Redesigning Marketing for Traditional Chinese Medicine

Clinics in China

By

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ABSTRACT

With China's ongoing development, Chinese people have more and higher standards for quality of life and are becoming increasingly concerned about their health. TCM also has a positive image among Chinese people and has received strong support from Chinese medical regulations, resulting in a rapid increase in the number of TCM clinics in China in recent years. As a result, TCM clinics have a lot of room for growth. However, for historical reasons, TCM clinics do not devote enough attention to marketing. TCM clinics are unable to meet the growing demand of Chinese customers for TCM due to a lack of awareness. With such a knowledge gap, TCM clinics' marketing initiatives are becoming increasingly vital.

This study summarizes and categorizes TCM clinics and doctors in China to serve as a foundation for future marketing strategies and approaches. Furthermore, previous TCM clinic marketing focused solely on the consumer side and ignored the doctor side. As a result, this paper's marketing strategy and tactics will target both customers and doctors, as well as redesign existing TCM clinic marketing. To begin, this study examines the TCM clinics' business environment and marketing issues in China, concluding that TCM clinics primarily have unclear marketing strategies, simplistic marketing methods, and a lack of marketing organizations. Second, the marketing environment of TCM clinics is examined, with the conclusion that, in terms of political policy, economy, social environment, and technical means, China is presently friendly to the development of TCM clinics, providing fertile ground for marketing. Finally, TCM clinic marketing strategies and tactics are examined in order to identify key market categories and provide five marketing methods in terms of products, services, marketing channels, prices, and promotions. Embracing new technologies, comprehensively constructing digital TCM clinics, and improving accurate digital marketing to consumers and doctors are just a few ways.
By revamping the marketing of TCM clinics in China, this study proposes an entire marketing strategy and strategies for TCM clinics. It improves the overall marketing level of TCM clinics, allowing them to run more efficiently. Furthermore, it provides consumers with improved TCM services as well as a better working environment and compensation for TCM doctors.

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1 Introduction

1.1 Research background and significance

With the continuous development of Chinese society, the continuous satisfaction of living materials and the improvement of living conditions, people's demand for quality of life has become higher and higher, and they are more and more concerned about their health. Traditional Chinese medicine in China has received strong support from Chinese policies in the medical field, ushering in unprecedented development opportunities. The Chinese Medicine Law of the People's Republic of China was passed on December 25, 2016, which is the first law for traditional Chinese medicine in China, meaning that the central and local governments of China will successively introduce many supporting policies to promote the development of traditional Chinese medicine, which will greatly enhance the service capacity of traditional Chinese medicine and promote the construction of a healthy China. 2017 China's State Administration of Traditional Chinese Medicine issued the "Record Management of Traditional Chinese Medicine Clinics the Interim Measures" which makes the process of starting a TCM clinic easier. According to the Statistical Executive Summary Report on the Development of TCM Business in 2020 released by the State Administration of TCM of China in 2022, the number of TCM clinics on record was 195, 8,376 and 15,917 at the end of 2017, 2018 and 2019, respectively, and up to more than 19,000 in September 2020, with a total of 53,560 TCM clinics. At the same time, TCM clinics are of great importance to both building and supplementing China's healthcare system.

1.2 Research content

Chinese medicine has a long history, which has led to TCM clinics having a historical imprint, appearing as a place to practice medicine and sell medicine, and the Chinese tradition is full of respect for doctors, which has led to TCM clinics never paying much attention to management and marketing, especially marketing. Previously, TCM clinics
were marketed only in a way that promoted the doctor, through word-of-mouth from patients, and with the introverted personality of the Chinese, this promotion was often subtle. Especially in recent years in China, the demand of TCM consumers is strong, but many TCM clinics are unable to make consumers fully aware of the information gap, so it is worth studying how TCM clinics can carry out effective marketing to achieve good revenue and meet the needs of consumers.

Moreover, previous TCM clinics only marketed to patients and did not take into account the doctor's side, which is just as important as marketing to doctors. Being able to attract good doctors means more customers, which is a positive cycle. So this paper also studies doctors as marketing objects.

1.3 Thesis structure and research methodology

This paper is divided into six chapters, which focus on the categorization, summarization and marketing study of TCM clinics in China.

Chapter 1, Introduction. Introduces the research background and significance of the paper, research content, and thesis framework.

Chapter 2, Background introduction of TCM clinics in China. Define Chinese TCM clinics in China, classify Chinese TCM clinics and Chinese TCM doctors, and introduce the situation of current TCM clinics.

Chapter 3, current marketing environment analysis. Firstly, the generalization of the current marketing problems of TCM clinics. Secondly, using PEST model to analyze Chinese TCM clinics in China.

Chapter 4, rethink marketing strategy study of TCM clinics. Using STP theory, a study is conducted on the consumer side and doctor side respectively. Through researching
consumers and TCM doctors, the target market and market positioning of TCM clinics are established to provide the basis for further marketing tactics.

Chapter 5, rethink marketing tactics study of TCM clinics. Based on the target market and market positioning in the previous chapter, various marketing tactics are proposed using the 4P theory.

Chapter 6, Conclusion and future expectation.

2 Background of TCM Clinics in China

2.1 Definition and classification of TCM clinics

According to the Rules for the Implementation of the Regulations on the Administration of Medical Institutions, TCM medical institutions in China are divided into TCM hospitals, TCM outpatient clinics, TCM clinics, and all socially oriented units mainly engaged in TCM medical services under various names, and are classified into public and private institutions according to their registration types. TCM clinics have a history of several thousand years along with the prosperity of the Chinese nation, and are suitable for the existing national conditions of China's large population and imbalanced distribution of medical resources between urban and rural areas, and compared with other forms of medical institutions such as TCM hospitals and TCM outpatient clinics, the construction investment is low, the service cost is low, and the ownership form of the organizing body is flexible. The Chinese government has introduced a series of relevant policies and regulations to promote its healthy development, and since the implementation of the Chinese National TCM Law in July 2017, various supporting policies have been introduced one after another, including the Interim Measures for the Record Management of TCM Clinics, which allows qualified licensed TCM practitioners to open record TCM clinics, allowing TCM services to enter the
community, greatly increasing the accessibility of TCM services at the primary level and meeting the diverse medical needs of the people. This has greatly increased the accessibility of TCM services at the primary level and met the diverse medical needs of the people.

