

Analyse the Various Marketing Strategies of Healthcare Insurance Companies Working in UAE¹

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ABSTRACT

The development of the health sector is one of the most important priorities of policymakers in the United Arab Emirates (UAE), as it has a direct impact on the citizens' well-being and productivity. Despite the theoretical enrichment about the development of the health system, there is a contradiction in the methods on the one hand, and a discrepancy in the studies, especially in focusing on the developed and western countries on the other hand. Therefore, this paper aims to review and discuss the challenges and opportunities of the health system in developing countries, especially the UAE by through the interaction between leadership and corporate entrepreneurship, which is the key driver for innovation and healthcare sustainability.

Keywords: *Healthcare; UAE; Company; Marketing Strategy*

INTRODUCTION

Services are characterized by intangibility, inseparability, heterogeneity, and perishability Zeithaml, Parasuraman, & Berry (1985). Intangibility refers to impalpability, inseparability refers to instantaneous delivery and consumption of services, heterogeneity refers to variability in service delivery and perishability refers to the "time dependency" and "time importance" of services, whereby services cannot be stored for future consumption. Given these attributes of services, an understanding of consumer needs and the subsequent delivery of services is fundamental in service-oriented industries. The appropriate alignment of consumers' needs and expectations and service delivery lead to customer satisfaction. The quality of health care is measured concerning service quality or clinical quality. While the patients perceive service quality, clinical quality refers to rather hard measures of excellence, such as the proportion of specialists to other doctors, unscheduled returns to the operating room, and in-patient mortality. The service quality in health care is broadly estimated based a triad between cost, quality, and accessibility often referred to as the 'Iron Triangle' or the 'Triad of Health care'. However, it can also be measured in terms of availability, acceptability, appropriateness, competency, timeliness, privacy, confidentiality, empathy, attentiveness, caring, responsiveness, accountability, accuracy, reliability, comprehensiveness, continuity, equity, environment, and amenities and facilities. The evaluation of consumer perceptions on the above-mentioned overlapping dimensions of service quality enables policymakers to amend or devise policies that may lead to better outcomes and enhance customer satisfaction.

LITERATURE REVIEW

Dania Zouheir Daher (2020) This study focuses on the different aspects of the insurance sector and industries in the United Arab Emirates. The overview of the insurance sector is supplied, as well as in-depth information such as the opportunities, challenges, and improvements of the industry as a whole. Insurance companies will also be examined and analyzed in regard to the changes implemented due to the coronavirus outbreak. Functions that insurance companies are comprised of are highlighted, and methods in which they can become increasingly competitive and efficient are emphasized.

Dr. M. Gurupandi et.al (2019) The job of coordination has so far been seen by numerous senior directors and CEOs. As simply getting the correct item to the opportune spot at any rate cost. To be fruitful coordination chiefs

¹ How to cite the article:

Suryavanshi P.B., Aher V.N., Analyse the Various Marketing Strategies of Healthcare Insurance Companies Working in UAE; *International Journal of Professional Studies* ; Jan-Jun 2023, Vol 15, 1-8

of ongoing occasions in any case, a more extensive viewpoint must be created, with due acknowledgment of the vital job of calculated administration inside the organization. Strategic the executives of securing, development and capacity of crude materials, semifinished parts and completed merchandise through an association and its promoting channels, to satisfy clients arranges in a most expense adequately way fulfills the esteem chain process and assumes imperative job in commitment towards authoritative profitability. In the present condition of "Survival of the fittest" an ever-increasing number of organizations will in general look at, rebuild and reposition their activities to increase upper hand, and in this, logistics can assume an essential job in the joining and separation vital intended to deliver the ideal focused advantage. A exchange off must be arranged among expense and administration guidelines. Global coordination is regularly very much overseen at an operational dimension with an accentuation on decreasing expenses, however it ought to be increasingly created towards a key dimension where an open demeanor would envelop the possibility to work universal co-ordinations framework focusing more on administration. Under the vital calculated administration, decision of transportation mode is a crucial part. Transport cost incorporates all expenses related with the development of item starting with one area then onto the next. The normal transport cost range between five to six percent of the suggested retail cost of the item. Throughout the years, the order of business has created from being simple warehouse and transportation issues to that of a meeting room trap. Consequently, the central handle of this order by understudies of Commerce, International Business, Economics, Business Administration, Professional in Import Export Management and business people wandering into abroad business should lead them to additionally addressing, examining towards flawlessness and testing the formative issues around there.

