

DOI 10.31558/2307-2318.2020.1.15

UDC 614.2:657.6:339.138

**Mishchuk A.**, Post-graduate student, Vasył Stus Donetsk National University

**Boienko O.**, Head of Marketing Department, PhD, Associate Professor, Vasył Stus Donetsk National University

### **CLASSIFICATION OF MARKETING COMPETITIVE STRATEGIES FOR HEALTH CARE ORGANIZATIONS**

The subject of the study is a typology of marketing competitive strategies for healthcare organizations operating in the healthcare market. The article describes general approaches to the formation of M. Porter's competitive strategies, on the basis of which groups of healthcare organizations are identified, in which it is possible to use basic competitive strategies – cost leadership, differentiation, focus. The author interpreted M. Porter's generic strategies for health care organizations on the basis of a study of the conceptual structure of competition in the health care market and identified the main strategies based on three competitive advantages - quality of healthcare services, improvement of the process of creating healthcare services, differentiation of healthcare services. Criteria for organizing and grouping competitive marketing strategies for healthcare organizations are proposed: cost orientation, focus on service quality, consumer oriented. The developed classification is based on the study of different models of competition and considers the peculiarities of the medical field. Separately, the author focuses on comparing «Red ocean» and «Blue ocean» strategies and examines the possibilities of introducing streamlined database technology (blockchain) in developing competitive strategies for health care organizations. The advantages of the combination of Blue ocean strategy and blockchain technology are substantiated in the article.

**Key words:** typology of competitive strategies, healthcare organization, healthcare service, blockchain technology.

Fig. - 2, Tab. - 2, Lit. - 18.

**Мищук А.А., Боєнко О.Ю.**

### **КЛАСИФІКАЦІЯ МАРКЕТИНГОВИХ КОНКУРЕНТНИХ СТРАТЕГІЙ ЗАКЛАДІВ ОХОРОНИ ЗДОРОВ'Я**

Предметом дослідження є типологія маркетингових конкурентних стратегій для закладів охорони здоров'я, що працюють на ринку медичних послуг. В статті висвітлено загальні підходи до формування стратегій конкуренції М. Портера, на основі яких визначено групи закладів охорони здоров'я, в яких можливим є використання базових конкурентних стратегій – лідерство за витратами, диференціювання, фокусування. Автором інтерпретовано родові стратегії М. Портера для закладів охорони здоров'я на основі вивчення концептуальної структури конкуренції на ринку медичних послуг та визначено основні стратегії, які фундаментуються на трьох конкурентних перевагах – якості медичних послуг, вдосконаленні процесу створення медичних послуг, диференціації медичних послуг. Запропоновано критерії для впорядкування та групування конкурентних маркетингових стратегій для закладів охорони здоров'я: орієнтація на витрати, на якість медичної послуги, на споживача. Розроблена класифікація ґрунтується на вивченні різних моделей конкуренції та враховує особливості медичної галузі. Окремо автор зупиняється на порівнянні стратегій червоного та блакитного океану та розглядає можливості запровадження технології впорядкованих баз даних (блокчейн) у розроблення конкурентних стратегій закладів охорони здоров'я. Висвітлює переваги поєднання стратегії блакитного океану та технології блокчейн.

