MARKETING MEDICAL RESIDENCIES IN FAMILY MEDICINE

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Abstract

This paper examines the application of marketing to medicine in an area where marketing concepts have not previously been applied - to recruiting and retaining residents. A case example is provided to illustrate the application.

Introduction

The many specialty areas of medicine in America engaged in graduate education have created an excellent educational system. However, the conditions under which this system developed are changing. With the possibility of a National Health Care system on the horizon and a shorter term perspective on the part of many young people, there has been a decline in interest in medical careers witnessed by a decrease in applicants to medical schools. At the same time the ability of the medical profession to offer graduate education is becoming greater each year. The current situation in some specialty areas is such that there are more residency positions than interested medical school graduates. Thus, the profession's capacity to supply graduate medical education is becoming greater than the demand. Competition between specialties and residency programs within specialty areas is increasing. In order to survive and prosper residency programs will need to develop "marketing" expertise to find, attract, and retain highly capable residents.

The thought that marketing might have relevance for the medical field, almost heretical only a decade ago, is gaining increasing acceptance today. It has been a mutual development, with marketing discovering the non-business sector as an area of interest, and with medicine facing new, multiple, and complex interactions with society demanding a shift in procedure. Gradually, although often grudgingly, the two fields have begun to cooperate. As a result it has become commonplace today to discuss ways for doctors to market themselves, to talk of "doctoring" and the "patient repair business" (Wickware, 1980).

However, in spite or because of the acceptance of marketing in the realm of the medical profession, we are running a new danger today. Marketing has been accepted by the medical profession in the context of facilitating the patient-doctor interaction. With this acceptance, marketing has been assigned its place, categorized, and become a "known" quantity. Here is where the danger lies! We are becoming so satisfied with the value of marketing for the doctor-patient relationship that we begin to see it as being important only for that area. A new attack of marketing myopia is coming about (Levitt, 1960). The broader view and applicability of marketing is being neglected, if not completely overlooked.

A Broader Concept of Marketing

As the material, technological, social, and cultural foundations of our society have experienced change over the years so have the "boundaries" of marketing.

In answer to the question "What is marketing?" a host of definitions have been offered:

It has been described by one person or another as a business activity; as a group of related business activities; as a trade phenomenon; as a frame of mind, as a coordinative, integrative function in policy making; as a sense of business purpose; as an economic process; as a structure of institutions; as the process of exchanging or transferring ownership of products; as a process of concentration, equalization, and dispersion; as a creation of time, place and possession utilities; as a process of demand-and-supply adjustment, and as many other things (Marketing Staff of The Ohio State University, 1965).

Perhaps the best approach to defining marketing is one that has been developed more recently. In searching for a generic concept of marketing, Kotler (1972) viewed marketing as "the set of human activities directed at facilitating and consummating exchanges."

Marketing viewed from this perspective improves in clarity and acceptability to the medical profession for several reasons: this definition specifies locating marketing "in the realm of human activities," distinguishing it from production or consumption. Marketing is seen as "directed at facilitating and consummating exchanges" which "can cover both the pursuit of transactions and exchange relationships." Transactions being a one time exchange while exchange relationships are of a more enduring nature.

Broadening the Application of Marketing in the Medical Profession

Marketing therefore has an overall applicability to every aspect of the medical profession in its interactions with people. Marketing relates to the perspective of the market, any market.

While different organizations may view the goals of marketing very differently, all organizations have the same types of marketing decisions to make. Marketing decisions can be classified into two major categories.