Cut Zaraswati et.al (2017) The objectives of this research are to:

- 1) compare the effect of premium earnings products of health insurances after the launching of national social health insurance (JKN)-BPJS (Badan Penyelenggara Jaminan Sosial) for health;
- 2) analyze the internal and external factors of private/commercial health insurance companies;
- 3) formulate a marketing strategy for health insurance product after the operation of JKN-BPJS for health.

It is a challenge for commercial health insurance to survive and thrive with the existence of JKN-BPJS for health which is compulsory to Indonesia's citizens to be a member. The research begins by analyzing premium earnings of the commercial health insurance company one year before and after the implementation of JKN-BPJS for health, the intensive interviews and questionnaires to the chosen resource person (purposive samplings), the analysis on Internal Factor Evaluation (IFE), External Factor Evaluation (EFE), Matrix IE and SWOT are used in the research. Then it is continued by arranging a strategic priority using Analytical Hierarchy Process (AHP). The result from the research is there is totally no decreasing premium earnings for the commercial health insurance company although the growth trend shows a slight drop. The appropriate strategy for the health insurance company in the commercial sector is the differentiation where the implication is involving customer service quality improvement, product innovation, and technology and infrastructure development.

Erik Koornneef et.al (2017) Background: The United Arab Emirates (UAE) government aspires to build a world class health system to improve the quality of healthcare and the health outcomes for its population. To achieve this it has implemented extensive health system reforms in the past 10 years. The nature, extent and success of these reforms has not recently been comprehensively reviewed. In this paper we review the progress and outcomes of health systems reform in the UAE.

Methods: We searched relevant databases and other sources to identify published and unpublished studies and other data available between 01 January 2002 and 31 March 2016. Eligible studies were appraised and data were descriptively and narratively synthesized.

Results: Seventeen studies were included covering the following themes: the UAE health system, population health, the burden of disease, healthcare financing, healthcare workforce and the impact of reforms. Few, if any, studies prospectively set out to define and measure outcomes. A central part of the reforms has been the introduction of mandatory private health insurance, the development of the private sector and the separation of planning and regulatory responsibilities from provider functions. The review confirmed the commitment of the UAE to build a world class health system but amongst researchers and commentators opinion is divided on whether the reforms have been successful although patient satisfaction with services appears high and there are some positive indications including increasing coverage of hospital accreditation. The UAE has a rapidly growing population with a unique age and sex distribution, there have been notable successes in improving child and

maternal mortality and extending life expectancy but there are high levels of chronic diseases. The relevance of the reforms for public health and their impact on the determinants of chronic diseases have been questioned.

Conclusions: From the existing research literature it is not possible to conclude whether UAE health system reforms are working. We recommend that research should continue in this area but that research questions should be more clearly defined, focusing whenever possible on outcomes rather than processes.

Mackay, Mostert and Petzer (2015) investigated the effect of service quality and relational benefits on customer satisfaction, as well as the effect of customer satisfaction on behavioral intentions in the short-term insurance industry. The main objectives of their research were first, to investigate the service quality perceptions of short-term insurance customers and to evaluate the relational benefits received by short-term insurance customers, then they measure the satisfaction levels of short-term insurance customers, second to determine the behavioral intentions of short-term insurance customers towards short-term insurers and also to specify the interrelationships between service quality and relational benefits in leading to customer satisfaction and ultimately to behavioral intention. Their findings showed that one-way differentiation can be achieved by adopting a customer-focused approach where short-term insurers engage in CRM initiatives such as providing quality services and relational benefits to satisfy customer needs and subsequently retain customers over the long term. The results of the structural equation model indicated that there is a significant relationship between service quality, relational benefits and customer satisfaction, which in turn has a significant effect on customers' behavioral intentions.

