

PALLIATIVE CARE: A MARKET NICHE FOR NONPROFIT ORGANIZATIONS IN CROATIA

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Abstract:

Palliative care is meant to provide the highest possible quality of life to terminally ill people. The importance of palliative care is globally growing due to long term demographic, economic, social and technology trends. There is, however an increasing gap between available service and identified needs in many countries, including Croatia. Palliative care in Croatia, although well legally regulated, is limited with insufficient financial resources within the public health care system.

The aim of this paper is to analyze the implementation of marketing concept and strategy in nonprofit organizations dealing with palliative care. Qualitative research has implicated that such an approach can contribute to better organizational performance. Research methodology consisted in a literature analysis and the application of a questionnaire in some Croatian social enterprises.

Keywords: *palliative care; nonprofit organizations; marketing; Croatia*

CUIDADOS PALIATIVOS: UN NICHOS DE MERCADO PARA LAS ORGANIZACIONES NO LUCRATIVAS EN CROACIA

Resumen:

Los cuidados paliativos están llamados a proporcionar la mejor calidad de vida posible a enfermos terminales. La importancia de los cuidados paliativos está creciendo globalmente debido a las tendencias demográficas, económicas sociales y tecnológicas a largo plazo. Hay, sin embargo, una creciente brecha entre el servicio disponible y las necesidades identificadas en muchos países, incluida Croacia. Los cuidados paliativos en Croacia, aunque legalmente bien regulados, están limitados por los insuficientes recursos financieros dentro del sistema de cuidado de la salud pública.

El objetivo de este trabajo es analizar la implementación del concepto y estrategia de marketing en organizaciones no lucrativas relacionadas con los cuidados paliativos. La investigación cualitativa ha implicado que tal enfoque puede contribuir a un mejor desempeño organizativo. La metodología de investigación consistió en un análisis de la literatura y la aplicación de un cuestionario en algunas empresas sociales croatas.

Palabras clave: *cuidados paliativos; organizaciones no lucrativas; marketing; Croacia*

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1. Introduction

Long term economic, social, demographic and technology trends significantly impact the level and scope of individual and social needs in every society. Global trends in Western world include intensive technological development that contributes to the quality of life by making many products and services available to individuals and groups, increasing purchasing power that results in growing demand in terms of both quantity and quality of different public sector services, aging population that creates new demand structure of numerous products and services, and disintegration of large, multi-generation families as basic social units that traditionally have created various aspects of support to elderly family members.

One of the public sectors hit by those changes is the health sector. According to Berkowitz (2010), health care industry today is characterized by a complex structure such as primary care satellites, integrated delivery systems, managed care plans and physical-hospital organizations.

As technology changes, patients demand a greater value and the competition level increases, the more important it becomes to apply marketing principles in health care. There are important differences between medical context and other contexts of consumption (Crie and Chebat 2012), somehow performing like a syllogism:

- on the one hand, a patient is not a regular consumer;
- on the other hand, health is not a good, but a state or process in which psychology, ethics, compassion, empathy and solidarity are the reference values; and
- therefore, marketing application in this field is rather specific.

Within the health sector, and due to the above mentioned trends, we are witnessing a dramatic growth in the palliative care importance. Despite the advance of modern medicine, many illnesses continue to evade cure. Cancer, neurologic disorder, AIDS and similar illnesses are the most common in late adulthood and old age, but can occur in all ages. When cure is not possible, the relief of suffering is the cardinal goal of medicine. Recognition of this axiom is at the heart of the philosophy, science and practice of palliative medicine.

Palliative care importance has grown as there was a recognized need for a systematic and comprehensive approach in order to ensure that all specific needs of patients at the end of their life are met (Hanks et al. 2009). There is a growing evidence of increased palliative care development around the world, but mostly in high developed countries. According to web published data for the USA, 75% of all costs of the health sector are due to chronic diseases, and 25% of individual health costs occur in the last year of life.

Such a situation usually widens the gap between the need and the ability of the government, i.e. public health sector, which resources (material, financial, human) cannot follow the dramatically growing need.

What usually happens in a market economy is, on the one hand, the recognition of business opportunity in the private sector (medical sector entrepreneurs that fill in the gap of high purchasing power population market segment). On the other hand, there are initiatives from the non-profit sector aimed at easing the burden of the average and below-average income population in different conventional (medical personnel volunteering) or alternative ways (educational workshops, psychological and /or physical support and help, etc.) in caretaking of the terminally ill patients.