Traditional Chinese medicine clinics are defined as clinics that use traditional Chinese medicine and non-drug therapies such as acupuncture, cupping and massage to carry out treatment services under the guidance of traditional Chinese medicine theory, as well as traditional Chinese medicine pharmacy services such as Chinese medicine blending and decoction of soup, with a 100% Chinese medicine treatment rate.

(1) Personnel
At least one licensed physician, and meet one of the following conditions: 1. With the category of traditional Chinese medicine "physician qualification certificate" and registered to practice in medical, preventive and health care institutions for three years, in good health; 2. With "Chinese medicine (specialty) physician qualification certificate", registered to practice in accordance with the law, in good health. At least one qualified Chinese medicine technician if conducting Chinese medicine tablet dispensing activities.

(2) House
Housing needs to be relatively independent, the layout of the treatment area is reasonable, in line with the layout and flow of hygiene, at least set the waiting area, and consultation area. Area to meet the functional needs, and should be carried out according to the different scope of treatment with the following conditions: 1. To carry out Chinese medicine and proprietary Chinese medicine dispensing services, the service area should be relatively independent; 2. To carry out non-drug therapy in Chinese medicine, should set up an independent treatment room.

(3) Equipment
The basic equipment is consultation table, consultation chair, pulse pillow, ultraviolet disinfection equipment, dirt bucket, etc. If there is to carry out other treatment, there is a need to have other equipment appropriate to the scope of treatment, including Chinese medicine treatment equipment.

(4) Regulations
There are various rules and regulations, personnel post responsibility systems, there are state-made or approved medical technology operating procedures, and available in book form. Develop infection control system and process, TCM technical operation in line with the TCM medical technology-related infection prevention and control and other relevant regulations.

As for the classification of TCM clinics, there is no official classification given in China. Therefore, the author classifies TCM clinics into the following three categories according to their size and function at this stage in China.
1. Large-sized comprehensive TCM clinics: function similar to Chinese hospitals, centralized medicine, acupuncture, massage, physical therapy, food therapy, etc. as a whole, and the main difference with Chinese medicine hospitals is that there is no testing equipment and beds, no inpatients, for example, Kunming Shengai TCM Hall, Ningbo Haishu TCM Hall, Fuzhou Ruilaichun TCM Hall, etc.

2. Medium-sized chain TCM clinics: chain system, with a large number of clinics and a complete set of functional departments, enlisting famous Chinese medicine doctors to sit in the clinic, mainly relying on the sale of high-quality and high-priced Chinese medicine to make profits, such as Shenzhen Shunhe clinics, Hunan Jiuzhi clinics, Chengdu Deren clinics.

3. Small-sized TCM clinics: 1-3 TCM doctors as well as a pharmacy, or even without a pharmacy, mainly for the convenience of patients in the vicinity of the consultation and the sale of Chinese medicine and proprietary Chinese medicine. Smaller in terms
of staff, assets and scale of operation, even family-based similar to "mom-and-pop store".

2.2 Classification of TCM doctors

Due to the nature of TCM's historical development, the weight of TCM doctors in TCM clinics is many times greater than that of TCM clinics. A good TCM clinic is actually a platform to link doctors and consumers, and the characteristic of TCM is that patients will pay more attention to doctors than to TCM clinics, so marketing for the doctor's side will not only bring good medical resources to TCM clinics, but also bring customers. Below, we analyze the classification of TCM doctors.

Chinese TCM doctors are classified by their professional title: assistant TCM bachelor, TCM bachelor, TCM physician, TCM attending physician, TCM deputy chief physician, and TCM chief physician. Among them, assistant TCM bachelor, TCM bachelor and TCM physician are junior titles, TCM attending physician is an intermediate title, and TCM deputy chief physician and TCM chief physician are senior titles. So, the TCM doctor employed as a TCM clinic should be at least a senior title of TCM associate chief physician or above. Such a classification is standard, but it does not cover precisely cover all good TCM doctors.

There is a special classification for Chinese TCM doctors, i.e. the designation classification, which is often an honorary title awarded by the Chinese TCM Administration at different levels. However, it can also be used as a guideline for selecting outstanding TCM doctors. Some of the more significant titles are: National Master of Medicine, National Famous Chinese Medicine Physician, and Provincial Famous Chinese Medicine Physician. The title of "Master of Chinese Medicine" is the highest honor in the traditional Chinese medicine industry. In order to promote the inheritance and innovation of academic thinking in Chinese medicine, the relevant departments in China have started to select and commend the "National Medical
Masters" since 2009, and only 30 people are selected each time. Therefore, although the National Master of Medicine is only a title, there are only 90 people so far, and these 90 people represent the highest level of Chinese medicine. It is very marketable and convincing to use this for the screening of TCM clinic doctors. But after all, there are only 90 national masters of Chinese medicine, so it is impossible for small and medium-sized TCM clinics to invite them to sit, so each small and medium-sized TCM clinic can choose for the national title of famous TCM doctor.