HEALTHCARE IN THE GULF ARAB

The growth in health spending stands at about -0.8 in Western Europe and yet accounts for over 10% of the GDP of the MENA region. Despite minimal assets coupled with high growth potential, the readiness of the region to make good use of this potential depends heavily on the ability to curb regional and national challenges associated with the sector (Economic Intelligence Unit – World Health Organization, 2019). With the highest growth potential, and yet the smallest percentage of GDP to healthcare as shown in Figure 1, the MENA region and the UAE, in particular, is poised for significant expansion in the healthcare sector if necessary measures are implemented (Economic Intelligence Unit – World Health Organization, 2019). The operational needs of the sector and healthcare providers have become increasingly complex, compelling investors and operators to make challenging decisions (Ian & Mansoor, 2013). Within the GCC, the growth potential of healthcare investment is driven by favourable demographics and population dynamics, as indicators on beds and healthcare human capital remain lagging (Mahroum, 2018).

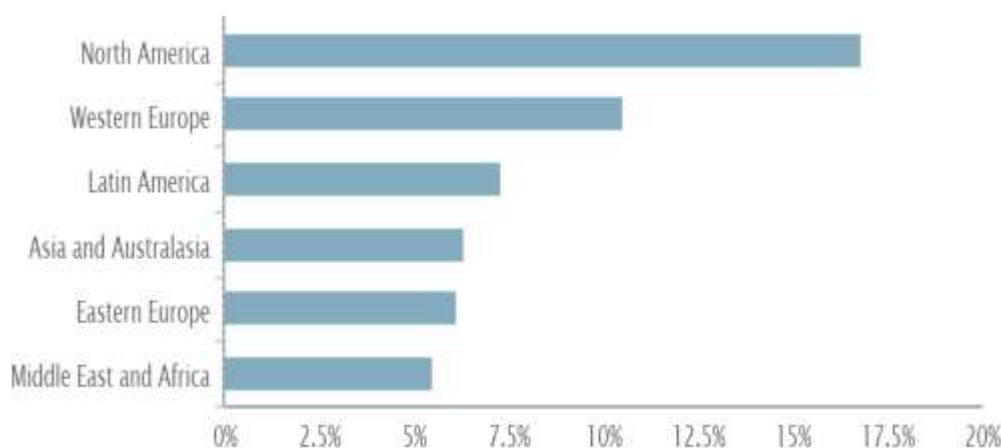


Figure 1 Comparison of MENA (including UAE) healthcare assets with other global regions – healthcare spending 2019 as % of GDP

Despite an integrated effort by both private and public parties, indicators such as the density of bed provisions remain considerably low when compared with other developed countries. In addition, the number of doctors, nurses and general medical staff is below that of developed economies. The average number of beds per 1000 population stands at about 1.9 as of 2013. In Singapore, the UK and the USA, this index stands at 3 beds per 1000

population; In Germany, 8 beds for 1000 population. Overall average healthcare expenditure as a percentage of GDP in the GCC stands at about 2.3% (World Bank Development Indicators, 2013). Building on the latest indicators, health spending as a percentage of GDP in the MENA stands at about 5.6% against the global average of 10% as at 2017 (World Bank Development Indicators, 2019).