The aim of this paper is to present a case study of the non-profit organization involved in palliative care in Croatia. The case shows how the implementation of some simple marketing tools like definition of marketing program, PEST and SWOT analysis and other can provide a significantly higher service quality of palliative care, not only for clients, but also for other stakeholders, namely volunteers, donors and the local community.

2. Palliative care in the world and in Croatia

Palliative care is meant to provide the highest possible quality of life to terminally ill people. The most important topics in palliative care are (Lorenz et al. 2008):

- preventing and treating pain and other symptoms;
- supporting families and caregivers;
- ensuring continuity;
- making informed decisions;
- attending to emotional well-being;
- -sustaining functions; and
- surviving longer.

A few of these topics are not necessarily connected to professional medical care, but can be provided by anyone trained to perform them.

According to Dimian and Ohlsson (2011), palliative care services, can be segmented into three broad categories:

i) *Day care*, that includes patients who are able to walk or move with help of a wheelchair. They are brought to a hospice centre where they interact with fellow patients and participate in adequate activities, from art to physiotherapy.

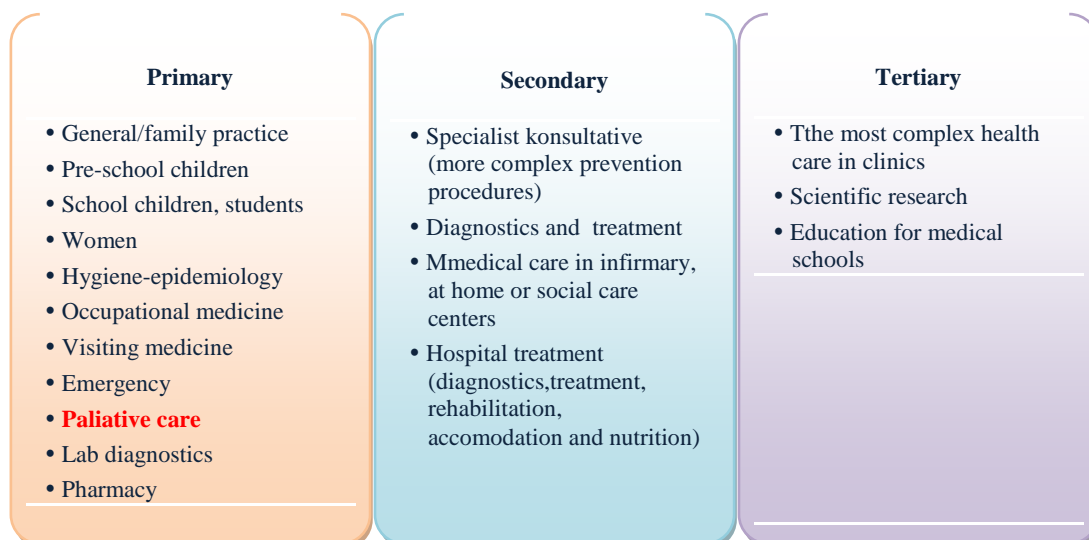
ii) *Home care*, which is a service for patients in a worse condition, but family members being able to take care for them at home. Medical personnel are sent to their homes to help them with pain or other difficulties and prescribe treatments.

iii) *In-patient care*, which is focused on patients that need close monitoring and therefore often live in the hospice care centre, if it is available. Doctors and nurses are there to provide regular medical attention.

In year 2012 altogether 1299 (31%) of all hospitals in the USA had integrated a palliative care program, in comparison to only 632 hospitals with such programs in year 2000. However, the palliative care patterns developed in USA and UK are very expensive and the cost of the service alongside with complex regulations are said to be the major barriers for improving the quality of care (Ten Have and Janssens 2001). Therefore, there is often the need in less developed countries to adopt a public health approach in order to reach all or more of those in need.

According to Payne (2010a, 2010b), the majority of caregivers for terminally ill patients in Europe are family members. They are often subject to different negative impacts such as social and mental health (from physical injuries, over emotional suffering to psychological distress), impact on family communication (need to develop specific communication skills to effectively communicate with medical professionals, dying family member and among themselves), negative social impact since long period of caregiving is usually an isolating experience, and negative impact on their work and finances since part of their working time is spent in care-giving. The family members can also be helped by providing physical, psychological support, information, education etc.