**Ключові слова:** типологія конкурентних стратегій, заклад охорони здоров'я, медична послуга, технологія блокчейн.

**Мищук А.А., Боенко Е.Ю.**

### **КЛАССИФИКАЦИЯ МАРКЕТИНГОВЫХ КОНКУРЕНТНЫХ СТРАТЕГИЙ УЧРЕЖДЕНИЙ ЗДРАВООХРАНЕНИЯ**

Предметом исследования является типология маркетинговых конкурентных стратегий для учреждений здравоохранения, работающих на рынке медицинских услуг. В статье освещены общие подходы к формированию стратегий конкуренции М. Портера, на основе которых определены группы учреждений здравоохранения, в которых возможно использование базовых конкурентных стратегий – лидерство по издержкам, дифференцирования, фокусировки. Автором интерпретировано родовые стратегии М. Портера для учреждений здравоохранения на основе изучения концептуальной структуры конкуренции на рынке медицинских услуг и определены основные стратегии, которые базируются на трех конкурентных преимуществах – качества медицинских услуг, совершенствовании процесса создания медицинских услуг, дифференциации медицинских услуг. Предложены критерии для упорядочения и группировки конкурентных маркетинговых стратегий для учреждений здравоохранения: ориентация на расходы, на качество медицинской услуги, на потребителя. Разработана классификация основывается на изучении различных моделей конкуренции и учитывает особенности медицины. Отдельно автор останавливается на сравнении стратегий красного и голубого океана и рассматривает возможности внедрения технологии упорядоченных баз данных (блокчейн) в разработку конкурентных стратегий учреждений здравоохранения. В статье обоснованы преимущества сочетания стратегии голубого океана и технологии блокчейн.

**Ключевые слова:** типология конкурентных стратегий, учреждение здравоохранения, медицинская услуга, технология блокчейн.

**Actuality.** The reforming process of healthcare system in Ukraine is developing and requires from top-level managers of health care organizations (HCOs) to take urgent measures for adapting to the objective conditions that are dictated by the health care market and current trends that affect its development. Exacerbating the issue of the need for insurance medicine, a radical reorientation to a single healthcare system naturally necessitates the introduction of new strategic approaches. The patient's free choice of clinic and doctor creates a competitive atmosphere in the healthcare market. With the increasing degree of competition between HCOs, the role of marketing strategic planning in managing an HCO, whose task is to develop an effective marketing competitive strategy, is significantly increasing. Nowadays, stable, sustainable, competitive development of an HCO can only be achieved within the framework of using an effective marketing competitive strategy. The variety of strategies used in the practice for competition between medical enterprises determines the existence of a methodological problem – need to their adequate and complex classification.

**Recent publications.** Numerous works by leading scientists, such as M. Porter, H. I. Ansoff, H. Mintzberg, R.B. Thomson, Ph. Kotler, J. P. Grime, M. Treacy, F. Wiersema, W. C. Kim, R. A. Mauborgne, G. von Krogh, M.A. Cusumano, R. Pino, J. Trout, Al Ries, K. Ohmae, A. Yudanov are devoted to the development and classification of strategies at different levels of organization management. At the same time, the problem of classification of marketing competitive strategies for HCOs is insufficiently covered.

**The purpose of the article.** Based on common approaches to the formation of Porter's generic competitive strategies, to identify the groups of HCOs in which these competitive strategies may be used; to develop a classification of competitive marketing strategies for HCOs based on cost orientation, focus on service quality consumer oriented.

**The main material.** By developing a HCO strategy, it is advisable to rely on the concept proposed by M. Porter: to achieve a sustainable competitive position, an organization can take advantage of one type of competitive advantage – low costs or significant product differentiation compared to competitors' products. These opportunities, in turn, depend on the structure of the industry. The competitive advantages, combined with the market in which the organization is going to operate, make it possible to formulate and choose one of three strategic approaches by which it is possible to achieve a level of efficiency that exceeds industry performance: cost leadership, differentiation and focus. Focusing involves concentration of the organization's efforts on a narrow consumer segment and is possible if it is able to satisfy the needs of the selected segment better than its competitors, and the segment itself is large enough to generate the revenue it needs.

Graphically general approaches to the formation of competition strategies can be presented as following. (Figure 1).

COMPETITIVE ADVANTAGE	COMPETITION SCOPE	
	Broad target	Narrow target
Cost minimization	1. Cost leadership	3A. Cost focus
Differentiation	2. Differentiation	3B. Differentiation focus

