

Chapter 15

Customer Strategy

Definition in Elderly Care: Understanding Customer– Focused Care Expectation and Managing Resource Allocation

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ABSTRACT

With an aging global population, it is important that clinicians empower their patients. Empowering the patient-physician interaction leads to a more positive health outcome. This chapter discusses the potential of adopting Customer Relationship Management (CRM) as a way of guiding non-critical care services (i.e. linking the problems of customer-focused care expectation and resource allocation management). Implementation of CRM solutions would create value for patients by supporting trust and service creation; however, the chapter highlights a need for a common and systematic way to implement CRM solutions in the healthcare domain.

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1. INTRODUCTION

In the UK, the number of people aged over 65 increased from 8.4 million people in 1981 to 10.2 million people in 2011; causing a shift in the median age from 35.4 years to 39.7. Indeed around the world, the 85-and-over population is projected to increase 151% between 2005 and 2030 (Cook and Halsall, 2012). Between 2010 and 2035 the median age is predicted to rise to 42.2 years (ONS, 2012). Hancock et al. (2003) stated that in the next fifty years the number of people in the UK aged 85 and older would also increase by over two million. There is, therefore, a growing need for appropriate care provision for the elderly. This problem is compounded by the fact that local authorities are being forced to limit resource allocation for use in care provision (Bathurst, 2011).

Dahlgaard et al. (2011) suggested that the three aims of healthcare are: providing care, enhancing health, and maintaining low costs; however the question of what care is needed, and how this can be provided with ever reducing resources, still remains. There are various levels of care, i.e. home care, care-homes, nursing home and hospitalised care, yet what decides the level of care that is provided to the individual? Is it cost? Is it safety? Is it physical demand (i.e. whether the elderly person physically be at home)? Or is it level of resistance (i.e. if the individual doesn't want to leave their own home)? The level and type of care services offered to specific individuals care needed should match care needs, yet prioritisation of care is critical in light of limited resource allocation.

Local Authorities in the UK are responsible for the allocation of financial resources with regards to care spending, and with the reduction in spending proposed by the UK government, current insufficient services are going to be further reduced (Altmann, 2011). Age UK (2011) found that 61 out of the 139 councils surveyed are creating savings by increasing or producing new charges on social care provision including home

help or day care centres, which are paid for by the individual. Since individuals and/or families are being asked to pay top-up fees, a trend is emerging of customer empowerment (Ouschan et al., 2006). Interestingly MacStravic (2000) found that, if managed, patient empowerment could aid healthcare organisations more than consumers; since patients are often happy to spend their own money to gain additional or customised treatment; supporting the argument that a customer-centric philosophy is essential to the development of new innovative products and services through by identification of customer problems and needs (Dahlgaard-Park & Dahlgaard, 2010). Michie et al. (2003) showed that empowering the patient-physician interaction leads to a more positive health outcome, and is view held by globally many as a chance to lower excess healthcare costs and optimise healthcare outcomes (Vernarec, 1999). To manage empowerment, and to allow residents' medical and personal needs to be identified (Berglund, 2007), we suggest the adoption of CRM (Customer Relationship Management) as a way of guiding addition care provision.

Customer Relationship Management, in the context of elderly healthcare, is a strategic dialogue with individuals / residents / patients, i.e. significantly stakeholders, through a customised delivery of services and care, to ensure that each patient / resident gains the highest value of care (i.e. care benefits with the least sacrifice), whilst maximising the profitability of the care organisation. CRM solution implementation is fast becoming a survival tool in heavily user-centric domains. By capturing the correct information about care individuals/residents to support service provision, CRM solutions can be used to create value for patients by supporting trust creation (Oinas-Kukkonen et al. 2008), and the building of long-term relationships (Sun, 2001).

Customer Relationship Management, if managed and implemented correctly, can enable businesses to develop a competitive advantage via specialisation (Kasim and Minai, 2009). The

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