Chapter 20
Retail Healthcare Market in India: Readiness of Consumers and Physicians to Accept New Industry Structure – On Call at the Mall

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ABSTRACT
The main objective of this paper is to explore the motivations and willingness of Indian consumers to accept and consult retail clinics if they are made available in India. A total of 218 participants, including those seeking treatment (Patients/consumers) and those providing treatment (Doctors/providers) were randomly sampled in the age group 18-72 years. They were provided with the same questionnaire by mail. Response rate was 69% (141 of 218 questionnaires were completed). RESULTS: Majority of the participants were unaware of retail clinics. The young adults in the age group 18-36 yrs were most interested in using retail clinics. 13% of the participants would never visit retail clinics. The chapter concludes that the future of retail clinics in India will most likely be determined by their service and cost-effectiveness.

INTRODUCTION
In developing countries, when people seek diagnosis and treatment for an illness, they generally visit a private pharmacist, nurse, midwife, doctor, a drug seller or traditional practitioner. People use these private sector providers (PSPs) because they are often nearer, open for longer hours, and are seen as more considerate than their public sector counterparts. PSPs are often a significant part of the health system in developing countries.

The Indian healthcare delivery system is categorized into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities. The private healthcare services cater to
About 80 per cent of the primary healthcare in the country of which more than 60 per cent of the market is unorganized, highly segmented, unlicensed, unregulated with a little concern for effectiveness, quality, costs and consumer safety, creating a need for quality and uniform health services to align with the rising demand (Figure 1). The three “p’s” of health care value chain of India include: the providers of health care, the payers for health care and the producers of health care products (Figure 2).

In this survey, healthcare consumers as well as doctors, find the appetite for retail clinics in India as real and the potential for its success indisputable. It’s more about creating a need than meeting a need.

India is a land full of opportunities for players in the medical industry. Healthcare has become one of India’s largest sectors - both in terms of revenue and employment. Healthcare in India is the second largest consumer-spending sector, at a size of about US$ 65 billion, of which the hospital supplies and health care equipment segment is believed to be only around US$ 4.5-5 million. Health care delivery, which includes hospitals, nursing homes and diagnostics centers, and pharmaceuticals, constitutes 65 per cent of the overall market, growing at a rate of over 14 per cent per year in the past decade and this growth is likely to be sustained in the coming years (Figure 3). The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. There are vast opportunities for investment in healthcare infrastructure in both urban and rural India.

Traditionally, health care in India has focused on treating symptoms and their underlying medical problems in specialized environments such as hospitals, nursing homes and clinics. Due to changes in the health due to sedentary lifestyle and demanding jobs, people barely find time for health check-up, despite having higher incomes. Consulting a doctor for minor health problems never makes it to the “to-do” list. Thus, a change is required in the Indian healthcare landscape so that patients can have easy and convenient access to healthcare by shortening their waiting times in hospitals and saving money.

Figure 1. Indian healthcare delivery system