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ABSTRACT

Health care, is the prevention, treatment, and management of illness and the preservation of mental and physical well being through the services offered by the medical, nursing, and allied health professions.

The 1990s witnessed a phenomenal growth in the emerging economies especially the economies of China and India and this fact has been further amplified during the last three years. With the arrival of year 2000, these countries have seen many of the "Fortune 500 "brands knocking on their doors. Is it just the new emerging opportunities or rather a lack of performance in their mature home market? A very dispassionate view and a bit of introspection would clearly point out that it is both.

What is indeed laudable is the fact that it is not sector-specific but seen across different sectors, which is a very clear indication of the fact that it is not a "localized phenomena" and that it is an overall economy in waiting. The wait is now over for some large Indian companies. We have witnessed the take-over of some large offshore brands and organizations by Chinese and Indian companies. Individuals from these countries have migrated and received due recognition from host countries.

Today, we are seeing activities in sectors such as IT, Retail (all verticals), Education and a host of other service-related areas. This is against the backdrop of services contributing almost 80% to the GDP in the developed economies as against 63% in the case of India (Source: Federation of Indian Chambers of Commerce and Industry).

A clear gap revealed in terms of available potential in this sector.
The last few years post-2000 have seen certain sectors undergoing significant growth while some are poised to experience the same in the coming years. Information technology segment and the banking segment have seen it happen, which the retail and education segments are poised to undergo. While a huge proportion of the Indian retail close to 96% lies in the unorganized state what must be emphasized is the fact that this is all the more prominent and concerning in areas of direct, frequent and personal customer contact like healthcare and education in which getting organized is not an option and wherein lies a huge opportunity.

Over the last few years we have seen the healthcare sector in a state of transition from a static to a dynamic one due to a number of "drivers". Also healthcare happens to be one of the key drivers of national economic performance further complicated due to the fact that within itself, the segment is diverse. This segment is dominated by the pharmaceutical industry with pharmaceutical retailers playing an active role and a great percentage of them in the unorganized segment. With a number of offshore retail brands waiting for the official permission to set up shop in India, it is a question of time before foreign drug retailers take a percentage of the healthcare pie which would of course be preceded by substantial investments from them with a lot of expectations in terms of outcomes. For one, they would expect a level-playing field in the form of mandatory requirements, regulations and their enforcement, standards of training and quality delivery systems which are almost nonexistent in the current pharmaceutical retail segment. All of them would require huge investment and one possible source could be foreign direct investment. This directly translates into "shape up or ship out".
This would mean that the dominant unorganized retailers would have a huge task on hand relating to acquiring skill sets, organizing their supply chain, integrating and implementing information technology and activities making them offer formidable competition to the foreign brands. On the other hand the process of getting organized would involve substantial investment leading to the issue of “willingness to invest situation and if not what next”?

The fact that this specific sector (Healthcare including Healthcare retail) employs over 4 million people and contributes 5.2% of the GDP which is approximately US $35 billion and a healthy growth rate of 16% as of year 2006 (Source: Market Overview, Healthcare, Indian Brand Equity Foundation, October 2007) it could have serious implications as it is projected to grow to US $78.6 billion by the year 2016 with high prospects of direct and indirect employment doubling in the said period.

The overall impact will have to be studied as to what could be the implications and possible affirmative action.

In this research an attempt has been made to address the issue from a qualitative as well as quantitative facet to enhance the overall outcome, details of which has been enumerated in the following chapters.