**Figure 1 - Porter's Generic Competitive Strategies**

*Source [1]*

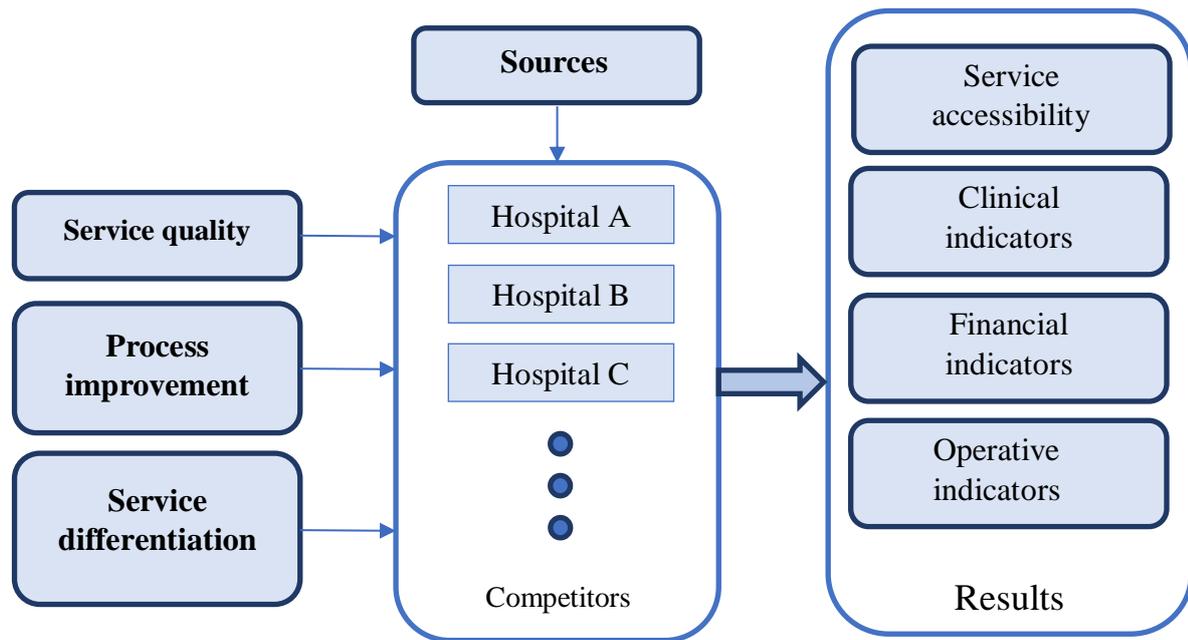
The concept of Porter's strategic management and the approaches proposed within it to form the strategy of the company require a considerable amount of analytical work in the field of research into the state of the industry and competitive strategies. As can be seen from the main principles of Porter's theory presented above, the main emphasis is on defining the basic strategies of the enterprise, as well as their application in real market conditions. The process of strategy formation thus appears as a conscious process controlled by the management, but detailed and formalized to a much lesser extent than representatives of strategic planning school (I. Ansoff [2], H. Mintzberg [3], etc.).

We propose to interpret Porter's generic strategies for HCOs based on a study of the conceptual structure of competition between HCOs in the health care market shown in Figure 2.

This approach is in line with the three Porter's generic strategies discussed above: cost leadership, differentiation and focus, which will be matched by a process improvement strategy, a service diversification strategy, and a health service leadership strategy.

The first competitive strategy of the process improvement works within the whole market, so it is in line with the cost leadership strategy. Hospitals that choose this strategy typically standardize their services and improve efficiency to achieve cost leadership and asset turnover.

The second competitive strategy for differentiation of health care services is being applied across a wide market, as hospitals can develop unique service lines to meet the individual needs of a wide range of patients.



**Figure 2 - Conceptual structure of competition**

*Source: done by author based on [4, 5]*

The third competitive strategy for leadership in quality of health care services is related to the focus strategy, which means concentrating on establishing leadership in a narrow segment of the market by performing specific complex medical procedures.

So, we looked at three basic strategic approaches to forming a competitive strategy for an HCO and identified the main strategies that are based on three competitive advantages – service quality, process improvement, service differentiation.

However, there are a variety of competitive strategies used by organizations in the healthcare market. In our opinion, there is a need for their systematization and classification considering the features of health care services (Table 1). It makes sense to consider other strategies in the context of a typed typology and considering the particularities of the health care service. Thus, the classic models used to develop the strategy include the matrix of opportunities for goods and markets, first proposed by I. Ansoff, entitled “Matrix” [2]. According to this analytical tool, an enterprise can choose from four strategic alternatives to maintaining or increasing market share and, therefore, to retaining or enhancing the competitive advantages of the manufacturer (provider) of services: market penetration strategy; new service development strategy; market development strategy; diversification strategy. It is worth noting that the matrix was designed to select and formulate a strategy for the development of enterprises specializing in the production and sale of goods. The current situation in the market of health care services and the growing number of HCOs of private ownership make us consider the conditions of strategy formation according to this method.

