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LIFETRON HOSPITAL: IN SEARCH OF THE RIGHT SERVICE MARKETING STRATEGY

It was the seventeenth of June 2016. Walking briskly to the Lifetron Hospital in the wee hours of a cloudy morning, Dr Nidhi Bhatnagar learnt of the tragic death of a patient. Dr Nidhi Bhatnagar (Nidhi) a senior Gynecologist and Managing Director of the hospital looked devastated. She had spent the entire night struggling to save the patient - a woman referred to Lifetron from another hospital in a critical condition. The loss of life was no small defeat to deal with even for a doctor. What saddened her was that the patient had died due to mishandling by her referring hospital and worse she seemed to have been financially exploited also. Why? Was a thought that ran through her mind? Why do patients not come directly to Lifetron? It had good infrastructure, the best of doctors, affordability and accessibility and clearly a hospital that offered services on par with international standards- way above several others. It was also a hospital established primarily to provide affordable healthcare to the bottom of pyramid patients. So why was Lifetron missing in serving the under-served poor customers in Kanpur?

This case was written by Professor Ramendra Singh, Prof. Prabhat Dwivedi, and M Rao. The case was prepared solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation.

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It was the why that got Nidhi thinking. Why did the hospital not get patients from its prime target segment while competitors were comparatively better off? Why were only critical patients referred to Lifetron? Perturbed both pondered on what to do. After several hours Nidhi decided that the best way to get answers would be to conduct a survey to understand the problem at a grassroots level. The results of the survey when it came was insightful and yet stunning. The survey revealed two clear alternative strategies and here in lay the dilemma. One strategy was a tried and tested one and currently practiced by others, successful in achieving short term goals and seemed promising and most important, acceptable. But to the other promoter this strategy seemed myopic, transient, unethical and incompatible to the hospital's vision and mission. The question before her was how to resolve the dilemma and which strategy would be the best for Lifetron.