

Solving for Aravind Eye Care

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1.0 Executive Summary

India has a large and ever-growing population, among which many suffer from social and medical ailments such as blindness. India is home to more cases of blindness, per capita, than any other industrialized nation today (Gupta, Tandon, Gupta, Sreenivas, & Vashist, 2013). In order to combat this problem, Dr. Govindappa Venkataswamy (Dr. V) founded the Aravind Eye Hospital, in Mandurais, India, in 1976 (Rangan, 2007). Aravind is a private, non-profit eye hospital, which provides many types of eye surgeries and screenings, with the overarching goal of providing quality care at a reasonable cost. There are currently seven Aravind locations in southern India which many travelers commute to from all over India with the intent to receive eye care from Dr. V's team of eye-care professionals. However, Dr. V's vision was much greater than treating only those living in India. In fact, Aravind's mission is to eradicate all unnecessary, treatable blindness in India, Asia, Africa, and the world (Rangan, 2007). In order to fulfill this mission, there is a need to implement marketing strategies and promotional campaigns to capture the remaining, untapped 60% of the Indian market as well as underserved areas around the globe (Rangan, 2007).

To achieve global reach, Aravind will need to pursue cross-promotional relationships with other charitable organizations. This will both increase the marketing platform for Aravind, and improve the lens product that is currently assisting Aravind's bottom line. By utilizing marketing strategies, Aravind can capture up to 1,200 more paid surgeries, sell their current full production line of 30,000 intraocular lenses (IOL) annually, and continue to invest towards strengthening the brand of Aravind around the world. Based on research and analysis, Aravind can increase market share in paid eye surgeries and capitalize on IOL product sales (Rangan, 2007). Our methods and strategy recommendations will expand Aravind's global reach and to enhance the Aravind business model.

2.0 Situation Analysis

The purpose of this marketing plan is to develop strategic initiatives for the expansion and outreach of the Aravind Eye Hospital. With India's population of 1.2 billion (CIA World Fact Book, 2015) and an additional two million blind eyes annually, there is a growing need for service oriented care and intentional marketing strategies. However, such intentionality does not come without a price, and the growing poverty in India, Asia, and Africa will continually challenge Aravind to stay profitable enough to continue providing free care for the needy.

2.1 Market Summary

The market summary for Aravind will include discussions of the market demographics, needs, trends, and growth. This summary will also include projections for the market demographics and target markets.

2.1.1 Market Demographics

While the mission of Aravind is to serve all individuals in need of eye care, there are specific demographics that are more susceptible to blindness. While not an all-inclusive list, these areas should be of particular interest to Aravind:

- **Older Adults.** More than 82% of all individuals suffering from blindness are over 50 years of age or older (World Health Organization, 2010). This age range accounts for more than 15% of the surveyed population in undeveloped countries and more than 30% of the population in developed countries (United Nations, Population Division, 2003).
- **Females.** By holding age constant, the WHO (2002) estimates that the ratio of female to male prevalence of visual impairment ranges from 1.5 to 2.2.
- **Undeveloped Countries.** In 2002, developed countries accounted for an estimated 3.8 million of the global 37 million blind individuals (World Health Organization, 2010). The remaining 33.2 million blind individuals in undeveloped countries represent a growing global need.
- **The poor.** Of the 20 million blind eyes in India, 70% are thought to be below an annual income of Rs. 2,500 (\$100). While this socioeconomic group does not provide Aravind with the revenue necessary to continue operations, they are the target demographic for Aravind's primary mission of serving "every nook and corner of India, Asia, and Africa; wherever there is blindness, we want to offer hope".

2.1.2 Market Needs

Aravind's mission demands certain aspects of the market to be consistent. While there are many aspects that can affect Aravind's model of care, a few of them are discussed below:

- **The poor.** Similar to being a key market demographic, the poor market segment is also a key market need for Aravind. Their mission to serve and support the poor and visually impaired is useless without a reachable market for which they can serve. Conversely, the poor have a legitimate need for eye care and often cannot afford to pay for it.
- **Quality Care.** Aravind needs paying customers in order to stay in business. Without this market segment, they simply will not have the capital to sustain operations. Therefore, it is essential that they continue to provide competitive and quality services that will entice business from individuals who can pay and could seek care elsewhere. Quality care also includes the medical infrastructure that was described as "woefully inadequate" (Rangan, 2007).
- **Education.** A critical component of spreading good eye health is educating the general population on how to keep their eyes healthy. Aravind must include education as a critical

component of their marketing strategy to meet specific market needs. Additionally, there is a need to educate the population that free care is available. As Dr. V accurately stated, “We could get only 14 surgery cases from a catchment population of nearly 100,000! Something is not right.”