The Market Penetration Strategy is aimed at existing products and markets. “Cost savings” or “improve what you already do” is sometimes synonymous with this strategy.

It is effective if the market is growing or not saturated. Extension of service delivery is achieved because of increased intensity of product promotion, optimization of pricing policy, etc. It allows to increase the volume of services rendering, to attract new customers, including at the expense of competitors' customers, and increase demand from previously attracted consumers.

Table 1

**Typology of the main marketing competitive strategies in health care**

Author	Cost orientation	Focus on service quality	Consumer oriented
M. Porter	Cost leadership	Differentiation	Differentiation focus, Cost Focus
H.I. Ansoff	Market Penetration Strategy	New Product Development Strategy Market Development Strategy	Diversification Strategy
Ph. Kotler	Leaderboard Strategy (by cost) Leadership Candidate Strategy (by cost)	Leaderboard Strategy (Quality) Leadership Candidate Strategy (Quality) Follower strategy	Niche Strategy
A. Yudanov, L. Ramensky, H. Friesewinkel, J.P. Grime	“Violent” strategy (“Proud lion”, “Mighty elephant”, “Hulking hippo”)	“Explorant” strategy (“First Swallow”)	“Commutant” strategy (“Gray mouse”) “Patient” strategy (“Sly fox”)
M. Treacy, F. Wiersema	Operational Excellence Strategy	Product Leadership Strategy	Consumer Intimacy Strategy
J. Trout, A. Ries	National Defense strategy National Offense Strategy	Flank in a battle	Guerrilla war
K. Ohmae	The Corporate-based Strategies (Selectivity and sequencing, Make or buy, Cost effectiveness)	The Competitor-based Strategies (Power of Image, Make Profit and Cost Differences, Tactics for fly weight, “People – Money – Things” (Japanese: “Hito – Kane – Mono”)	The Customer-based Strategies (Segmenting by objectives, Segmenting by customer coverage, Re-segmenting the market once more, Changes in customer mix)
W.C. Kim, R.A. Mauborgne	Red Ocean Strategy	Red Ocean Strategy	Blue Ocean Strategy
R. Pino	Accenture Strategy	Corporate Aikido Strategy (The Theory of the Competitive Attack, The Theory of the Defensive Action)	–
G. von Krogh, M.A. Cusumano	Scaling Strategy	Duplication Strategy	Granulation Strategy

The New Product Development Strategy is focused on new services for emerging and long – established markets. It is used when the HCO provides several services that are popular with patients. It involves the development of new or modification of existing products for the developed segments, the implementation of innovations in relation to the previously developed product and its consumption.

Market Penetration Strategy involves entering new markets with a previously developed product. The purpose of the manufacturer (health care provider) is to increase the sales of existing products, including by providing patients with new opportunities to use them. HCOs can enter new market segments where there is unmet demand, use new ways and tools to promote and market services.

The Diversification Strategy is applied in circumstances where it is necessary to reduce the dependence of the product manufacturer (supplier) on a certain list of services, including in

the event of withdrawal from a non – prospective market segment. As an alternative, it involves the development of new products and services, entry into new markets, and is therefore more risky than other options.

Another widely known approach to identifying competitive strategies was the approach proposed by Ph. Kotler. It is based on determining the market share belonging to the manufacturer [6]:

- 1) the leader's strategy (expansion of primary demand (above all costs), expansion of product scope, increase in the number of single – use products, etc. (or quality); defensive passive strategy; offensive active strategy with systematic use of the «experience curve» strategy; demarketing).
- 2) strategy of the candidate for leadership (active actions against the leader).
- 3) follower strategy (variant of market behavior adapted to competitors' actions, creative market segmentation, high specialization of works).
- 4) niche strategy (consistent with focusing strategy in M. Porter's classification).

There is another rather interesting classification of competitive strategies for firms by type of innovative competitive behavior developed by A. Yudanov and H. Friesewinkel [7, 8] based on the principles of the biological approach done by L. Ramensky and J.P. Grime [9, 10]. The main types of competitive strategies in this classification are grouped as follows.