Although different educational programs, seminars and conferences have occurred ever since 1994, contemporary development of palliative care in Croatia is marked with the foundation of the Regional Hospice Centre in 2002 in Zagreb by a nonprofit organization. The legal framework for palliative care, the new Health Care Law, was promulgated a year later and listed palliative care as one of the health care measures and included it in primary level of health care as it is shown in Figure 1. It also included a prescription that palliative care must become a part of all public health care institutions. However, it is still not implemented, and neither is there a national health policy for palliative care created (Brkljačić 2007). Just in January 2013, the first palliative care centre and hospice was opened in Rijeka. The major investor and provider is *Caritas*, a humanitarian non-profit organization of the Catholic Church. Nevertheless, most of the terminally ill patients that require regular medical attention are kept in regular hospitals, often getting unnecessary treatments and representing a heavy financial burden for the institution.

Figure 1. Structure of Public Health Care System in Croatia

Source: own elaboration

Since 2003 Zagreb Health College offers an optional course on palliative care for its students, and only government official field project in this context was the establishment of organized house calls in 2004, but only in Zagreb, the capital city. Croatian researchers agree that at the moment the resources required to satisfy the need for palliative care are inadequate (Brkljačić et al. 2009). This is very clear if we analyze the demographic data, as almost 17% of Croatian population is older than 65, which makes Croatia an “old nation” according to UN parameters (World Health Association 2013). There is also a growing trend of single households as well as an increasing size of population suffering or dying from malignant or other chronic diseases, some 284.8/100,00 (Znaor 2011).

Extensive research conducted in 2007 and 2008 in 7 towns in Croatia and consisting of 1564 citizens and 789 health workers also confirms the statement of inadequacy of existing palliative care (Brkljačić et al. 2009). Altogether 55.5% of respondents in this research filled out completely the questionnaire and 37.1% mostly agreed that there is an evident need for organization of palliative care system. Over 43% of them thought that terminally ill patients are currently given a little attention and over 13% indicated that they receive no attention at all within the existing public health system. Estimations on annually deceased in Croatia are that out of 52,000, some 30,000 needing palliative care. The Ministry of Health promised to establish five palliative care centres in Croatia by 2015, but nothing is done up to now, due to financial constrains. Osijek is the first town in Croatia where a palliative care infirmary was established, in 2007.

What are the reasons for practical non-existence of public palliative care system? The ratio of health consumption in Croatian GDP is between 9 and 10%, which is above the EU average of 8.8%. However, most health care costs in Croatia are financed from public sources (taxes, compulsory contributions) and only a minor part from private sources (direct payments for health service, private health insurance). Since there is a huge discrepancy between working and supported population (a ration of 1.2/1), the government budget is just too tight for investment in new segments of public health care, and this is even the problem to maintain the existing curative system.

3. Case study: *Palia Centre*, the nonprofit organization in palliative care in Croatia

Palia Centre is a nonprofit organization established in Osijek, Croatia, in 2009. The founder of the organization is Ms. Branka Kandić-Splavski, a family doctor who has witnessed numerous terminally ill patients and their struggling with obtaining proper care in her practice. Therefore she founded an organization with a mission of improving medical, social, and human conditions for terminally ill patients and support for their family members. All members of the organization, including Ms. Kandić-Splavski are volunteers. The first beneficiaries of her project were/are her own patients.

In the preparation stage of *Palia Centre* activities, education and training for 15 volunteers was organized. After that the program was determined on the basis of regular home care for beneficiaries and irregular art workshops for day care patients.

Another important task was to organize and manage coordination between volunteers and their activities and public health institutions where beneficiaries were included in medical treatments. This was alleviated by the fact that Ms. Kandić-Splavski was/is full-time employed in the public health system.