2.1.4 Market Growth

Aravind’s competitive advantage of efficiency with cataracts surgery is well aligned with a growing market. With an additional 5 million annual new cases of blindness due to cataracts, their supply of potential customers does not have a foreseeable end (Isaacs, 2004). Simply by expanding into northern India, Aravind could tap into the 20 million nation-wide blind eyes that are growing at a rate of two million annually. However, the potential market in this case is not the issue; the customer base is growing, and Aravind offers a high quality product with growing brand awareness. Rather, the ability to reach and educate the potential customers as well as stay financially viable must be the focus.

2.2 SWOT Analysis

The below SWOT analysis briefly describes the strengths, weaknesses, opportunities, and threats that are currently facing Aravind Eye Hospital.

2.2.1 Strengths

Aravind is a highly efficient, low-cost healthcare model built on the specialization of individuals to complete a specific task. This lack of generalized responsibility allows each technician to become highly proficient within his or her area, similar to that of an assembly line. Additionally, the global acceptance of Aravind’s mission is a critical component of their continued success. The charitable mindset across the globe will attract service-minded individuals and help to expand the brand globally. Vertical integration is a strength of Aravind as it relates to cutting costs; however, much work needs to be done to improve the production process of the Aravind IOLs.

2.2.2 Weaknesses

Aravind must improve on the production process of the IOL to make it competitive in the global market. Despite the 50% defect rate being on par with other imported lens, the IOL lab is an opportunity to differentiate their products and increase brand recognition and loyalty. While Aravind’s refusal to leverage their mission is admirable, it misses an opportunity to allow other organizations to collaborate with them in serving the poor and those in need of eye care. Lastly, their heavy reliance on paying customers to fund the rest of the organization is risky and demands that the Aravind quality of eye care stays competitive enough to draw in paying customers.

2.2.3 Opportunities

Expansion is a necessity, not only to meet the needs of the customer base in India, but also to fulfill Dr. V's mission to expand throughout the globe. Two potential continents identified for possible expansion areas were Africa and Asia. As discussed above, there is a global customer base in need of eye care; however, it is worth noting that cultural considerations are necessary. One opportunity for expansion is alliance with Engineers Without Borders. Not only can their organization help to build the infrastructure necessary to meet the needs within India (and abroad), it also offers brand recognition globally that can help forge new partnerships. Another opportunity is a cross-promotion with BioLite®. BioLite® serves a similar population of low-income individuals across the globe. Such a partnership would not only help with marketing, it would help to develop a more comprehensive outreach program and a broader vessel for which other organizations can support.

2.2.4 Threats

Despite being a service-heavy organization, Aravind must remain competitive within the private market in order to continue operations. Competition with other private organizations poses a threat to taking Aravind's potential paying customers. Additionally, the success of the Aravind model could prove to be specific to the culture of the southern Indian region. Expansion beyond this catchment area could result in significant expenses that cannot be covered by either grants or revenues.

2.3 Competition

Due to identical customer bases, the government sector which sees roughly 30% of all cataract surgeries in India, and which has 425 different hospitals located throughout the country, is a source of competition to Aravind. The private sector, which accounts for another 40% of surgeries, is perhaps the greater competition within the country. The private sector competes for customers who cast their vote on quality and convenience with their money. Aravind must continue to compete with the private sector by maintaining or improving on quality and building more physical locations in India. Lastly, global organizations that provide eye care in and around the region pose competition to Aravind.

2.4 Product Offering

Aravind's primary product is quality eye care for both the paying, and the poor, customer who receives their care for free. The eye care is provided in three major facilities: a 600 bed facility in Madurai, 400-bed hospital in Tirunelveli, and a 100-bed hospital in Theni. The major focus of Aravind is to offer surgery for cataract induced blindness. Additionally, Aravind has introduced an IOL factory that can manufacture the IOL implant necessary for ECCE surgery. This product is not specific to Aravind and can be exported to other countries in need for the product for a profit.

2.5 Keys to success

In order to stay viable, Aravind must spread their focus across many sectors. However, the following two areas are where they should divert the majority of their focus:

- **Financial Viability.** Aravind's mission is admirable, but they must ensure that they maintain financial discipline in their marketing and business strategies. Overextending, overproducing, or ignoring revenue generating opportunities could spell the end for the company. They must also be mindful of their cost drivers and ensure that their revenues and internal controls are such that they can remain in operation despite a poor expansion decision or seasons of high charitable care and low income.
- **Quality.** Quality will be a key component for competing with other private organizations for potential eye-surgery patients. Aravind must differentiate their product by providing superior quality through their expertise, infrastructure, and organization as a whole.