“Violet” Strategy is a large – scale HCO strategy that is cost – effective in delivering standardized services and economies of scale. Depending on the rate of development and the level of differentiation, the following associations are used in the biological approach: «proud lion», «mighty elephant», «hulking hippo». “Patient” strategy is a Niche strategy that is to provide a limited number of high qualities, highly specialized healthcare services. Due to special actions in a narrow segment of the market, companies are compared to “sly foxes”. “Explorant” strategy is focused on radical, breakthrough innovations, when HCOs win the competition at the expense of high order benefits and are associated with the first swallows. “Commutant” strategy involves flexible and complete satisfaction of local needs. The association with gray mice is used to penetrate any residual segment with partially unmet demand.

As an independent and, in our opinion, a very rational approach to the classification of competitive strategies, we can consider the approach proposed by M. Treacy and F. Wiersema [11]. They have identified three «value disciplines» that can be considered as ways of delivering value to a consumer. These include operational excellence, product leadership and intimacy to the consumer. If a healthcare provider wants to take a leadership position in the market because of long – term competitive advantage, he or she can make the choice in favor of one and strive to achieve their goals. If, at production perfection, a rational combination of specific knowledge, efficient technological processes and management is a success factor, then in terms of product leadership, new opportunities can be noted in ensuring the optimal balance of solutions for upgrading existing products and creating new ones.

The Consumer Intimacy Strategy is widely used by HCOs, whose competitive advantage is focused not on mass needs but on the needs of specific patients with special interests. Their goal is to maximize customer requests, individualize approaches to work with them and offer services at reasonable prices. The focus is on the development of long – term partnerships with patients, the adaptation of services offered to their needs, the delegation of additional functions to medical staff working with patients directly. A success factor is the combination of the high level of expertise of both healthcare professionals and the efforts of all hospital staff, including health managers and organizers, in the use of modern product promotion methods.

J. Trout and A. Ries describe in «Marketing warfare» the so-called strategic square that can be built for any industry [12]. The square consists of four types of competitive strategies: defensive warfare – for the market leader, offensive warfare – for the closest pursuer of the leader, flank warfare in a battle – for middle industry, guerrilla warfare – for small niche players.

We interpret these strategies for HCOs. Of course, defensive warfare strategy is based on the following principles: only the market leader should consider playing defensive; the best defensive strategy is to attack yourself; strong competitive moves should always be blocked; there must always be some tools in the reserve. Offensive warfare is the strategy of the closest pursuer of a leader, a sufficiently strong HCO who can conduct prolonged attacks on the leader. It will use techniques such as price cuts, discounts, guarantees, and technological innovations. Flanking warfare involves a variety of strategies: low or high cost; volume of product; based on changes in product characteristics; through product innovation; improving distribution. Guerrilla warfare is based on the ability of the HCOs to adjust tactics to competitors, its principles are: to find a segment of a market small enough to defend for a leader but profitable enough for a guerrilla; no matter how successful you become, never act like the leader (minimum administrative staff and fast decision – making); be prepared to bug out at a moment's notice.

The 3C Model by Kenichi Ohmae envisages the identification of three key success factors for the company, which are the three major players in the strategy's implementation at the same time: the Company (Corporation), the Customer, and the Competitor. According to this model, one can distinguish typical strategies for HCOs aimed at achieving sustainable competitive advantage, which are ensured by the combination of these factors into the so – called strategic triangle [13].

The Corporate-based Strategies are designed to maximize the benefits of HCOs over competitors in the areas most critical to success in the industry. The “selectivity and sequencing” strategy involves decisive leadership in one critical area that will help to succeed in other areas that are currently industry average. The “Make or buy” strategy allows for sustainable cost leadership in the face of rapid growth and the inability of competitors to respond promptly to these changes when the HCO is able to flexibly change the volume of service delivery to meet demand changes. The cost-effectiveness strategy can be implemented in three main ways: a more efficient reduction of core costs compared to competitors; optimization of the number of services provided or functions performed; use of similar key functions in conjunction with other business units of the organization or even with third parties.