There is a very special category of TCM doctors, i.e. medical school graduates and master trainers. Chinese medicine has a long history, and every year there are many TCM enthusiasts who do not have a full-time medical degree in their possession and wish to pursue the legal practice of medicine and continue on the path of TCM by means of TCM master training or confirmed expertise in TCM. The Ministry of Health of China has clearly defined strict restrictions on the practice of Chinese medicine. In Article 27 of the Measures for the Examination and Qualification Examination of Physicians with Expertise in Traditional Medicine, it is stipulated that after obtaining the Certificate of Mastery of Traditional Medicine or the Certificate of Confirmed Expertise in Traditional Medicine, the master and confirmed expert personnel shall, under the guidance of a licensed physician, work in the province (autonomous region or municipality directly under the Central Government) where the Certificate of Mastery of Traditional Medicine or the Certificate of Confirmed Expertise in Traditional Medicine is granted. After completing one year of probationary period in a medical institution and passing the examination, they can apply to take the Licensed Assistant Physician Qualification Examination. The Chinese TCM Physician Qualification Examination is divided into two levels: Practicing Physician and Practicing Assistant Physician. The difference is that the scope of practice of practicing assistant physicians is somewhat restricted, and they can only practice under the guidance of practicing physicians and cannot practice independently, but practicing assistant physicians working in medical and health care institutions in townships can independently engage in general practice activities according to the situation and needs
of medical treatment. So many TCM doctors are treated as master trainers. For TCM clinics, although it is a very important indicator to measure doctors by the actual situation they see, from the marketing point of view, a standardized medical school training is helpful for marketing to patients, so for TCM clinics, it is safer to take doctors who graduated from excellent medical schools as the first choice.

Traditional Chinese medicine can also be categorized by department, and the main departments can be roughly divided into: gynecology, dermatology, gastroenterology, respiratory medicine, nephrology, encephalopathy, cardiovascular medicine, urology, osteopathy, acupuncture and moxibustion, etc. Traditional Chinese medicine has been trained in recent years in a generalist way, and this generalist training is mainly oriented to primary care in China. Therefore, TCM clinics should choose the doctor's department with the most consumers, the most profit and the easier access to senior title doctors among the above departments.

In summary, doctors can be categorized by professional title, designation, training method and department. When choosing a doctor, TCM clinics should take into account the local reality and marketing approach to doctors.

2.3 Current situation of TCM clinics in China

From the current situation, the strength of TCM clinics in China is still relatively weak, but with the encouragement of China's macro and local policies, the trend of great health and wellness, and the increasing health awareness of consumers, the future trend of TCM clinics are very bright.

First, the number of TCM clinics on record has surged, and the supply of TCM services has increased significantly. Since the liberalization of the clinic from the audit system to the filing system in 2017, and the implementation of the Interim Measures on the Management of TCM Clinics for Filing, the number of TCM clinics for filing has
continued to increase significantly. According to the State Administration of Traditional Chinese Medicine, the number of TCM clinics for filing nationwide was 195, 8,376, and 15,917 in 2017, 2018, and the end of 2019, respectively, and the provinces with more filings were Sichuan, Shandong, Guangdong, and Hebei. From 2011 to 2022, the number of TCM clinics in China has nearly doubled from more than 33,000 to more than 63,000; the number of medical institutions in the country has nearly doubled from 3.54% to 6.19%.

Secondly, there is an adequate reserve of TCM talents and a perfect training ladder for subsequent professionals. Chinese TCM Yearbook shows that the number of TCM talents trained by higher TCM colleges and universities in China is increasing year by year, which indicates that the industry will have a sufficient supply of TCM talents for subsequent development. This indicates that the industry will have a sufficient supply of TCM talents for subsequent development. According to the Chinese TCM Yearbook, the number of higher TCM students in China has increased significantly, from 235,072 in 2005 to 506,083 in 2019.

Thirdly, Traditional Chinese Medicine clinic service is expected to promote the sinking of high-quality medical resources through multi-point practice + medical association, effectively alleviating the mismatch between supply and demand of medical resources. 2022 version of the "Medical Doctor Law of the People's Republic of China" has been officially implemented on March 1, 2022, which clearly allows multi-point practice within medical associations without changing registration, which is conducive to promoting the flow of medical resources and alleviating the talent and technology dilemma of primary care. Traditional Chinese medicine is more suitable for the "medical association + multi-point practice" model, which relies on diagnosis, diagnosis and treatment by prescription, acupuncture, moxibustion, and scraping without the need for complex modern medical instruments and equipment, and Chinese medicine practitioners are the core quality resources, making multi-point practice highly efficient. "Medical association + multi-point practice", in fact, for the orderly
flow of quality Chinese medicine resources, opened a channel. If a private TCM clinic is incorporated into a medical association formed by a local public medical institution, experts from public tertiary Chinese hospitals will not have to go through the procedure of changing their registration information when they come to visit the clinic. TCM clinic services through the medical association and the multi-point practice of licensed physicians to form an effective complement to public medical institutions will effectively alleviate the plight of grassroots medical.

Finally, the marketing of TCM clinics lacks innovation and has serious homogenization. TCM clinics usually only use TCM as a treatment for patients, which leads to a single product for TCM clinics, focusing only on treating patients' conditions, ignoring the multifaceted and multi-level needs of consumers in terms of condition prevention, health care, and wellness. In terms of external marketing, it simply markets doctors, relying entirely on famous Chinese medicine doctors. With a single marketing tool, there is increased competition for doctor resources, creating a vicious circle. On the consumer side, it is not possible to address the consumers' fear of high medical fees. And in the pursuit of efficiency, raising Chinese medicine fees and increasing the use of expensive herbs have occurred, further affecting the marketing of TCM clinics.

3 Analysis of Current Marketing Situation for TCM Clinics in China

3.1 Current state of TCM clinic marketing

The current rising trend of TCM clinics in China is obvious and the general environment is favorable, but the marketing of TCM clinics lacks innovation and homogenization is serious. The current marketing of TCM clinics in China mainly has the following problems:
First, the marketing strategy is not clear. There is no clear target user and clinic positioning. One is because for TCM clinics, especially small and medium-sized TCM clinics, there is a lack of marketing talents. Second, the traditional medical industry generally does not pay much attention to marketing. Third, they are not willing to spend money on marketing and do not know how to spend it.

Second, the marketing strategy is simple. At present, TCM clinics mainly take the traditional way of attracting patients in the form of famous doctors. Relying on external expert doctors brings their own traffic fans, which leads to the problem that the clientele is overly dependent on celebrity experts. Famous doctor expert resources are scarce, and generally expert doctors mainly work outside of public hospital hours to work in various TCM clinics. This leads to very limited time for specialists to visit TCM clinics. This, combined with the scramble for expert resources by major TCM clinics, has exacerbated the instability of physician resources and will result in the loss of clients in the sector. It is very difficult to expect users to have complete trust in the TCM clinics and thus trust other doctors in the TCM clinics. Other forms of marketing, such as offline advertising, online advertising, etc., are ineffective or too costly. Most customers find TCM clinics mainly through recommendations from acquaintances and branded clinics, while offline advertising channels are generally less effective.