Aside from the elaborated challenges in terms of healthcare delivery, the region has unique trends in terms of population health challenges. Overall life expectancy has increased dramatically from 62 in the 1970s to 77 in 2012, with child mortality also reducing from 62 per 1000 to less than 9 over the same period (Gulf Immigration, 2016; Population Reference Bureau, 2016). The region, however, ranks highest globally in terms of lifestyle ailments including diabetes, cardiovascular diseases and obesity (International Diabetes Federation, 2019). National prevalence of diabetes is one of the highest recorded globally as reported by the International Diabetes Federation (2017) (Figure 1). Obesity in the region is also one of the highest in the world (Khoja et al., 2017) (Figure 2) These unhealthy lifestyles including lack of physical activity, lack of attention to health prevention and disease management and weak primary care infrastructure further complicates the health situation.

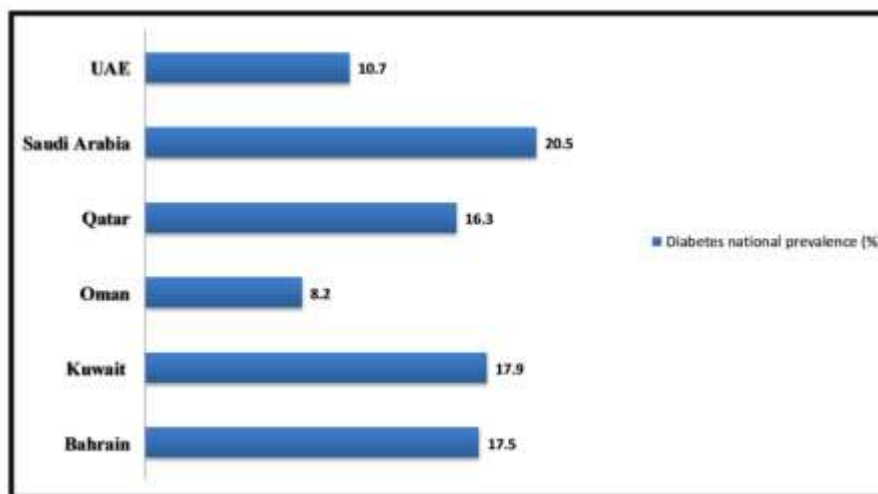


Figure 2 The national prevalence rate of diabetes source: International Diabetes Federation (2017)

The UAE Healthcare

The UAE healthcare has increased steadily over the last few years mainly for the Emirate of Dubai as Abu Dhabi attempts to catch up in terms of attractiveness to international medical standards (Al-Neyadi, Abdallah & Malik, 2018). In the UAE, the country has expressed its keen interest in the promotion of entrepreneurship as fundamental to the healthcare market. Focus on healthcare is not only part of the government's strategic vision but has as well been demonstrated in the government's efforts to reshape the economic structure of the country and avoid single commodity dependence (Koornneef, Robben & Blair, 2017). In Dubai, the Healthcare Free zones introduced have served as a hub for healthcare innovation and medical tourism (Al-Talabani, Kilic, Ozturen & Qasim, 2019). In Abu Dhabi, a unified patient database was also introduced to consolidate data from over 2000 public and private institutions at a population scale (Orion Health, 2019). On the introduction of these reforms, an economic interest in healthcare has been of particular interest to the Emirate of Abu Dhabi, where oil proceeds from about 80% of government expenditure (Arabian business global, 2008). Key reforms have been introduced by the UAE in general to position the country as a preferred destination of healthcare tourism and healthcare innovation hub (UAE_cabinet, 2010). In the United Arab Emirates, as part of the Vision 2020, seeks to establish an excellent healthcare service.

The government seeks to ensure that the healthcare sector witnesses an extended period of growth, driven by the unmatched demand (Mahroum, 2018). In specific terms, the strategic document states that: "the UAE [will] ...invest continually to build world-class healthcare infrastructure, expertise and services in order to fulfil citizens' growing needs and expectations." Over the years, the regulators in the Five (5) Northern Emirates have been combined into the Ministry of Health and Preventive Medicine (MoHAP) formerly known as the Ministry of Health (MoH). The MoHAP nonetheless has some interests in Dubai and Abu Dhabi, even though these two Emirates have their own regulatory systems. In total, the UAE Healthcare system entails five main regulatory bodies including the Free Zones (Figure 3).