The Customer-based Strategies include segmenting by objectives (allocation of groups to develop specialized offers for them), by customer coverage (search for optimal coverage of the market), re-segmenting the market once more (building more favorable segmentation due to increased competition), changes in customer mix (tracking the market segment changes which happens under the influence of overwhelming forces).

The Competitor-based Strategies can be constructed by looking at possible sources of HCOs differentiation in functions from the development of the service, its basic characteristics, and direct health care. K. Ohmae puts forward the strategies of “power of image”, “capitalizing on profit – and cost structure differences”, “tactics for flyweights”, “hito – kane – mono”.

The “power of image” strategy focuses on leading competitors in investing in PR, promoting and managing these communications, that is image differentiation. The strategy of “capitalizing on profit – and cost structure differences” allows put a competitor with high fixed costs in twice the disadvantage, because as the volume of services is reduced, their specific costs increase, and they lose profitability even at a constant price. “Tactics for flyweights” include competition through media advertising or significant research efforts, which, in the

author's opinion, provides an additional amount of fixed costs. The “Hito – Kane – Mono” strategy is based on the well – established opinion of Japanese businessmen that purposeful corporate governance is created when these three critical resources are balanced.

W. Ch. Kim and R. Mauborgne in the “Blue Ocean Strategy” [14], based on a survey of more than thirty industries over the past hundred years, have revealed a sequence of strategic thinking that preceded the creation of a new market or industry. This was called the “Blue Ocean Strategy”. The logic behind this strategy is different from the traditional models that focus on fighting in an existing market space called the Red Ocean by the authors. The core idea of the “blue ocean strategy” is to create demand for a service based on value innovation to enhance the competitiveness of HCOs. The goals of the strategies are presented in Table 2.

Perhaps the most important feature of the Blue Ocean strategy is that it rejects the fundamental principle of traditional strategy: there must be a trade – off between unique benefits and price. According to this thesis, HCOs can either offer patients services that are more valuable to them at a higher price or create acceptable offers at a lower cost. Because value for the customer consists of the benefits of the product and its price, and the value for the HCOs – value for money, a blue ocean strategy is formed only when all the organization's actions on which the benefits of the product, price and cost depend, are correctly agreed. This is a general systemic approach that transforms the formation of the blue oceans into a stable strategy that integrates the full range of functional and operational activities of the HCOs.

The Red Ocean strategy involves “counteracting” competitors and driving them out of the market segment. In contrast, the Blue Ocean strategy involves doing business where there is no competition. It aims to create a new target segment rather than capture an existing one. In our opinion, it is possible to build an effective Blue Ocean strategy based on research in the following areas:

*Table 2*

**Targets comparative characterization of the Red Ocean and Blue Ocean strategies**

Targets of the Red Ocean Strategy	Targets of the Blue Ocean Strategy
Compete in the existing market.	Create a competition – free market.
Defeat competitors.	Eradicate competition.
Use existing demand.	Form and use new demand.
Find a compromise between unique benefits and price.	Discard trade – offs between unique benefits and price.
Adapt the entire operating system of the company according to its strategic choice: unique advantages or low cost.	Adapt the entire operating system of the company to offer low – cost products with unique benefits.

1. Innovative investment activities of competitors.
2. Sectoral factors of competition (especially substitution services) and interactions between them.
3. The volume of patient services within the standard market supply.

In particular, by tracking the emergence of innovative products in information technology, the top management of the HCOs can optimize production processes and

performance, for example by combining Blue Ocean strategy and blockchain technology (streamlined databases).

A. Codrin (2019) defines blockchain as a decentralized system in which transactional or archival information is recorded and stored on a peer – to – peer network of so – called nodes. It is an invariable public digital book, very similar to a database. According to experts, blockchain is indeed a powerful technology that can cause innovative shifts in almost any industry [15].

In our view, developing market strategies based on the introduction of blockchain technology in the healthcare industry will enable the HCO to gain the following benefits:

1. Reduce the waiting time with your service provider. Complex registration processes, repetitive registration processes, create unnecessary costs for the patient and the provider. Using distributed patient registers in a blockchain (ledger) can shorten patient admission times.

2. Reduce administrative labor costs. Reducing paperwork on site filling leads to a reduction in the number of administrative staff and therefore a reduction in overhead.