Finally, there is a lack of marketing organizations. At present, TCM clinics are in the traditional Chinese medicine industry, and the professionals are generally older and do not understand the popular marketing methods, and there is no marketing department in general TCM clinics. The marketing activities of general TCM clinics rely heavily on staff from other departments of the clinic, who generally do not know how to market. Also, many Small TCM clinics do not have reasonable marketing funds, and their marketing behavior is not systematic, lacks targeting, etc. Many TCM clinics have less money to spend on online marketing. If clinics focus on the investment in online
marketing, it will weaken the funding of traditional marketing channels, which are very difficult for traditional TCM clinics to accept.

3.2 Environment analysis – PEST

An understanding of the overall industry environment can help companies recognize market opportunities and environmental threats. This section uses PEST analysis to analyze the four major environmental factors that affect companies: political, economic, social, and technological.

3.2.1 Political factors analysis

In recent years, there have been a number of encouraging policies in China that are conducive to the development of TCM clinics. In particular, the Chinese government report states that it "insists on the equal importance of Chinese and Western medicine, and develops the cause of traditional Chinese medicine". The Chinese Medicine Law of the People's Republic of China was passed on December 25, 2016, which is the first law for Chinese medicine in China, meaning that the central and local governments will successively introduce a number of supporting policies in promoting the development of Chinese medicine, which will greatly enhance the capacity of Chinese medicine services and help to promote the construction of a healthy China with prominent effects. The Interim Measures for the Record Management of TCM Clinics issued by the State Administration of Traditional Chinese Medicine in 2017 has made the process of opening TCM clinics easier, and more TCM clinics are expected to emerge in the market. With the continued release of policy dividends, the TCM industry will also see more huge market space in the future. The graded treatment will also usher in an important breakthrough. The reason why it was difficult to implement the policy of graded treatment in the past was largely due to the lack of resources for doctors. Unlike Western medicine, Chinese medicine can prescribe treatment by "looking, smelling, asking and feeling". Western doctors need to rely on instruments and equipment to assist in diagnosis, resulting in that Western doctor cannot be separated from the platform of large hospitals to primary hospitals, while Chinese doctors can be treated
in private institutions with their own medical skills. TCM clinics hire old TCM doctors who are working or retired from big hospitals to sit in TCM clinics, which to a certain extent solves the problem of doctor resource allocation in graded treatment, and at the same time old TCM doctors guide customers to TCM clinics, forming a positive cycle. With the implementation of the policy of multi-point practice of physicians, senior TCM doctors, in cooperation with the TCM clinics, can arrange their own time to work part-time in the chain of TCM clinics, which is convenient for residents to seek medical treatment nearby and solves the problem of difficulty in seeking medical treatment for grassroots residents. The following table shows the laws and regulations related to the development of TCM issued by the relevant Chinese authorities in recent years, and it can be seen that TCM has been strongly supported in terms of policy.

Table. List of policies related to Chinese medicine industry in China, 2016-2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Policy Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.03</td>
<td>Guidance on promoting the healthy development of the pharmaceutical industry</td>
</tr>
<tr>
<td>2016.08</td>
<td>Chinese medicine development of &quot;Thirteenth Five-Year Plan&quot;</td>
</tr>
<tr>
<td>2016.10</td>
<td>&quot;Health China 2030&quot; planning outline</td>
</tr>
<tr>
<td>2016.11</td>
<td>Pharmaceutical industry development planning guide</td>
</tr>
<tr>
<td>2016.12</td>
<td>Chinese Medicine Law of the People's Republic of China</td>
</tr>
<tr>
<td>2016.12</td>
<td>Chinese Medicine &quot;One Belt, One Road&quot; Development Plan (2016-2020)</td>
</tr>
<tr>
<td>2017.06</td>
<td>&quot;Thirteenth Five-Year Plan&quot; Chinese medicine science and technology innovation special plan</td>
</tr>
<tr>
<td>2017.12</td>
<td>Guidance on promoting the integration and development of Chinese medicine health services and the Internet</td>
</tr>
<tr>
<td>2017.12</td>
<td>Interim Measures for the Record Management of Chinese Medicine Clinics</td>
</tr>
<tr>
<td>Year</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>2019.03</td>
<td>Notice on the construction of the export base of Chinese medicine services</td>
</tr>
<tr>
<td>2019.07</td>
<td>Notice on the practical strengthening of Chinese medicine in the construction of medical consortia</td>
</tr>
<tr>
<td>2019.10</td>
<td>Opinions on promoting the inheritance and innovative development of Chinese medicine</td>
</tr>
<tr>
<td>2019.11</td>
<td>Announcement on the implementation of the People's Republic of China Drug Administration Law related matters</td>
</tr>
<tr>
<td>2020.05</td>
<td>Guidelines for the construction and management of Chinese medicine case quality control centers (for trial implementation)</td>
</tr>
<tr>
<td>2020.07</td>
<td>Chinese medicine service supervision guidelines (for trial implementation)</td>
</tr>
<tr>
<td>2020.08</td>
<td>Guidance on strengthening the performance assessment of primary healthcare institutions (for trial implementation)</td>
</tr>
<tr>
<td>2020.12</td>
<td>National public health information construction standards and specifications</td>
</tr>
<tr>
<td>2021.02</td>
<td>Several policy measures to accelerate the development of Chinese medicine features</td>
</tr>
<tr>
<td>2021.04</td>
<td>Implementation Plan for Promoting Chinese Medicine in Maternal and Child Health (2021-2025)</td>
</tr>
<tr>
<td>2021.06</td>
<td>National TCM emergency medical team construction and management guidelines</td>
</tr>
<tr>
<td>2021.12</td>
<td>Guidance on medical insurance support for the development of Chinese medicine heritage and innovation</td>
</tr>
</tbody>
</table>