2.6 Critical issues

The medical infrastructure is not sufficient to meet current customer demands. Prior to expanding into new regions, Aravind would be wise to ensure that current facilities could handle the influx of patients should an effective marketing strategy be deployed. Additionally, the small physical footprint of Aravind leaves their mission of global reach as purely a fantasy. Global reach will only become a reality when Arivind has taken their place within every community throughout the world. They must seek expansion both in terms of their recognition as well as in terms of their physical presence in other continents and countries, namely: India, Africa, and Asia.

3.0 Marketing Strategy

Aravind Eye Hospital will seek to leverage an integrated approach, combining a cross-promotion with BioLite® stoves and strategic partnerships with non-profit, faith-based, and other service-oriented organizations in order to realize Dr. V's vision to eliminate blindness in "every nook and corner of India, Asia, and Africa." The cross-promotion with BioLite® forms our patient-centric marketing campaign, while partnerships with other service-based organizations enhance our ability to expand our services into new markets.

3.1 Mission

Aravind Eye Hospital's mission is to eliminate needless blindness by providing compassionate and high quality eye care for all through extending the reach of quality eye care to the poor and needy. They pursue this mission through active community involvement, screening camps, and IT enabled Vision Centers in rural areas. Furthermore, their mission is achieved by developing ophthalmic human

resource, research, evolving methods to translate existing evidence and knowledge into effective action through teaching, training, capacity building, advocacy, making high quality ophthalmic products affordable and accessible worldwide, and by reducing corneal blindness through eye banking activities, training, research and public awareness programs.

3.2 Marketing Objectives

- Push Aravind service information along with a customer-service phone number to a prominent place on BioLite® stoves. The objective of this partnership is to promote brand awareness globally and expand global reach.
- Build partnerships with Engineers Without Borders, the American Society of Civil Engineers, and other like-minded organizations to align project priorities in India, Asia, and Africa to build low cost, high-quality eye-care capabilities in targeted areas.
- Build partnerships with Doctors Without Borders, the World Health Organization, the American Ophthalmological Society, the American Academy of Ophthalmology, the Association of American Medical Colleges, and other like-minded organizations to facilitate CME/GME opportunities, as well as surge-capacity eye care in areas of need.
- Build partnerships with other Indian states, as well as Asian and African countries, to ensure sensible regulations exist. Aravind must set the bar for standards of care.

3.3 Financial Objectives

- Through optimization of eye camps feeding more surgical candidates to Aravind hospitals, increase surgical revenues to 25,000,000 Rs.
- Through manufacturing partnerships with Engineers without Borders, improve quality of yield of IOLs to decrease costs from 200 Rs. to 50 Rs. Along with a modest increase in sales price, improve revenues to 500,000 Rs. in two years.
- Build and staff an Aravind-style eye hospital in the Sri Lankan state within two years.
- Grow charitable donations from wealthier, more developed countries by 5%.

3.4 Target Markets

Our target markets include two broad categories: patients and service-oriented organizations. Through a cross-promotional marketing strategy with BioLite® stoves, we will be targeting potential patients and the caregivers of potential patients. There are 20 million blind eyes in India, yet Aravind has only been able to perform 115,000 surgeries to correct this problem. This marketing effort will help to close that gap simply by educating the patients and caregivers of their options. Our

relationships with other service-oriented organizations will help us expand the Aravind model, sustainably, to other areas of India, and eventually into Asia and Africa.

3.5 Positioning

Aravind is an organization providing excellent quality eye care to all those in need, regardless of their ability to pay. Aravind provides ophthalmologists from all over the world with unique training and education opportunities.

3.6 Strategies

Aravind will form a cross-promotional relationship with BioLite® which provides biomass-burning stoves that also generate electricity. This cross-promotion is applicable in India due to the projection of 97% cell phone market penetration by 2014 (Rebello, 2010) as well as the connection of bio-fuels and blindness (Mishra, Retherford, & Smith, 1999). As such, BioLite® stoves serve two main purposes: a safe method for heat for cooking and electricity to charge cell phones. Aravind seeks to connect the needs for safe heat and electricity with information regarding eye health and Aravind services. Promotions will list phone numbers for potential patients to call, indelibly printed, or stamped on all BioLite® stoves intended for sale in India and abroad. Since the stoves are relatively efficient, they also form an eye health disease-prevention program, as cataracts are associated with bio-fuels. BioLite® has an additional service mission, which aligns well with Aravind.