1) Marketing segmentation decisions, and
2) Marketing mix decisions which in turn are
   o product decisions
   o channel (distribution) and place decisions
   o promotion decisions
   o pricing decisions

Market Segmentation

The marketing decision process for a residency program, for instance, should begin with the identification or selection of customer (medical student) segments to develop a marketing mix. A "marketing
mix" is a blend of decisions to provide a marketing offer to the selected market segment. The concept of the marketing mix includes recognition that certain blends of product/service attributes, product prices, channels of distribution, and advertising and personal selling choices will produce greater customer satisfaction than other blends. For example, a Family Medicine Residency Program that is university based, located in the midwest, at a large state school, with a very demanding curriculum and rotations, paying a good stipend with liberal fringe benefits and having an outstanding faculty, may produce more satisfaction for residents from high caliber medical schools devoted to teaching and research than other available residency programs.

The first question of successfully marketing one's program is:

Who are our residency program's present and potential customers?

Defining a program's customers (residents) usually leads to rejecting several tentative marketing mixes and suggesting the comparison and possible use of a few candidate mixes.

Other questions then are:

How large is the organization's share of the market?

How many potential residents are part of the program's market segment?

Are there other market segments that would be better for the program to serve with marketing mixes different from the mix presently used?

What are the demographic characteristics of our residents?

Where and how do they learn about our program?

Who and what influence their choice decisions?

All these are market segmentation questions.

Marketing Mix

The marketing mix consists of the controllable variables which the residency program combines in order to attract and satisfy residents. Marketing mix differentiation is the process of attempting to differentiate a program's offering from the offerings of other programs competing for the same target market (pool of residents). The marketing mix is generally considered to consist of the variables of product, place, promotion and price.

The product decision area is concerned with developing the right "product" for the target market. This product may involve a physical product and/or some combination of services. In the residency program design it is everything from the buildings in which the training takes place to the stipend and benefits the resident receives.

The place decision concerns having the product available when and where the resident wants it. Geographic concerns play a large part in the residency program decision. The majority of medical students prefer to select a residency program in either the state where they live, went to medical school, or eventually hope to practice. The place decision also concerns whether all of a residency takes place at one facility or whether the resident attends a number of different activities at different locations.

The promotion decision is concerned with the method of communicating to the target market and the determination of the message to be communicated. Persuading the target market that a residency program is the right product at the right place is the job of promotion. Personal selling, mass communication, and targeted communications are complementary methods of communicating with residents. Personal letters and trips to visit schools with prospective residents, mass mailings of brochures or other direct mail are all examples of promotion techniques used by residency programs.

The price in the case of a residency program is the cost to the resident in terms of efforts, other opportunities foregone, and anything else the resident must put into or forego for the program. The "best" price is of course the lowest; however, only in the sense of equal value received. Therefore, there is often a high perceived correlation between price and quality. The residency program that is the most demanding (charges the highest price) may be perceived as the best in terms of value.

To aid in the continuance of a broader perspective of marketing, the actual application of the marketing concept to a residency program is briefly outlined below.

A CASE STUDY

The department of family medicine at a large midwestern university realized that in order to continue the success which its residency program sought to have, it turned to the marketing concept. Changing times required changes, but where?

Rather than resorting to short run solutions, such as simply raising stipends, it was decided to investigate the root of the problem by using a marketing approach.

The parties to the exchange process were clear—the school as "seller" of advanced education, the recently graduated medical doctors as "buyers" of advanced education. The issue was to bring those parties together in such a fashion that the university would attract and retain sufficient capable and motivated individuals into its program, and that the residents would want to come and stay in the residency program. A look at the market situation shows that nationwide there are more program openings than residency applicants; the resident's selection of a program therefore takes precedent over a program's selection of a resident. The complexity of the problem was compounded by the fact that family medicine is only one of many possible specialty choices available to the student.

Research Program

It was decided to investigate the market interactions of the participants in the exchange more closely. Research was initiated by conducting interviews and focus group sessions. The main purpose of this exploratory research was to gain more information about the process on the part of students in their choice of specialty and choice of residency programs. Several meetings with medical students and residents were conducted and transcribed. An analysis and interpretation of these meetings yielded various findings. First, both choice decision makers were found to contain influencers, e.g., professors and peers, and deciders, e.g., the student, family, the program.