3.2.2 Economic factor analysis

First of all, China's socio-economy is functioning well. In 2021, China's GDP will grow by 8.1% over the previous year, and the total economic volume will reach 114.4 trillion yuan, i.e. US$17.7 trillion, ranking steadily as the second in the world and accounting for more than 18% of the global economy as expected. The stable economic growth provides a good economic environment for the development of TCM in China. While
TCM services are entering a period of rapid development, Frost & Sullivan forecasts that TCM treatment services will amount to RMB 292 billion in 2019, accounting for 6.3% of the domestic medical services market share. The compound annual growth rate from 2019 to 2030 is about 18.2%, which is expected to achieve rapid growth. The market share is expected to reach 1.8 trillion in 2030, and there is still room for 3 to 4 times growth.

The market size of TCM treatment and therapy services in China continues to expand and the penetration rate continues to increase. According to Frost & Sullivan's forecast, the market size of TCM treatment and therapy services will reach RMB 346 billion in 2020, with an annualized CAGR of approximately 25.5% from 2015 to 2020, and will continue to grow rapidly in the future. The penetration rate of outpatient visits for TCM treatment and therapy is expected to increase from 13.3% in 2019 to 16.6% in 2025, and the status of TCM treatment and therapy in China's healthcare service industry continues to rise.

At the same time, according to the Chinese TCM Yearbook, the Chinese government strongly supports the development of TCM, and the financial allocation to TCM institutions has increased significantly. 35.8 billion RMB was allocated to TCM institutions in 2015, increasing to 98.2 billion RMB in 2020, with an annualized compound growth rate of 22.34%, and the proportion of financial allocation to the national health sector has increased from 5.9% in 2015 to 7.4% in 2020. 7.4% in 2020.

In 2021, China's per capita GDP will exceed 80,000 RMB, i.e., US$12,551. According to international experience, when the GDP per capita exceeds US$10,000, the demand for health services is bound to enter the fast lane. As the income level of Chinese residents continues to rise and the consumption structure changes from subsistence to enjoyment, the service medical consumption represented by TCM health care services will show rapid development.
Finally, the TCM chain will also further drive the high-quality development of upstream Chinese herbal medicines. TCM mostly treats through group prescriptions, acupuncture, moxibustion and scraping, etc. Referring to the data of the State Administration of Traditional Chinese Medicine, the proportion of drug costs in TCM hospitals nationwide will exceed 50% in 2020.

*Figure: The proportion of drug costs in TCM hospitals nationwide*

Source: The State Administration of Traditional Chinese Medicine in China and Minsheng Securities Research Institute

3.2.3 Socio-cultural factors analysis

Traditional Chinese medicine has a long history in China, with a good social foundation and historical reputation. Chinese traditional health care and wellness ideas have a long history and have accumulated and summarized a large number of methods for disease prevention and health care. Since ancient times, Chinese people have had a tradition of paying attention to health care. In recent years, with the increase in people's income, the innovation of health concepts and the pursuit of high-quality life, combined with the publicity of health care knowledge by various media such as internet and TV, Chinese health care has become a topic of increasing concern to human beings.

Firstly, the trend of aging population drives up the market demand for Chinese medicine. According to the National Bureau of Statistics, from 2010 to 2020, the proportion of
young adults in China decreases from 70.14% to 63.35%, and the proportion of people over 60 years old increases from 13.26% to 18.70%, so the problem of population aging in China is becoming increasingly serious. Meanwhile, from 2014 to 2020, the per capita disposable income and per capita consumption expenditure of Chinese residents grew rapidly, and the per capita medical consumption expenditure increased from 7.20% to 8.69% of the total consumption expenditure, and the awareness and willingness to pay for health care of residents increased.

Secondly, the number of sub-healthy people in China is increasing. According to the definition of the World Health Organization, health refers to a condition in which all three aspects of physiological, psychological and social adaptation are good. There is a state of limbo between the healthy state and the disease state, which is called sub-healthy state. Therefore, Chinese medicine health care has a considerable market. Because of its significant advantages in prevention, health care and wellness, TCM has a significant advantage in the treatment of chronic complex multifactorial diseases. With this feature, the demand for TCM is expanding from "treatment" to "prevention and health care". Unlike the "passive treatment" of Western medicine, TCM can cover "passive treatment plus active health management", which means that the TCM industry chain can be extended to include health and consumer Chinese medicine, and the consumer attributes of TCM are becoming more and more obvious.

Finally, in the global New Coronary Pneumonia pandemic, the early intervention and full involvement of Chinese TCM played a very important role in the prevention and treatment of New Coronary Pneumonia in China and the world. In 2020, the Chinese Medicine Administration released the English version of the Chinese medicine treatment plan for NCCP, supported 112 video exchanges and live events with global anti-epidemic experts, exchanged Chinese medicine treatment plans, effective prescriptions and medicines and clinical experiences with 148 countries and regions, and selected Chinese medicine practitioners to go overseas to assist in the fight against the epidemic, which was highly praised by the international community. To this day,
Chinese users around the world have an approved attitude toward TCM in the treatment of NCCP. The clinical efficacy of TCM in the treatment of New Crown pneumonia is remarkable and widely promoted at home and abroad. In this New Crown epidemic, TCM was deeply involved in the prevention and control of the epidemic throughout the whole process, forming TCM treatment norms and technical plans covering the medical observation period, light, ordinary, heavy, critical, and the whole process of recovery onset, and realizing comprehensive promotion and use throughout China. The State Administration of Traditional Chinese Medicine has screened out a number of prescriptions and medicines with obvious efficacy and confirmed their clinical effectiveness in controlled experiments. The Chinese medicines represented by Golden Flower Granules and Lianhua QingFu Capsules have been registered and marketed in Thailand, Russia, Pakistan, Singapore, Laos, Kyrgyzstan, and the Philippines, playing an important role in the battlefield of fighting epidemics in the world.