As a result, two programs were accomplished:

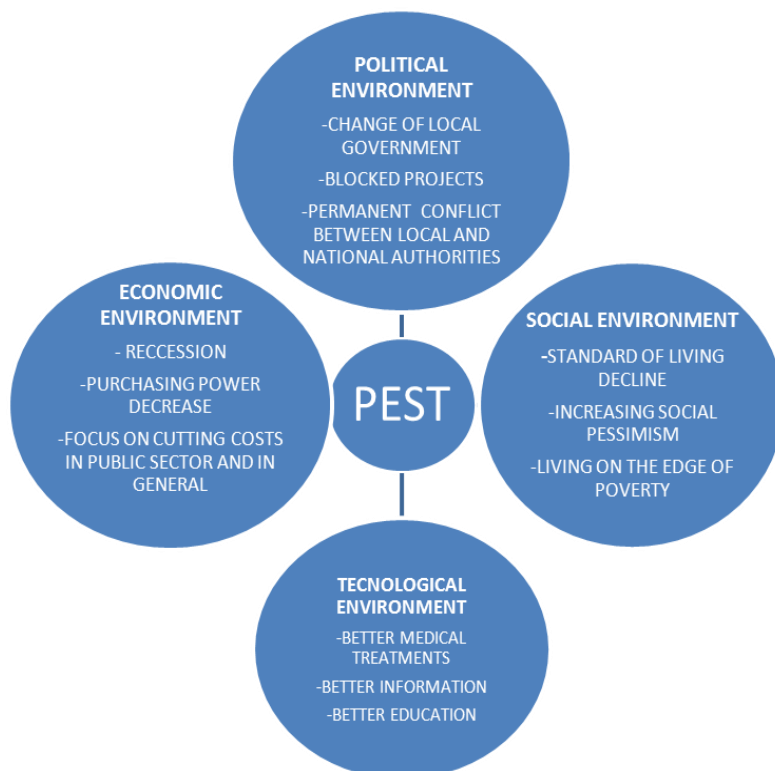
a) *“Fairy-tale therapy”*: after receiving previous training, volunteers visit patients with limited mobility in either their homes or in hospital and read them selected books, according to psychological suggestion and their age and interest. This program has nothing to do with medical support but as social and psychological, not only to patients, but also to their families and caregivers.

b) *“Our mirror”* theatre performance: a project carried out in cooperation with other eight nonprofit organizations, the *Croatian National Theatre* and the *Academy of Arts Osijek*. Cancer adult patients have created costumes, children created the scene. Technical support was provided by a nonprofit organization that gathers former drug addicts. Actors from the *Theatre* and students from the *Academy* take part in the play and Down syndrome children perform as dancers. This performance project has been recognized in public and won several awards, including its presentation in Brussels.

In order to accomplish these projects, there was an intensive promotion organized through media, and personal contacts of the members of the organization. Some financial support was obtained by the local community as well as a few donations from the local companies. However, after some time the starting enthusiasm of volunteers was diminishing and several problems arose, namely there was no accommodation for the organization, the financial burden was too heavy for further development of the activities and there was an increasing number of patients to care.

One of the volunteers in *Palia Centre* was a student holding a marketing degree. She suggested a market oriented approach in order to face the increasing difficulties. What was done? Firstly, PEST and SWOT analysis was executed in order to define marketing environment of the organization. They are shown in Figures 2 and 3.

Figure 2. PEST analysis



Source: own elaboration

Figure 3. SWOT analysis

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Strengths</div> <ul style="list-style-type: none"> • Expertise and experience • Laws and regulations • Environmental sensibility for individuals, cases and/or projects 	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Weaknesses</div> <ul style="list-style-type: none"> • Lack of financial resources • Peripheral location • Poverty of the local community • No marketing expertise • Palliative care is not a publicly known/accepted concept
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Opportunities</div> <ul style="list-style-type: none"> • Availability of EU funds • Better promotion • Availability of Internet as a marketing tool • Multidisciplinary approach • Cooperation with educational institutions 	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Threats</div> <ul style="list-style-type: none"> • Economic crisis and recession • Competition for resources with other NPOs • High costs of activities portfolio

Source: own elaboration

In short, PEST analysis has shown that there is a non-favourable political, economic and social environment, but that such an environment creates different opportunities for the organization, especially in terms of the technological environment. The organization recognized the need for their service in the given circumstances and realized that they have to move on from local government to additional financial and material support. They also recognized that their first “success story” and the story of palliative care in general have to be presented to the local community more intensively.

In the next phase the existing marketing program was analyzed. The most important products of the organizations were defined: art workshops, organizing and training of volunteers, advisory service and distribution of medical supplies. All the products and services are free for beneficiaries; there are no membership fees and no regular financial inflows. Financial donations and sponsorships are not sufficient to continue defined projects. Most of the activities happen in homes of beneficiaries or in hospital, but there is a need for organization settlement.