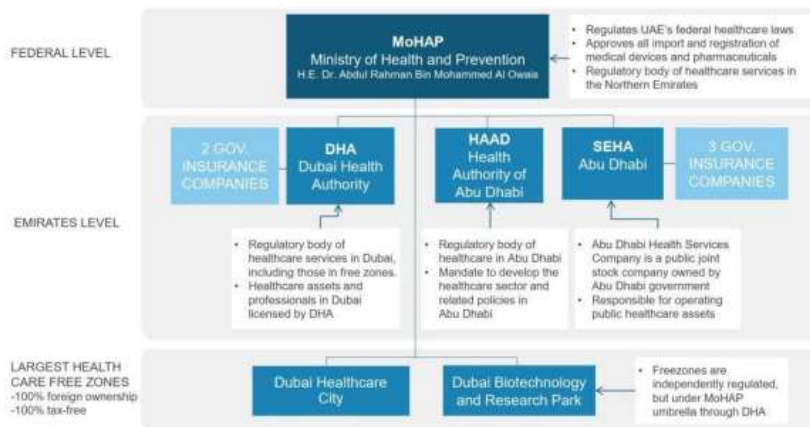


Figure 3 The UAE healthcare sector regulators at the federal and local levels source: Business Sweden (2017)

The Ministry of Health and Prevention (MoHAP) plays the role of a Federal Healthcare regulatory institution and oversees healthcare mainly in the five (5) Northern Emirates. At the local Emirates level, the Dubai Health Authority (DHA) is the main regulatory body for healthcare in Dubai. The two largest Free zones in the UAE operate in Dubai and include the Dubai Healthcare City and the Dubai Biotechnology and Research Park. In Abu Dhabi, Health Authority – Abu Dhabi (HAAD), and the Abu Dhabi Health Services Co. (SEHA) at the Emirate level. Both Dubai and Abu Dhabi operate key government insurance companies as part of the regulatory systems. Each of these regulatory bodies is responsible for a group of facilities, licensing of doctors and nurses and as well as market regulation within its jurisdiction (Mahroum, 2018).

In the area of healthcare innovation, the UAE has demonstrated a culture of willingness to adopt new ideas, the population dynamics have also proven very useful to the effective management of healthcare, and overall trust of the healthcare system remains impressive (Mahroum, 2018). Healthcare tourism has increased steadily over the last few years mainly for the Emirate of Dubai as Abu Dhabi attempts to catch up in terms of attractiveness to international medical travellers (Mahroum, 2018). Overall dedication to the sector and the degree to which the private sector can overtake the public sector to become an engine of growth and development, has been drawn into question.

Abu Dhabi National Insurance Company (ADNIC)

ADNIC is one of the several regional Best health insurance providers in the UAE, popular among customers for its extensive range of medical insurance plans. Established in 1972 with its headquarters located in Abu Dhabi, ADNIC deals with various types of general insurance and reinsurance products.

Shifa health insurance plans from ADNIC are designed for UAE residents and citizens looking for a satisfactory comprehensive health insurance plan. The Shifa range of ADNIC health insurance plans includes Bronze, Silver, Gold, and Platinum variants. As indicated by the titles, the coverage becomes more comprehensive as you move from Bronze to Platinum variants.

In addition to the Shifa range, ADNIC also offers the essential benefits health insurance plan and a special health insurance program for your family members and friends visiting the UAE for a short duration.

UAE Health & Medical Insurance Market Analysis

The compulsory health cover initiatives taken by the government in all of its seven Emirates lead to the massive growth of health insurance in the first half of this decade. Health insurance penetration has witnessed significant growth on the back of the introduction of mandatory health insurance in Abu Dhabi, nearly a decade ago, and, more recently, in Dubai and Sharjah, with a shift toward private healthcare.