Aravind must also seek partnerships with Engineers Without Borders, Doctors Without Borders, the World Health Organization, and other service organizations. Specifically, Engineers Without Borders has released transparency reports regarding the long-term failure of several of their projects. We believe that a partnership with Aravind will capitalize on their ability develop new global footprints, while Aravind maintains that capacity and service over the long term. Furthermore, Aravind is expecting to improve AuroLab's output from a 50% defect rate to a 25% defect rate. This improvement barely gets AuroLab past the one sigma (standard deviation) level of defects; Engineers Without Borders may be able to improve output, further lowering costs/improving profitability. The associations with physician organizations enhance training and education opportunities, while also permitting planned surge capabilities of surgeons around seasonal variances.

3.7 Marketing Program

Aravind's marketing program is comprised of pricing, distribution, advertising/promotion, and customer service.

- **Pricing.** This will be based on a per-product retail basis for the IOL, on a per-procedure basis for patients who can afford to pay, and free for those patients who are unable to pay.

- **Distribution.** Direct to consumer via the BioLite® stoves; direct to targeted service organizations to grow capacity.
- **Advertising and promotion.** Patient-centric advertising will consist of information and a phone service number, while maintaining current grassroots community-based marketing. Direct-call, email promotions, and booths at professional meetings will be used to reach other service-oriented organizations.
- **Customer Service.** Aravind has a record of accomplishment regarding low cost, high quality outcomes, and will not compromise the service ethos that has brought sight to the blind, and hope to the hopeless.

3.8 Marketing Research

Grassroots efforts to organize eye camps have been the predominant method of marketing for Aravind, in the past. Aravind will continue these efforts, but in light of the growing use of cell phone usage (approximately 97% as of 2014), we have identified a strategic partnership to help grow brand awareness among patients with BioLite® stoves. These stoves are also growing in popularity in India, as the heat generated is used to both heat meals using any available form of biomass, while also generating electricity that can charge a cell phone. As the stoves are more efficient than an open fire, there is less fuel emissions, which is associated with cataract formation. Getting Aravind information, including a patient call-center phone number for potential patients and/or caregivers on the BioLite® stoves will dramatically increase awareness of Aravind services.

India is a large country with a predominantly rural population that is subject to the whims of seasonal variances, such as the monsoon season. Partnerships with physician organizations will help plan surgical surge capacity around seasonal demand variance, to match surgeon supply with patient demand.

Aravind is currently close to capacity at existing hospitals, and needs more capital than Aravind can generate to build, staff, and market new hospitals. Partnerships with other service organizations create new opportunities to create those new hospitals. Since charitable organizations are increasingly coming under scrutiny to show the benefits of their projects, partnership with Aravind will again create mutual benefits. Engineers Without Borders has the capital to build new hospitals in critical areas identified by Aravind, while Aravind has the intellectual capital to staff, maintain, and manage care.

4.0 Financials

Assuming that the intended marketing plan is successful, Aravind eye-camps will likely receive an influx of patients. The increase in number of surgical candidates towards the hospitals should increase surgical revenues to 25,000,000 Rs.

By creating cross-promotional relationships with Engineers Without Borders and BioLite®, it should be possible to increase both revenues and the quality of the IOL. The increased physical footprint of Aravind hospitals will not only increase revenues, but also put Aravind on an exponential growth within 10-15 years, culminating in market saturation within the Asia, Africa, and Indian markets. The partnership with Engineers Without Borders would help to keep expansion costs low. Growth of the *gratis* surgery options could increase revenues by up to 30,000,000 Rs.

5.0 Controls

Aravind will monitor revenue and expenses monthly to ensure the marketing plan meets performance objectives; influxes in cost must be tightly scrutinized. Community outreach teams will ensure BioLite® and Aravind are separate companies with shared goals. Aravind issues ten minute prepaid cellular phone cards only after a cellular referral patient has received surgical care.

5.1 Implementation

Establishing Aravind's cellular outreach network is essential to improving the scope and efficiency of community eye camps. Aravind will assist Biolite® with integrating product demonstrations at locally sponsored eye camps. Synchronizing hospital operations, community eye screening, IOL production, and cellular outreach programs is essential to maximizing patient capacity.

5.3 Contingency Planning

Aravind assumes risk in relying on volunteer organizations to expand hospital facilities and improve IOL production methods. Collaborating with Biolite® poses a risk if the product fails to achieve significant market share in India and other emerging markets. Growing costs and decreased outside financial support (currently 10% of revenues) describe a worst-case scenario for Aravind. Large-scale latent defects in IOLs produced at the AuroLab could greatly affect internal revenues.

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