After analysis of the PEST and SWOT matrix, new marketing mix elements were defined as follows:

a) *Product policy*: in order to ensure high quality of palliative care to the beneficiaries in a situation where it doesn't exist in public health care system, the organization should organize a few mobile teams for all three segments: *day care* (presently non-existent regularly and being highly dependent on available accommodation for activities), *home care* (the most important) and *in-house care* (together with hospital authorities). Teams should be able to provide transport of beneficiaries when needed. Organization should provide rental of different medical equipment (wheelchairs, medical beds, etc.). An on-line advisory centre needs to be organized. The organization should be more active in networking with other centres for palliative care in the country (up to now there are five of them), in organizing different activities for beneficiaries, lobbying to the government, contacting different institutions for support (for example, free local public transportation) and promoting palliative care as a concept.

b) *Price policy*: palliative care service should stay free for beneficiaries since majority of them are of low standard of living, but some symbolic membership fee should be introduced. Membership can include not only individuals, but also companies that are willing to participate in this activity.

c) *Promotion policy*: the approach to promotion should be completely changed. Instead of *ad hoc* promotional activities mostly during the international week of palliative care, it should be carried out constantly. Since there are no available funds for advertising, *Palia Centre* can get a donation in a form of web page or portal with constant updating and communication of all its activities. This organization should collaborate with similar and related organizations and create joint promotion materials and

activities. It should link up with local schools in order to promote value of voluntarism to younger population. Another idea is to engage a local celebrity as a “godfather”, i.e. promoter of the organization.

d) *Distribution (place) policy*: most of the activities were performed by volunteers in beneficiaries homes or hospitals. Having own premises would enable the organization to create more programs and activities for the beneficiaries of different profiles (like the theatre performance) and work more on social issues as a contribution to their quality of life. Use of Internet and social networks should be promoted in order to create better networking with similar organizations locally and nationally in creation of joint projects, to attract more volunteers to the organization and to increase the volunteer’s availability to caretakers and family members.

Strategic partnerships were established with the *Association of Retirees* and the *Party of Retirees* on a local level. The first one was seen as a valuable source of information on demand, and the second one as a significant lobbying partner with the local political authorities. Thanks to these partnerships, the organization got its own premises in 2011. The rooms were renewed and settled with the help of volunteers and a few donations from local companies. The first two-month education for volunteers was organized, as well as some additional activities: art workshop for small Christmas ornaments and items to be sold at Christmas fair which helped in gaining additional financial resources.

Unfortunately, due to the deep financial crisis in the local community, there were no strategic alliances established with the business sector. Currently, the idea is to work on strategic partnerships with local companies that can be executed in a form of cause-related marketing focused on a very important issue of palliative care. In order to create such a partnership the organization is aware that it has to focus on some additional marketing activities:

- making local community aware of necessity of organization of palliative care by being constantly present in the media;
- creating an image and reputation of *Palia Centre* as a reliable, professional and high quality provider of palliative care;
- creating an efficient network of different organizations that can collaborate in providing best quality of palliative care; and
- working actively on finding various alternative financial sources to support the activities by *Palia Centre*, such as private funds and foundations.

Furthermore, Ms. Kandić-Splavski is highly respected in the both medical and general local community and this fact should be used to set up the credibility of the organization and trust building.

Family members of those that have received palliative care were recognized as another important source of potential support of all kinds. Development of the extensive beneficiary’s database and keeping permanent contact with them is an efficient tool for such an activity. These people can also be a bridge toward the missing business sector cooperation.

4. Conclusion: what can be learned?

This case study aimed to demonstrate how quite simple marketing concepts and tools can significantly contribute to the quality of organizational performance in the nonprofit sector. In summary such an approach has helped *Palia Centre* in the following ways:

- a) PEST and SWOT analysis have enabled the organization to recognize the need for their service within the local community and determine basic activities and their execution.
- b) Marketing program analysis has helped in market segmentation and development of product portfolio to better fit different segments (day care, homecare and in-house patients) and, in that respect, in providing a better service.
- c) Recognition and active approach to potential partners in the local community has increased the visibility of the organization in the local community, enabled lobbying for financial and material support, and created a significant source of information and membership.
- d) New people in the organization have brought some new ideas of increasing organizational efficiency.

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