3.2.4 Technological factors analysis

First of all, traditional Chinese medicine treatment is integrated with modern technology. The ever-changing scientific development, regardless of the advancement of society, has contributed to the traditional profession of TCM as well. The adoption of modern information systems, office systems, and the integration of physician and outpatient workstation systems in medical institutions has greatly improved the efficiency of diagnosis and treatment. In contrast to Western medicine, which requires in-depth testing of the human body with instruments before surgery or prescription, Chinese medicine has always continued the ancient technique of "looking, smelling, asking and feeling", which is much less dependent on equipment than Western medicine. Therefore, as a characteristic of traditional Chinese medicine, "looking, smelling, asking and cutting" also provides a good ground for Chinese medicine practitioners to provide consultation and medical services online, which is lighter than Western medicine and further removes the barrier of online consultation.
Second, the traditional Chinese medicine industry has also adopted technology to establish digital Chinese medicine clinics, and realize online appointment registration, electronic patient files, and smart pharmacies. This has changed the old model of TCM treatment, greatly shortened the service time of TCM treatment, and improved patient satisfaction. The data will be fed back to the downstream clinics to help physicians understand the user profile more clearly, so that they can provide more accurate TCM services and recommend more suitable products to users and improve the overall sales performance.

Finally, the use of information technology to achieve marketing innovation. Mobile communication technology continues to upgrade, bringing an increasingly smooth mobile network environment, providing the basis for mobile Internet marketing. At present, China's smartphone ownership is rapidly increasing, and 5G is gradually replacing 4G as the mainstream of the market. Mobile Internet is replacing traditional advertising for brand and product marketing and promotion, catering to the needs of users in the new era with its characteristics and advantages such as speed, interactivity and precise positioning, and shortening the distance between enterprises and consumers, which will effectively improve the quality and efficiency of enterprise services.

The environmental analysis shows that TCM clinics have good conditions in the political, economic, socio-cultural and technological environments. The strong support of national policies, the continuous development of economy and technology, and the increasing demand of people for TCM as well as health care and wellness will all contribute to the sustainable development of TCM clinics. The improvement of TCM-related standards and laws and regulations is conducive to the development of TCM clinics and creates a fair and orderly competition environment for the whole industry. At the same time, TCM clinics use the latest technology to promote information construction and digital management to improve the overall competitiveness of enterprises.
4 Rethinking Marketing Strategy for TCM Clinics in China

The medical market in China is very large, and it is impossible for anyone TCM clinic to cover the whole market, and TCM clinics show strong geographical characteristics, so TCM clinics need to select the most suitable market at this stage through market segmentation, and conduct marketing according to this market. The traditional marketing of TCM clinics is only focused on the consumer side. The following author will add the analysis of the doctor's side. Through the analysis of both consumer and doctor sides, the corresponding consumer and doctor corresponding market segments are found for TCM clinics. Find the key customers in the target market, market positioning, and develop the corresponding marketing strategy to meet the needs of different users and enhance the competitiveness of TCM clinics.

4.1 Market segmentation

Segmenting market is the process by which companies differentiate different markets based on certain segmentation variables. When segmenting the market, it is crucial to choose the appropriate segmentation variables. Companies can develop market segmentation based on segmentation variables such as geographical factors, human factors, psychological factors, behavioral factors, etc. to form different market segments. In order to gain a competitive advantage in an increasingly complex and competitive market, companies need to segment effectively at the strategic level of the market.

4.1.1 Segmentation for customer

According to different segmentation variables there will be many segments composed of different types of consumers. According to the age of consumers can be divided into: children consumers, young consumers, middle-aged consumers, elderly consumers; according to the gender of consumers can be divided into: female consumers, male
consumers; according to the source of disease, can be divided into: gynecological consumers, ear, nose and throat consumers, dermatology consumers, respiratory consumers, ophthalmology consumers, gastroenterology consumers, urology consumers, etc.; according to the health condition of consumers can be divided into: healthy consumers, sub healthy consumers, and sick consumers. The following author selects several important variables for analysis.

(1) Divided by age and gender
The aging of China's population is accelerating. According to the World Health Organization's Country Assessment Report on Ageing and Health in China, between 1950 and 2015, the total number of children per woman in China decreased from 6.11 to 1.66, while the life expectancy of the population has steadily increased from 44.6 years in 1950 to 75.3 years in 2015 and is expected to reach approximately 80 years in 2050. The author divides consumers into four age groups: pediatric consumers (0-18 years old), young consumers (19-29 years old), middle-aged consumers (30-59 years old), and older consumers (60 years old and above). Meanwhile, Chinese women are living longer than men. In 1950, the average life expectancy at birth in China was 44.6 years. By 2030, Chinese women will have a life expectancy of 79 years, compared to 76 years for men. The author classifies consumers according to gender: female consumers and male consumers.

(2) Divided by consumption level
The income level of consumers will influence their consumption behavior. The demand for medical services will also be different and an important criterion for market segmentation. TCM clinics can segment the market into high, medium and low consumption consumers according to their income levels and the differences in their needs for TCM medical care.

High consumption consumers: Consumers with good social status, influence and high income. This segment of consumers has strong purchasing power and individualized
and diversified needs. They have high demands on the environment and services of TCM clinics, and attach importance to the consultation experience, require special consultation services, private consultation space and timely information services, etc.

Medium consumption consumers: This group has a high level of consumption, quality requirements for services, and low-price sensitivity, including such as white-collar class, professionals in various industries, etc.

Low consumption consumers: This group has a low consumption level and mainly serves for medical treatment when they are sick. They demand high medical effects, quick effects and low price, and value whether they can use social insurance, etc., but they do not have a high demand for service and environment.