UAE Ministry of Health oversees the health care facilities in most of the regions of the UAE. Some of the Northern Emirates have established their own health care system which also looks over health insurance. Each

emirate has its own healthcare and insurance program. For example, Under the ‘Thiqa’ program Abu Dhabi Government provides full medical coverage for all UAE nationals living in Abu Dhabi. Citizens get a Thiqa card, through which they get comprehensive access to many private and public healthcare providers registered within Daman's network. Similarly, for the citizen of Emirates of Dubai, there is a health insurance program named ‘Saada’. It provides insurance coverage to citizens who do not currently benefit from any government health program in the emirate of Dubai. The program provides treatment through a large network of healthcare providers in the private sector and DHA healthcare centers and Sharjah Government initially provided health coverage only to Sharjah Government employees, their dependents and Senior Emiratis (those who are 60 years old or above) but in January 2020, it extended its health insurance coverage to all the citizen of Sharjah.

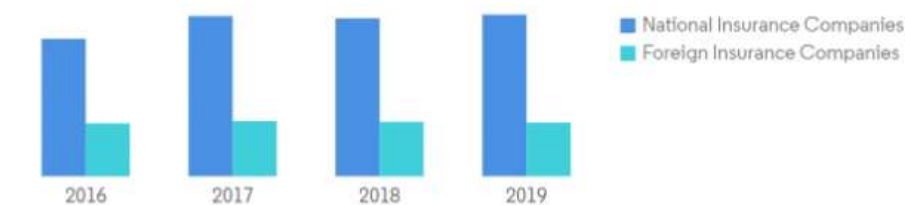
UAE Health & Medical Insurance Market Trends

This section covers the major market trends shaping the UAE Health & Medical Insurance Market according to our research experts:

THE GWP FROM NATIONAL INSURANCE COMPANIES IS RAISING FASTER THAN OF FOREIGN COMPANIES

Out of 62 insurance companies in UAE, 35 are national insurance companies and the remaining 27 are foreign insurance companies. The Gross written premium from the national companies is growing with a larger percentage compared to the GWP from the foreign companies. For the year 2019, the share of National Insurance Companies in total health insurance gross premium was 75%, and the remaining 25% was contributed by the foreign insurance companies. The United Arab Emirates is home to a wide range of government-funded and rapidly evolving private healthcare sectors, which delivers a high standard of healthcare to the population. With the mandatory health insurance plan, the share of health insurance from the national companies is increasing.

Share of National and Foreign Insurance Companies in Health Insurance Premium, In AED Thousand



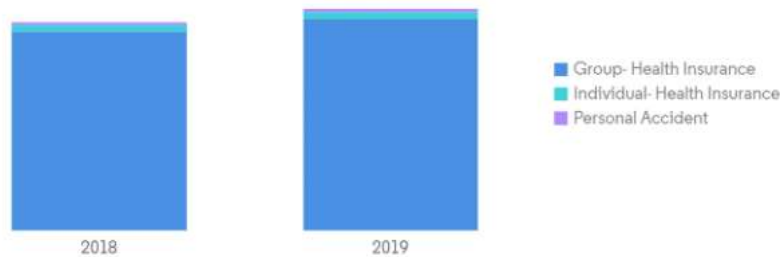
Source: Mordor Intelligence



GROUP HEALTH INSURANCE IS THE LARGEST HEALTH INSURANCE SEGMENT

The three main types of health insurance are Personal accident insurance, Group health insurance, and Individual health insurance. The group health insurance is the largest of the health insurance and had contributed more than 95% of the premium for 2019. Similarly, Agents, Brokers, Banks, Online Channels, and others are the major distribution channel for health insurance. The easiest way of procurement of health insurance nowadays has been online purchase. However, the traditional methods of the distribution of health insurance include direct sales forces, brokers, and bancassurance. Among the conventional methods, direct sales serve as a main channel for generating premiums, while brokers enhance the face-to-face distribution of varied products by reaching out to untapped markets.

