively inexpensive to do (except for hiring new personnel).

Project	Term	Advantages	Disadvantages	Anticipated Budgetary Impact	Anticipated Outcome	Measure of Success
Mission Statement	Short to long	Gives purpose/ direction/ goals for the hospital	None	None	Overall direction and purpose of NMMC	
Hire full-time marketing person, with expertise in customer relations management	Short to Long	Oversee all marketing/ PR skills needed at NMMC; Inform and assist the public; help Customers articulate their needs within the hospital	None	Medium to large impact, depending on salary	Organized and focused medical advertising & PR campaigns; Cultivate, anticipate/ inform and satisfy needs of patients/ doctors/ general public	Measure by external organizational feedback from survey questionnaires; increase in number of patients; greater awareness about NMMC
Customer Relations training	Short to long	All NMMC personnel acquire knowledge of “pro-active” customer relations skills	None	Training personnel on short term basis	Proactive individuals; entrepreneurial spirit in internal & external public and hospital personnel	Feedback from internal organization surveys
Customer Relationship management	Short, Med., Long	Create processes for a variety of ways to enable hospital to tailor services for specific patient and individual hospitals	None	Personnel cost	Stronger “caring image” for NMMC; lifetime value; future profits and benefits	Feedback from patients and staff on satisfaction questionnaires and surveys.
Identify, collect and enter customer/ Referring doctors names into database	Short to Long	Build “loyalty” list for fundraising/advertising benefit	Cost of database and personnel required to keep updating the information and the data	Cost of database, personnel	Build “image”; list of potential donors; use for advertising/ public relations; retain “loyalty image”	
Call the top 5% of referring doctors	Short term	Start increasing loyalty and relationships	None	Telephone costs	Loyalty among doctors; word of mouth	Calls returned, extra calls made by outside doctors

5.2 Medium Run Projects

These projects need to be considered once the immediate marketing issues are resolved. On average, they entail higher financial outlays than the short run projects.

Project	Term	Advantages	Disadvantages	Anticipated Budgetary Impact	Anticipated Outcome	Measure of Success
On-line internet service	Short, Med., Long	Doctors, patients connected with NMMC; Build up medical/ health care relationships	None	Purchase of computers for all medical staff; Internet/ computer connection expenses	Closer contact with CIS doctors; create a "image" of leadership	Number of "hits" on website and email messages to NMMC
Use technology and computers, improve communication systems	Short to long	Constant contact with other doctors, staff, customers and referral doctors in the CIS; use as medical "consulting" tool	None	Cost of computers and programs, e-mail	Closer contact with doctors, staff, customers; help build the image of NMMC as helping/ educational place	Number of calls/e-mails
24 hour telephone hot line for heart education	Short to Long	Education of the general public	None	Personnel and telephone lines	Inform public about heart disease	Measure by number of calls received
Evaluate the response of 24 hour telephone service	Short to Long	Image building and educating the public	Cost of installation and personnel cost	Cost	Build the image of the hospital with gen. public; educational tool	
Call competitors to inquire about their services	Short	See what competitors are doing (benchmarking)	None	None	Top hospital with the best service	More customers choose NMMC over other centers
Advertising (Customer testimonials)	Med. to Long	Build up "image" of NMMC	Cost	Cost of media used	Awareness and image building	More patients
Initiate more dialogue with referral doctors and valued customers	Short to long	Constant contact with other doctors, staff, customers and referral doctors in the CIS	None	Cost of computers and programs, e-mail	Building of closer relationships with other doctors and customers	More customers
Survey doctors, patients, staff etc. on what NMMC can do to improve services; See what customers want; respond to important and viable suggestions/ information	Short to long	Help improve on all services and departments	None	Cost of calls or questionnaires	Build up name and image of the hospital; builds on the image of "hope and caring" place	Less complaints

