K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077

Program: PGDM HCM *(Batch2018-20), Trimester IV*
Subject: Retail Management in Healthcare
(End Term Examination)

Maximum Marks: 50   **Date: 18/09/2019**
Duration: 3 hours

Instructions: **i) Question no. 1 & 2 are compulsory.**
ii) Attempt <u>Any Three</u> **from Q3 to Q6.**
iii) Use of simple calculator is allowed.
iv) Cell phone calculator is not allowed.

QUESTION 1   Read the case and answer the questions given below:
(12 Marks)

Vaidam Health

Currently focused on patients travelling to India, Vaidam Health allows users to research about doctors, hospitals, and treatment costs as well as read patients' stories on its platform.

Alumni of IIM Lucknow, Manish Chandra and Pankaj Chandna chose to leave the rat race behind, fuelled by the impulse of starting up on their own. They eventually settled on the healthcare sector, intent on establishing a business in the space after they personally experienced hurdles for surgery and advanced treatment.

When it comes to surgeries and advanced treatments, people often have queries around the best surgeons, hospitals, and cost of treatment. "One consults friends and family, local doctors, and the internet to discover this information. Almost everyone goes to the internet to find or validate. We could not find any credible platform that answers these questions," says 39-year-old Manish, who worked for 15 years in companies such as IRCTC e-ticketing, Agilent Technologies and British Telecom. Before starting Vaidam, Manish has worked with ShopClues as AVP (Products) for four years.

Thirty-five-year-old Pankaj has had a direct connection with healthcare, having worked closely with a vast network of doctors and hospitals in companies like Lybrate and DoctorOnCall, including a four-year stint in various hospitals in the US as a technology developer.

A massive, unaddressed opportunity
Given the existing challenges in the healthcare industry, the opportunity to make money is huge. However, Manish and Pankaj narrowed things down to the area of medical tourism and pored over research into both domestic and international markets.

According to a report by Grant Thornton, India's medical tourism market, which is valued at $3 billion at present, is expected to touch $8 billion by 2020. The industry grew at a CAGR of 15 percent during 2010-15. Despite its mammoth size, the duo realised that the market is unstructured, with too many small to medium-sized medical travel facilitators, and therefore

resorted to filling the gap.

The duo raised funds from 4CE Ventures (based out of Singapore) in March 2016 and officially launched Vaidam Health in May 2016. Vaidam aims to be the go-to place for people seeking treatment abroad. Currently, however, it is focused on patients travelling to India. The platform allows users to research about doctors, hospitals, and treatment costs and read patients' stories.

The process starts with the accessing of patients' reports and preferences and collating a set of opinions from various specialists along with cost. The patients then choose the doctor/hospital, and the Vaidam team assists with the visa, travel planning, and stay once the patients arrive in India. Says Manish,"We have understood that the patient is extremely focused on what he is looking for, and does not want to experience an information overload. Keeping that in mind, we are creating experiences on Vaidam.com. For example, with a self-help tool like 'Cost Estimator', we take a user's desired treatment and country as input and try to answer the top questions on his mind - treatment cost, total cost, best doctors, best hospitals, visa, airline."

Besides, they have created a CRM to manage patient cases and build personalised relationships with the patients. Manish informs that they reach out to patients through their website, digital marketing and concierge offline partners – healthcare professionals, insurance companies and the government. At present, Vaidam has more than 17,000 active members on Facebook.

MoUs with hospitals
Vaidam has signed MoUs with more than 70 leading hospitals in India and hosted patients from more than 20 countries, including from the African and Australian regions. It has also tied with partners in more than 10 countries, including Kenya, Ghana, Ethiopia, Nigeria and Fiji, for referring patients. Given Pankaj's hands-on experience with both doctors and hospitals, it wasn't difficult for them to convince hospitals to work with them.

According to Manish, Vaidam has so far given Rs 3 crore in business to the hospitals. He clarified that the cost of treatment they offer varies across hospitals, sometimes even by as much as 50 percent. Currently, the startup is working with three insurance companies abroad and is in discussions with the ministries of health of two countries for assisting the patients referred through the ministry.

Based out of Gurgaon, Vaidam has a 10-member team comprising doctors, software engineers, digital marketers, content writers and field operatives. Next year, the startup intends to strengthen channels in Africa and add new source countries in the Middle East, US, and the UK, from where a good number of people travel to India for treatment.

The medical tourism market
According to the Grand Thornton report, the cost factor together with availability of accredited facilities have led to the emergence of several global medical tourism corridors, such as Singapore, Thailand, India, Malaysia, Taiwan, Mexico, and Costa Rica.

Grabbing a combined 34 percent market share, Bangladesh and Afghanistan dominate the Medical Value Travel (MVT). Africa and the Gulf Cooperation Council (GCC) and Commonwealth of Independent States (CIS) regions offer the maximum opportunity for the Indian healthcare sector. Focusing on the India, the report mentioned that Chennai, Mumbai, Andhra Pradesh, and the National Capital Region (NCR) are the most favoured medical tourism destinations.

Among the few companies that have leveraged the growing opportunities in medical tourism in India is PlanMyMedicalTrip.com, a Pune-based solutions provider for anyone looking for affordable medical services and the necessary infrastructure at hospitals that best address their concern. Recognised by the Ministry of Tourism, Medi Connect India is another company that arranges communication between the doctor and patients through phone, helps with visa assistance letters from the hospital and the doctor to procure an Indian visa and more. Even Prime Minister Narendra Modi has launched IndiaHealthCareTourism.com, which provides guidance to patients looking for multiple treatment options in India.

Questions:
   i)   Conduct a SWOT on Vaidam Health.
   ii) Give your critical view and analysis on the Vaidam Health's platform.

QUESTION 2   **(8 Marks)**
   a) A pharmacy store buys 28 medicinal strips at $342 per dozen. If the markup on selling price is 52.5 percent, what should be each strip's retail price?

   b) Explain Markup & Markdown pricing along with formula.

   c) An item was marked down to $19.99 from its original retail price of $29.99. What is the reduction markdown percentage for this item?

   d) Distinguish between GMROI & GMROF.

QUESTION 3   **(10 Marks)**
Explain **Any Three** retail marketing mix elements from healthcare perspective with suitable examples.

QUESTION 4   **(10 Marks)**
Give a brief account of Indian Pharmaceutical Market in India. State points of difference between Online Vs. Offline Pharmacy with relevant examples.

QUESTION 5 Distinguish between **Any Two** of the following, along with relevant examples.
                                                                                (10 Marks)
   a) Speciality Vs. Supermarket Store
   b) Primary vs. Secondary Healthcare Retail Clinic
   c) Loop Layout Vs. Free-Flow Layout

QUESTION 6 Write short notes on **Any Two**:   **(10**

Marks)
   a) Category Tree for Allopathic Products
   b) Reverse Logistics
   c) Parasite Store
   d) Trade Area Analysis

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