

Medical, dental and rehabilitation tourism are all about substituting a known local or regional supplier for an unknown. For every medical tourism business, the suppliers ask consumers or self-insured unions and employee benefits buyers to substitute a known local supplier with an unknown brand or a known center of excellence. The only case where this is not always true is in the middle of a “healthcare desert” where there are no sources of local or regional care or access challenges. A substitution analysis is the litmus test of medical, dental and rehabilitation tourism. If you don’t think you can sway the market to substitute your offer in place of a known supplier, you should probably rethink your product strategy and market penetration strategy. You may be setting up a product for which there are no customers or for a scenario where the market is insufficient to sustain business profitability and operations.

SUBSTITUTION ANALYSIS

Analysis of Substitution Drivers

1

UNDERSTAND THE CUSTOMERS' PROBLEM(S)

- Access to care
- Distance to care
- Access delays
- Availability / legality of desired procedures
- Affordability
- Anonymity
- Clinical trial

2

EXISTING SOLUTIONS?

- Which options are currently available?
- Why would buyers switch or choose your option over all others?
- Is the problem permanent or temporary?
- Does your substitution offer something better or different in a meaningful way?

3

NEW SOLUTIONS?

- Does the same solution apply to different buyers?
- Is there room for another option?
- Is the new option differentiated?

4

EVALUATE RISKS

1. How many must switch to be profitable?
2. Over what time period?
3. What is the one thing that will drive your prospect to choose an unknown provider, facility, brand or destination?