Project	Term	Advantages	Disadvantages	Anticipated Budgetary Impact	Anticipated Outcome	Measure of Success
Brochures; information packages in Armenian, Russian, and English	Short to long	Information for patient and family	Cost	Cost, depends on number	Information that can be passed on to others	
Questionnaires for patients, family (detailed)	Short to long	Constant feedback about your services and what services are needed	None	Cost of printing	Up to date information about the hospital	Less complaints, Long-term relations with former patients and their families
Internships for doctors	Short to long	Knowledge exchange	Cost	Cost, but look for outside banks, corporate funding	“Loyalty” image for doctors	Positive feedback on NMMC reputation
Residencies for medical students	Short to long	Educational and loyalty building	Cost	Cost, but raise outside funding	Loyalty and educational facility image	Positive feedback on NMMC reputation
Conferences/ Seminars	Short to long	Educational; building relationships; Build higher and long term “image” of hospital; Build association with other doctors and medical industry	Cost	Cost; raise funds from corporate sponsors	Loyalty & Educational; long term relationships; increase awareness about NMMC; Excellent image of NMMC	Positive feedback on NMMC reputation
Rank the CIS countries in order of importance to expand into (beginning with Georgia)	Short, Med., Long	Start small and build up loyal relationships; Start with the most likely customers	None	Travel expenses; handled by Marketing person	Connections built firmly and in orderly fashion. Start partnership campaigns with other CIS doctors	
Acquire info – according to ranked CIS country’s specific needs	Short to Long	Updated information can help anticipate their needs	None	None; handled by Marketing person	Loyalty building	
Call to inquire about doctors; keep connected frequently with each doctor	Short to Long	Value their needs and information is displaced and appreciated	None	Cost of telephone calls	Build up loyalty among doctors	More referrals, number of return calls.
Set priorities among communication tools to help built customer relationships	Short to Long	No wasted money	None	Cost of media	Long term loyalty of doctors and patients	

5.3 Long Run Projects

These projects are potential activities NMMC could engage in at some point in the future. They primarily involve taking a leadership role in CIS health and cardiac programs. They require large financial outlays.

Project	Term	Advantages	Disadvantages	Anticipated Budgetary Impact	Anticipated Outcome	Measure of Success
Heart disease awareness campaign	Long term	NMMC is associated with campaign to increase and awareness and “hope”	Competition reaction	Cost of campaign; get corporate sponsors to underwrite the campaign	Greater public awareness about NMMC and heart disease issues	
Stop smoking campaign	Long term	NMMC is associated with campaign	Competition reaction	Cost of campaign; get corporate sponsors to underwrite the campaign	Greater public awareness about NMMC and smoking issues	
General health care	Long term	Nork is associated with campaign	Competition reaction	Cost of campaign; get corporate sponsors to underwrite the campaign	Greater public awareness about NMMC and health care issues	
Advertising (Infomercials)	Short, Med., Long	Build up “image” of Nork	Cost	Cost of media used	Awareness and image building	More patients

In addition to the aforementioned marketing projects, the following services/features should be gradually added to NMMC, as and when financial resources allow:

- Donors listed/acknowledged
- Directional signs within NMMC, in all 3 languages (Armenian, Russian, English)
- Directory in the Lobby
- Volunteers (possibly former patients) to staff “Information Desk” in lobby.
- Transportation to and from the hospital
- Long term – food provided by NMMC (low fat diet)
- Long term – expanded cafeteria for visitors
- English and Computer lessons for staff (the nurses in particular were very adamant)
- Reading light in rooms
- Diet information; heart disease literature
- TV in rooms (no cable, only local stations)
- Phones in the rooms (perhaps patients can pay extra for such amenities)
- A “buzzer” system to connect rooms with the nurses station
- One comfortable chair in patients’ rooms
- Waiting room for surgery with telephone for local calls, newspapers, magazines, TV
- Recreational garden outside
- VIP rooms (start with only 1 and develop more with time)

Appendices

6.0 APPENDIX 1: FOCUS GROUP QUESTIONS

1. Why did you choose NMMC? What other hospital(s) did you consider? Why? Who or what influenced your decision? What did you take into consideration before making the final decision? What information did you seek before choosing NMMC and from whom? Where did you find it?
2. What is your overall impression of NMMC?
3. What is the best benefit/feature about NMMC? What surprised you the most? What did you like the least?
4. What did you think of the treatment by (1) doctors (2) nurses (3) staff? Ask this for each individual category.
5. Were you advised about diet and exercise? If so, who provided this information?
6. What did you think about your actual room? Would you want anything else in your room? Television, chair, carpet, reading lamp
7. Would you like your meals provided by the hospital? What other service would you like?
8. Now, if charged for the above services (room, meals, television), what additional price you would be willing to pay?
9. Are brochures and other written information helpful in making the decision?
10. What would you think about advertising NMMC on television? Billboards? Newspapers and magazines? Which one is the most effective and important?
11. Would you recommend this hospital to others? Why and Why not?
12. What changes would you recommend?