3. Reduce registration errors. A Distributed Health Registry (Register) may contain claims, reducing the number of errors by manually entering or re – entering information.

4. Reduce the risk of patients' failure to comply with deadlines. Claims and a universal register of health events will allow auditors to smoothly analyze claims from start to finish, reducing risk and cost.

5. Establish a reliable system for protecting patient information at all stages of life – long treatment. Patients trust third parties, such as hospitals and other HCOs, to store and protect sensitive information. In the distributed patient registry (registry) there is an opportunity to store patient information and claims, which increases the transparency of data processing, claims, payment.

6. Ensure that your doctor is available. When a patient requires medical attention (services), he or she calls the service provider and tries to make an appointment. As a rule, several feedbacks occur before setting the date and time of admission (for example, an annual survey requires a laboratory study, which means, other services are involved). A universal register of medical visits will facilitate the coordination of multiple schedules without requiring that any single system of medical assistance have its own register of medical visits.

7. Increase price flexibility. Through distributed patient registries, blockchain claims information will be made available by providers through the distribution network. The patient will be able to obtain information on the average price for a service in a certain area, for a certain age, in a specific HCO.

In general, blockchain technology is effective in areas such as:

– Quality of medical information (ensuring cybersecurity, protection of personal data, non – disclosure of medical and medical secrecy, constant updating and dissemination in various HCOs of reliable information required for treatment, absence of duplication, errors, claims).

– Patient access to medical information and records control.

– Unification of contracts for patient care, speed of payment for services.

– Establish a transparent link between the HCOs to keep track of payments, prescriptions and medical records, and to eliminate fraud.

– Registration of documents (reduction of paper component).

The following strategy, presented in Table 1, is the corporate Accenture strategy proposed by R. Pino (1999) [16]. Some of its elements are consonant with studies of the motives for strategic alliances, for example, close ideas are contained in the works of B. Garrett, P. Dussauge (1995) [17] and others. The Corporate Aikido strategy aims at strengthening the

market position of the HCOs by concentrating on development and self – improvement to counteract the competitor's strengths and subdue the latter. Aikido – based marketing strategy involves the development of HCOs such things that are guaranteed to safeguard their positions and improve their operations. The main idea is to strike a balance between mission, strategy and organization (“spirit, mind and body”). There are no such concepts as failure and success; there is only a result that makes the organization “slightly” better than before. The main distinguishing feature of Corporate Aikido from other approaches is the attitude to competition as a necessary institute that promotes the development and self – improvement of the company, the creation of new products and technologies. Competitors in Corporate Aikido are seen primarily as a source of new ideas and an additional push to development. Therefore, Aikido strategy assumes a different philosophy of competition – one must strive not to destroy a competitor for the sake of attaining and strengthening one's own leadership, but to establish control over one. Corporate Aikido strategy consists of two concepts: Theory of the Competitive Attack and Theory of the Defensive Action. The Competitive Attack theory includes two distinct elements, each of which is part of aikido: internal or mental, and external or physical aspects. The internal aspects of an attacked HCO include its strategic, aggressive intentions and focus on attack, that is, «what drives the company». It is the «spirit» of competition, the idea of establishing control over the actions of the opponent. The external aspect can be divided into physical and functional components. The physical part is physical organization, its resources. The functional component consists of dynamic – logistical movements and technical – technology infrastructure. The dynamic part is formed by the actions of the attacking organization, the success of which is determined by the speed and nature of the maneuvers being done. The technical infrastructure of the organization determines the result. «Technical infrastructure» means the business system of the company and the allocation of resources between the supporting functional industries. All these elements complement each other and form a deliberate attacking force of the company, which must ensure balance of all its components to achieve the best result. The theory of the defensive action also includes internal and external aspects. The internal, or mental, side of the HCO that is being defended is the center of its internal stability and control, the core values and the core ideology shared by all employees. The institution must have a complete and clear understanding of the market, its development and the strategic intentions of competitors. External factors of defense include the dynamics and timeliness of defense operations, as well as the technical infrastructure of the HCOs.