GWP for types of Health Insurances, In AED Thousand



Source: Mordor Intelligence



UAE Health & Medical Insurance Market Recent Developments

1. In January 2020, the Sharjah Department of Health Insurance which oversees health insurance coverage for UAE nationals in the emirate of Sharjah extended its health coverage insurance to all citizens of Sharjah, earlier it was available only for Sharjah Government employees, their dependents, and Senior Emiratis.
2. In September 2021, The Ministry of Health and Prevention (MoHAP) has introduced a new service to link insurance companies and health care providers to help them exchange patient data easily. The service will be implemented from January 2022 and is part of MoHAP's 'Riayati' platform, UAE's national platform for health information exchange that connects public and private hospitals and clinics.

Entrepreneurship in Healthcare

To understand the urgent need of entrepreneurship to spur growth in the UAE Healthcare sector, it is first critical to understand the unique elements within the healthcare environment which could serve as barriers and drivers of sectorial growth. A number of perspectives may be considered ranging from the level of insurance coverage to overall economic make-up. Entrepreneurship is of critical relevance to ensure that the current system which depended heavily on over 60% government financing is economically sustained in a country where expatriates make up over 83% (Moideen, 2018).

On a brief elaboration on such existing innovation programs directed at achieving overall economic sustainability, SEHA's Electronic Medical Records (EMR) system is one of such attempts to link the Emirates institutions with over 27,000 others globally, in addition to the earlier example mentioned by (Kabha, Salameh, Kamel, Elbahi & Mustafa, 2019) called the Malaffi system to link over 2000 facilities within the Emirate. In the DoH, the 'eclaim' is another typical example in this case introduced to hasten health insurance claim. In Dubai, several DHA Apps have been launched to support healthcare delivery. One other very significant area is the attempts made to bridge international partnerships between local and international healthcare organizations.

The UAE continues to make significant strides in innovation to boost overall entrepreneurship in the sector, including the adoption of the latest technology as part of the medical practice (Mahroum, 2018). (Mahroum, 2018) assert that the UAE is open to innovation, technology and other essential factors necessary to drive entrepreneurial orientation. As part of the National Vision, the healthcare sector remains one of the prioritized sectors with keen government interest. The government aspires to build a world-class healthcare system that is economically sustainable and resilient in supporting population health. In one final elaboration, a quick observation at some of the UAE entrepreneurship indicators outside of the context of healthcare reveals that the number of people thinking of entrepreneurship as a good career and self-employment is emerging as an alternative to Emiratisation in the country's private sector (Kabha et al., 2019). The Global Entrepreneurship Monitor (GEM) placed the UAE in an advanced position on the "Entrepreneurial Environment Scoreboard"; a rating indicating that the UAE has one of the most supportive environments for entrepreneurial activities. Nonetheless, the fear of failure, lack of knowledge and requisite skills to start a business (Khaleej Times, 2007). In the healthcare domain, the sector continues to attract significant shares of government expenditure in wait of revenue and performance improvement yet to occur.

CONCLUSION

Closing the healthcare sustainability gap through the interaction between leadership and corporate entrepreneurship development is the proxy to provide grounds for future researchers and other scholars to explore the area of entrepreneurship and innovation as applied to the context of healthcare service provision. This research will arrive with a model in how to develop healthcare sector through the interaction between transformational leadership and corporate entrepreneurship. existing institutions, especially within the region of Abu Dhabi and UAE, the results of the study will help connect the dimensions of leadership innovation and technology through innovation transformation towards improvements performance of the healthcare institutions. Finally, as part of the UAE strategic vision, the aspiration to improve healthcare remains integral to the UAE Vision 2021. This is also relevant to the UAE Government's attempt to establish the UAE as a medical tourism site, and to diversify the economy with healthcare as one of the main pillars of economic transformation.

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