7.0 APPENDIX 2: PHONE SURVEY METHODOLOGY

Yerevan is divided into several districts and one of the features differentiating one district from another is the telephone exchange of the district (first two digits of phone number). For example: all phone numbers starting with 52 are in the center of Yerevan, whereas every number starting with 63 is in Massiv (the northern part of the city). In order to provide better coverage of the population in different parts of the city, the team divided Yerevan into 6 sub-districts and telephoned, on average, 50 people per sub-district. Respondents were chosen randomly and were asked a standard list of questions (see below for copy of questionnaire). The survey was kept anonymous to provide reliable information. Also during the survey the company for which the survey was conducted was never mentioned by the interviewers, so the answers received were unbiased. As a further measure of protecting the anonymity and unbiased nature of the results, the questions included small sections on stomach trouble and maternity as medical issues. The sample size of 275 respondents was not chosen more from the point of view of exploring existing opinions than statistical significance, so the results are ballpark figures and are only used as such.

In designing the questionnaire to be used for this survey, the team considered the peculiarities of telephone interviewing, thus avoiding lengthy questions, as well as keeping the whole questionnaire short. Almost all the questions were open-ended with one dichotomous (Yes/No) question, and were aimed essentially at gauging top-of-the-mind recall, and sources of information and their relative influence on final the decision-making process (see below for copy of questionnaire).

8.0 APPENDIX 3: TELEPHONE SURVEY QUESTIONNAIRE

- Where would you go to if you
 - Had stomach trouble?
 - Had heart trouble?
 - Were expecting a baby?

- How do you get your information about various hospitals?

- What influence do the following people have on your choice of a hospital?
 - Your doctor
 - Your spouse
 - Other family members
 - Friends/Neighbors
 - Others

- What other factors considered in the decision making process?

- Have you ever requested to be treated at a specific hospital or by a specific doctor?

- What suggestions do you have regarding improving health care and health awareness in Armenia?

9.0 APPENDIX 4: A BRIEF COMPARATIVE ANALYSIS OF ARMENIA AND GEORGIA

Attribute	Armenia			Georgia		
	Former	Soviet	Union	Former	Soviet	Union
History	Former Soviet Union country			Former Soviet Union country		
Independence	21 st September 1991			26 th May 1991		
Population	3,344,336 (July 2000 est.) [@]			5,019,538 (July 2000 est.)		
Unemployment	20% (1998 est.) [#]			14.5% (1998 est.)		
Employment Structure	1999 est.			1999 est.		
Agriculture	55%			40%		
Industry [*]	20%			20%		
Services	25%			40%		
Average Monthly Wages	\$42.7 (1999)			\$26 (1998)		
Literacy ^{\$}	1989 est.			1989 est.		
Total Population	99%			99%		
Male	99%			100%		
Female	98%			98%		
Health Indicators						
Life Expectancy at birth	2000 est.			2000 est.		
Overall	66.4 years			64.48 years		
Male	61.98 years			60.9 years		
Female	71.04 years			68.23 years		
Government Role	All hospitals are under the jurisdiction of the Ministry of Health			Centralized medical sector		
Hospital beds	1 per 125 persons (1994)			1 per 95 persons (1993)		
Physicians	1 per 288 persons (1994)			1 per 182 persons (1993)		

[@]CIA World Factbook estimate

[#]Official rate is 9.3% for 1998 (Government of Armenia Reports)

^{*}Includes manufacturing, mining and construction

^{\$}Defined as the ability of people over the age of 15 to read and write

10.0 APPENDIX 5: REFERRAL SOURCES

Referral-capture strategy options

Company	Market Served	
	Current	New
Current	Strategy A Market share growth <ul style="list-style-type: none"> • Referral sources • Patients • MGO 	Strategy B Market place extension <ul style="list-style-type: none"> • Same products • Same services • New markets • Geographically
New	Strategy C Diversification <ul style="list-style-type: none"> • Products • Services 	Strategy D Market ventures <ul style="list-style-type: none"> • New products and services • New markets • New people •

Referral development guide

Type	Target set	Marketing Approaches	Strategic Message
Consumer-direct	Self-referrer Patients (end-user) Family members Females	Sales Education Advertising Research Service	Ultimate patient satisfaction Care-ism before capitalism Enhanced quality of life
Business-To-Business	Physicians Managed care Health care providers Delivery systems Employers	Sales Education Advertising Research Pricing Competitive analysis Compliance Service	Strategic position Provider-of-choice image Innovative products & services Benefit-to-change pricing Profile-selling Partnership
Internal	Coworkers/Staff Departments Organizations Systems/networks	Sales Communication Education Compensation Consequences	Open-book Management In-time training Employee satisfaction Empowerment Partnerships
External	Community Influential Regulatory Government	Compliance Advertising Research Education Communication	Provider of choice image Care-ism before capitalism

Source: O'Malley, John F. "Capturing and Retaining More Referral Sources", Marketing Health Services, Vol. 20, No. 1 – Spring 2000

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