The essence of Aikido defense strategy is to establish control over the actions of an opponent, which involves approaching him or applying an environment strategy (evasion). In this case, the HCO should not avoid collision; otherwise it will not be able to neutralize the enemy's efforts. The organization's protective actions should be directed to the business system and the structure of the industry chain. As a result, the attack is neutralized over the long term. A functional combination of attack and defense develops aikido's discipline of coordination and balance.

Significantly different from the previous strategies are G. von Krogh and M.A. Cusumano thoughts [18]. The authors propose three main strategies: scaling, duplication, and granulation. Unlike Porter, Treacy and Wiersema, the authors believe that there is no single optimal strategy, but several strategies can be implemented at the same time.

In our view, the main idea of competitive strategies is not only to establish the competitive edge of an organization across products and markets, but also to maintain a competitive edge. Competitive strategies are closely linked to the efficient use of available and potential resources and provide customer satisfaction by gaining market leadership.

**Conclusions.** Therefore, the healthcare sector in Ukraine is developing. The transition to full economic management and new management models creates competition, increases the responsibility of chief physicians and supervisory boards for the financial aspects of the HCOs. A well – established strategy can help health care managers achieve these financial results. We outline the most common approaches to formulating a marketing competitive strategy and building the competitive advantages of the HCO. Of course, each medical facility requires more elaboration. And what strategy is chosen depends on the characteristics of the institution (profile, location, availability of specialists, equipment, etc.).

#### REFERENCES

1. Porter, M. (1985). *Competitive Advantage*. New York: McMillan Publishing Co, Inc.:576 p.
2. Ansoff, H. Igor (2007). *Strategic Management*. New York: Palgrave Macmillan:233p.
3. Mintzberg H. (2013). *Simply Managing: What Managers Do - and Can Do Better*. ReadHowYouWant:260p.
4. Thomson, R.B. (1994). Competition among hospitals in the United States. *Health policy*, Mar; 27(3): 205-31.
5. Butler, T.W., Leong, G.K. (2000). The impact of operations competitive priorities on hospital performance. *Health Care Manag Sci.*, Jun;3(3):227-35.
6. Kotler, Ph., Shalowitz, J., Stevens, R.J. (2008). *Strategic Marketing for Health Care Organizations: Building A Customer-Driven Health System*. Jossey-Bass:576p.
7. Yudanov A. Yu. *Konkurenciya: teoriya i praktika: Uchebno-prakticheskoe posobie*. M.: Gnom i D, 2001. 304 s. [in Russian]
8. Friesewinkel H. (1982). *Das pharmazeutische Marketing*, 2. Kulmbach: Pharma-Team-Verlag:535p.
9. Ramenskij L. G. *Vvedenie v kompleksnoe pochvenno-geobotanicheskoe issledovanie zemel*. M.: Selhozgiz, 1938. 620 s. [in Russian]
10. Grime J. P. (1979). *Plant strategies and vegetation processes*. Chichester: John Wiley & Sons:222p.
11. Treacy M, Wiersema F. (1997). *The Discipline of Market Leaders*. Basic books; New Ad Addition:210p.
12. Traut Dzh., Rajs El. *Marketingovi vijni* (2019). K.: Fabula. 240 s. [in Ukrainian]
13. Omae K. (2019). *Myshlenie stratega. Iskusstvo biznesa po-yaponski*. M.: Intellektualnaya literatura. 211 s. [in Russian]
14. Kim W. C., Mauborgne R. A. (2015). *Blue Ocean Strategy, Expanded Edition: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Boston, Massachusetts: Harvard Business Review Press: 287p.
15. Codrin A. (2019). The Global “Blockchain in Healthcare” Report: the 2019 ultimate guide for every executive. *Digital Disruption*, May 26. Retrieved from <https://healthcareweekly.com/blockchain-in-healthcare-guide/>
16. Pino R. (1999). *Corporate Aikido: Unleash the Potential Within Your Company to Neutralize Competition and Seize Growth*. McGraw-Hill:169p.
17. Dussauge P., Garrette B. (1995). Determinants of Success in International Strategic Alliances: Evidence from the Global Aerospace Industry. *Journal of International Business Studies*. Vol. 26, Issue 3:505–530.
18. Von Krogh G., Cusumano M.A. (2001). Three strategies for managing fast growth, *MIT Sloan Management Review*, v. 42; No2:53-61