(3) Divided by consumption motive
The primary role of a TCM clinic as a medical institution is to treat patients. But many TCM herbs have tremendous maintenance benefits, and many times in TCM the treatment is done in a way that increases the immunity of the patient. Then TCM maintenance care is a very effective medical treatment. Usually, if a consumer is sick, they will prefer to see a western doctor because Western medicine works fast and the medicine is not difficult to eat, while Chinese medicine is too bitter. But if they are not sick, but feel suboptimal health, they will choose Chinese medicine. This is because western medicine often cannot detect any physical abnormalities at this time. In contrast, TCM is dialectical medicine, and TCM doctors will produce personalized conditioning for the consumer's body condition. Therefore, consumers are usually divided into common condition consumers, complicated and difficult disease consumers, and health maintenance consumers, according to their motivation.

(4) Geographical distinction by consumer
Since TCM clinics generally serve the local area and are extremely territorial, the author classifies the consumers of TCM clinics: local consumers, consumers from surrounding
provinces and cities, and national consumers. Generally, these three classifications also correspond to the three classifications of TCM clinics mentioned above, respectively.

4.1.2 Segmentation for doctor

In the previous article, we saw that there are four classifications of TCM doctors. TCM clinics tend to focus their marketing on the consumer and do not care about the marketing of the doctors. They always simply use high consultation fees to hire various doctors, which makes the relationship between doctors and TCM clinics very fragile and easy to be poached by other TCM clinics. Therefore, this paper deliberately proposes marketing to TCM doctors.

According to the professional title of TCM doctors, TCM doctors can be classified as assistant TCM doctors, TCM doctors, TCM physicians, TCM attending physicians, TCM associate chief physicians, and TCM chief physicians.

According to the designation of TCM doctors, TCM doctors can be classified as national master doctors, national famous TCM doctors, and provincial famous TCM doctors.

According to the training method of TCM doctors, TCM doctors can be divided into medical school graduates and master trainers.

According to the classification of departments, TCM doctors can be divided into general physicians and specialists, and specialists are divided into gynecology, dermatology, gastroenterology, respiratory medicine, nephrology, encephalopathy, cardiovascular medicine, urology, quintessential medicine, and acupuncture.

Based on the above variables, the author classifies TCM doctors into three types:
1. High-level doctors: the professional title of deputy chief physician of Chinese medicine, chief physician of Chinese medicine; the designation of national medical
masters; the training method of medical school graduates; the department classification of specialty expertise.

2. Mid-level doctors: primary care TCM doctors in professional title; national famous TCM doctors in designation; medical school graduates in training method; specialized specialties in department classification.

3. Entry-level doctors: A collection of the remaining doctors.

However, the author would like to emphasize here that the above way of classification is not absolute. Because Chinese medicine is a long history of medicine, many excellent old Chinese doctors, are not involved in formal medical school training. Many of them are descendants of the imperial doctors who previously targeted the ancient Chinese emperors with excellent medical skills. There are also many famous TCM doctors who are good at multiple disciplines, or even general medicine. So, the above classification is just a unified marketing classification for the purpose of TCM clinics for universal TCM doctors.

4.2 Target market selection

The target market is a segment of customers that have been segmented and have certain similarities. After that, combined with the actual situation of the company, the company takes action for it to obtain this part of the market segment. According to the above customer classification and doctor classification, the following selects the customer target market and doctor target market respectively.

4.2.1 Target market selection for customer

Based on the market segmentation in the previous section, the author selected the following three segments for large, medium and small TCM clinics:

(1) Female consumers aged 30-59. Modern Chinese society is putting more and more demands and pressure on women. Women not only have to bear the burden of family
life, but also face the pressure of workplace work. Women's body consumption is higher compared to men's, and women's body structure is more prone to illness compared to men. Therefore, women aged 30-59 are a very suitable target market both in terms of data and rational analysis, especially for medium and small TCM clinics.

(2) High consumption consumers. This category of TCM consumers has high spending power, low price sensitivity, and more focus on physical health. Focus marketing on this group of consumers and provide services with high marginal profits. This group of consumers is particularly suitable for large TCM clinics.

(3) Health care consumers. Maintenance health care has always occupied a huge share of the Chinese consumer market, relative to the supermarket sales of health products, Chinese medicine personalized maintenance will become more and more popular. So, for the maintenance direction of the marketing is the most important. This type of consumer is particularly suitable for large and medium-sized TCM clinics.

4.2.2 Target market selection for doctor

Based on the market segmentation in the previous section, the author selected the following two segments for doctors:

(1) High-level doctors. These doctors are the core of marketing because they have been well renowned for a long time and bring their own customers. For both large and medium-sized TCM clinics, these doctors are indispensable, only in the difference in numbers.

(2) Mid-level doctors. These doctors are the main force in the doctor market, and they will become high-level doctors in the future. So, marketing to them is the guarantee for the future. This is the part of doctors that small and medium-sized TCM clinics must take, and that large TCM clinics need to keep an eye on. It is especially important to note that many small TCM clinics are founded or co-founded by the doctors themselves.
4.3 Product and service positioning

Market positioning refers to the marketing activities carried out by a company in response to the special and preferential needs of consumers in the target market segment. Making their products or services and the distinctive features or images of the company stay in the minds of the target customers, then transforming this good impression into the competitiveness of the company.

4.3.1 Positioning for Customer

For female consumers aged 30-59, high consumption consumers, and healthcare consumers, large, medium, and small TCM clinics should establish a unique impression with both product quality and service quality.

For female consumers aged 30-59, medium and small TCM clinics should focus on integrating the best medical resources in their respective geographic areas. Conduct periodic campaigns to local consumers to generate the perception that women's illnesses should be seen in TCM clinics.

For high consumption consumers, this segment of consumers has high income and profit margin. Large TCM clinics should provide them with full information services, regular body reports, on-demand special clinics, exclusive health butlers, etc., so that they can get more added value and enjoy the psychological impression of more detailed and thoughtful TCM treatment.

For health care consumers, large and medium-sized TCM clinics should establish health service management, using mid-range prices, high-end products, and the impression of specialized health care.
4.3.2 Positioning for doctor

For high-level doctors and mid-level doctors, TCM clinics have to do the marketing of their fame, salary, and services, but with a different focus.

For high-level doctors, for they are a rare resource in the market and their fame already belongs at the top of the market, TCM clinics must form a position and impression that matches them in fame and is top of the industry in terms of salary and service.

