**QUESTION ONE.(20 marks)**

**Analyse the strategic growth direction that the industry players have taken. Which other**

**alternatives would be available to them?**

1. **Change in trend**. While the hospitals have been known to be far distance with some of their clients, there is a shifting or change in trend, such that there is decentralization and devolution of services to where clients are.
2. **Sustainable Development Goals**. A focus of global efforts to improve health by implementing a UHC agenda. With the support from the government and other stake holders, the industry has embraced the art of them going to the client.
3. **Price penetration**. For hospitals satellite clinics is to go to the clients with subsi dized rates while offering quality medical care is a to inter the new market by charging a low price that will later increase once the subsidies are removed once it has captured the market share that it wants.
4. **Strategy of leveraging their brand**. The firms brand influences how customers perceive the the products offered by the firm and it equals the the value proposition of the business. These well-known hospitals offering pilot services to will enter th market with ease due to their known brand.
5. **Creating confidence/trust to consumers.** Offering dialysis and having the expert doctors from the main hospitals creates confidence to the clients who in return will have faith in the firm and be loyal to it thus maintaining the market share with ease.
6. **Leveraging on technology**. Availing the sophisticated machines to the regionsthey are visiting. Machines that enables the performance of the services at it would be at their headquarters.

**Other alternatives:**

1. **DIVESIFICATION AND INNOVATION.** Offering free weight, pressure, Hiv and TB test.These are simple services that some firms such as good life do offer free of cost. They advertise and promote the firm and enable the client to stay loyal.
2. **Product development.** The firm can come up with other products such as preventive programmes, Occasionally offering services such as Cancer screening and optical check up among others.
3. **Line expansion.**The firms can look for other areas or even the vicinity of the region.Chemists.
4. **Market development.**The firms can develop their market by offering services such as telemedicine, by accepting nhif cards and by availing biometric registration and identification of the clients.

**QUESTION TWO.(5 marks)**

**Explain the environmental factors that have led to the new trends in the Industry.**

The environmental factors that affect the business are classified in to two broad categories. The Internal factors such as employees, owners, suppliers. They affect the business but are within its control and external factors; which affect the business and the business has no control over them. They include Government Policies, technology, and competitors

1. Technological development. With technology, machines can be used to dragonize different diseases within a short time. Also the movement from one point to another has become easy, not forgetting about the communication and the increased knowledge and information.
2. Availability of employees. The industry has qualified employees who are able to do the job. According to the case study, Aga Khan has specialists who will be visiting and performing the same functions as they do in the main hospital.
3. Competitors. They are competing for the market share. This competition makes them to reach the clients where they are instead of the client looking for them.
4. Government regulation. The support from the government as indicated by the President William Ruto official launch of the Sh3.5 billion AAR Hospital on Kiambu Road and AAR Hospital's 140-bed facility was funded by partners including the World Bank Group, International Finance Corporation, International Fund for Health in Africa and Swedfund.
5. Customers’ needs. The industry has seen that people need the services and they struggle to get them. The needs identified and that Aga Khan is willing and able to meet are: Dialysis, chemotherapy, endoscopy and general surgery.

**QUESTION THREE. (15 marks)**

**Discuss the application of the segmentation, targeting and Positioning concepts in this cases Study**.

1. **Market segmentation** means dividing market in to subgroups or sub segments of individuals with similar wants, needs and characteristics. In this case, segmentation has been done based on:
2. Demographic segmentation. This has all to do with the segmentation of consumers based on Age, Sex, Income, Occupation or even family size. From the case high-end hospitals are setting up shop closer to the populations as they seek a larger share of the growing healthcare spend from the growing middle class; thus basing their segmentation on income.
3. Geographic segmentation. It segmentates the consumers based on the region or geographical location such as sub-location, county, City or Rural. Aga Khan openning a speciality care Centre in Roysambu and stepping up its expansion drive into Nairobi estates according to the case study shows a geographic segmentation.
4. Behavioral segmentation. It groups consumers based on their behavior in terms of buying decision and is based on loyalty, user status, usage rate and occasions. The services that Aga Khan intents to offer In a new speciality care Centre in Roysambu are dialysis, chemotherapy, endoscopy and general surgery. There must be loyalty for the clients to undergo dialysis since it’s a repetitive thing. The user status are the middle class.
5. Psychological segmentation. It has to do with the intrinsic traits of the target consumer such as personality, values or style. The middle class is the target group and it will need the standard services. There is a great hope that The industry will offer the quality services to them.
6. **Targeting**.is deciding the market segment to exploit. The firm then identifies the specific market to target and and the number of the consumers so as to identify a well-defined target groups. The firm has to identify their need and check if it has the resources and capabilities to serve them. This is shown by Aga Khan opening a speciality care Centre in Roysambu and stepping up its expansion drive into Nairobi estates and targeting the middle class. The hospital has the capabilities to serve the market.
7. **Positioning** the value proposition of the business. **Value proposition** is the value a business promises to bring involves determining where your brand or product stands affecting others in the market. It influences how customers perceive the the products offered by the firm and it equals the to its customer when buying a product or service. Aga Khan has a brand and it will gain the market share with ease. The success is indicated by the statement that Aga Khan hospital specialists would be coming from the main hospital to take care of the patients hence delivering the same quality of care you would receive in the main hospital.

Or

Answer One:

The high-end hospitals in Kenya are shifting their growth strategy towards opening smaller medical centers in the estates, closer to the population. This approach aims to tap into the growing middle class's demand for affordable and quality healthcare services. This strategy is in response to the aggressive expansion of middle-level hospitals, backed by private equity funding. By opening smaller medical centers, high-end hospitals can defend their market share while reaching a price-sensitive market segment. Another alternative growth strategy for industry players would be to invest in technological advancements and medical research. This approach would differentiate them from their competitors by offering innovative medical solutions and creating brand loyalty. Additionally, high-end hospitals can focus on improving patient experience by offering personalized healthcare services and increasing their accessibility to patients in remote areas.

Answer Two: The trend of high-end hospitals shifting their focus to the estates is attributed to environmental factors such as the growing middle class, rapid urbanization, and inadequate government funding of the healthcare sector. The rising middle class in Kenya has led to increased demand for quality healthcare services. The urbanization trend has seen a significant population move to urban centers, creating a demand for healthcare services near their residences. Lastly, government funding of the healthcare sector is inadequate, leading to a gap in the healthcare services provided, which the private sector is bridging.

Answer Three: The segmentation, targeting, and positioning concepts are applicable in this case study. The high-end hospitals have segmented their market by targeting the growing middle class that seeks affordable quality healthcare services. By opening smaller medical centers, high-end hospitals can reach this market segment, which is underserved by the public healthcare system. In terms of targeting, the high-end hospitals are targeting the population in the estates by offering affordable services that match the market prices in the area. Lastly, in terms of positioning, the high-end hospitals are positioning themselves as recognizable brands that offer high-quality care at affordable rates due to their shared faculty of doctors and lower lease space costs. By doing so, high-end hospitals differentiate themselves from the middle-level hospitals, which rely on private equity funding to expand.