For mid-level doctors, although salary is also a very important component, the marketing focus of the TCM clinic can be tilted towards fame. This will give the mid-level doctors the impression that the TCM clinic is a famous and high class, i.e., people's pursuit of a "big name". In terms of salary and service, it is enough to be competitive among competitors of the same level.

5 Rethinking Marketing Tactics for TCM Clinics in China

Currently, the TCM industry in China has serious homogeneous competition, and most clinics still compete through price wars. This paper provides different marketing tactics for large, medium, and small TCM clinics for each of the three consumer segments and two doctor segments proposed above.

5.1 Products

5.1.1 Diversified medical products

TCM clinics have always had the problem of having a single product. Most TCM clinics tend to have only TCM consultation and decoction services, and the consumer experience is not very good. Because TCM itself has the characteristics of long pharmaceutical time and bitter medicine. Therefore, for the problem of a single product, TCM clinics have to solve it in the following two aspects.
(1) Improve the consumer experience of existing medical products. For example, in the case of Chinese medicine outpatient services, the patient is optimized to receive the final herbal decoction to reduce the time consumers have to wait for the decoction. For example, let the consumer go home first after the consultation, and deliver the decocted medicine to the consumer by express delivery later. For the problem of too bitter herbal tonics, it can be solved by making some consumers with less serious conditions, especially for maintenance purposes, to make herbal tonics into pills and divide them into smaller portions to facilitate swallowing and increase the frequency of taking the medicine.

For large-sized TCM clinics, traceability of Chinese medicine can also be achieved. The quality of Chinese medicine is often criticized by people. In a situation where competition is becoming more and more adequate, good quality represents a large number of consumers, so large TCM clinics should make use of their advantages and the current blockchain technology to achieve the traceability of Chinese medicine. And, this high-quality Chinese medicine is also more attractive to high-level doctors, because the quality of medicine accounts for a large part of the effectiveness of Chinese medicine in treating diseases, so high-level herbs are also preferred by high-end doctors.

(2) Adding new product patterns. Increase the number of products targeting high consumption consumers and health care consumers, such as digital health management. Introduce modern digital technology to regularly track and manage consumers' bodies for proactive medical services. Meanwhile, it is possible to add sports recovery products such as acupuncture, fire cupping and massage, which are often offered in non-TCM clinics, but the practitioners are often not professional TCM practitioners. Therefore, TCM clinics in such products from a professional point of view will certainly occupy the consumer market, and easier to occupy the minds of consumers. In addition, the provision of women's special care products, these products have become increasingly popular in recent years. The growth prospects are good, and most TCM clinics do not have special products of this kind.
5.1.2 Chinese medicine specialty specialists
For every TCM clinic, the construction of specialty TCM specialties is essential. In reality, the construction of specialty TCM specialties is often based on the best available doctor resources. This has two consequences:

(1) The cause-and-effect relationship is reversed. TCM clinics are different from public hospitals in China, which are often large and comprehensive, with the goal of securing the medical foundation of the people. In contrast, TCM clinics have more market economy characteristics, taking into account the revenue and profit of the enterprise, so they should start from the consumer's point of view, according to the local situation, for the construction of special TCM specialty market segments. That is, it should be mainly from the consumer's point of view to deduce the choice of doctors, rather than mainly from the doctor's point of view to establish a special Chinese medicine specialty.

(2) Overlap with public hospital consumers. If the construction of specialty TCM specialties is carried out with the best available physician resources, it will lead to a large overlap of consumers between TCM clinics and public hospitals. Because the best physician resources are often the dominant resources of public hospitals, patients will preferentially recognize the branded specialties of public hospitals, which will cause TCM clinics to lose their differentiated competitiveness.

So, carrying out specialty TCM specialties is a necessary step, but it must be done from the consumer's point of view and from the consumer's point of view to discover excellent physician resources, such as highly promising mid-level doctors.

5.1.3 Branding
Clinics should also consider branding as one of their core competencies. Because the brand includes the clinic's comprehensive advantages in resources, technology, and
capabilities. So, conducting brand marketing is an important part of TCM clinic marketing, especially for large and medium-sized TCM clinics.

The first thing is to build a technical brand. TCM medical technology is the most important part of brand building for TCM clinics. Whether it is for female consumers aged 31-59, high consumption consumers, health care consumers, or for doctor-side marketing, the establishment of a TCM technology brand is the basis for consumer trust and doctor preference. The strategy for creating a brand is to create a brand with professional characteristics, rather than a comprehensive brand. TCM clinics can take an active non-commercial advertising nature of media articles to promote their brands. Actively participate in TCM events organized by local newspapers and TV stations. Invest marketing funds to consistently launch article coverage in the form of articles on interviews with famous doctors at clinics and consumer medical clinic experiences in various media outlets in the form of soft copy. This kind of coverage actively focuses on the doctor's side, especially high-level doctors, so that it is free publicity for doctors and can attract other doctors, but also will produce good results on the consumer side.

Second, TCM clinics need to establish a health brand. With the development of the TCM economy, the level of medical technology continues to improve, the consumer's demand for medical treatment has been upgraded from treatment to prevention. Large hospitals mainly focus on Western medicine and implement a medical treatment-based approach. Prevention is also mainly based on physical examination and laboratory tests. Therefore, it often happens that the consumer's indicators are normal, but the consumer is still not feeling well. In this regard, Chinese medicine has a long history of experience and natural advantage in health care. So TCM clinics have a history and a mass base to establish a health brand. Large and medium-sized TCM clinics should have a marketing plan for health management and set up special programs such as Lung Health Month, Sleep Quality Improvement Program, etc. Establish a health management brand in the minds of consumers to attract wellness and high consumption consumers. Establish a brand of health experts among doctors to attract experts in health care.
Third, large and medium-sized TCM clinics can customize their branded service logos and logos, especially large TCM clinics. For TCM clinics, it seems that a brand logo is not particularly necessary, but it is also a key part of the marketing. In TCM clinics, custom brand logos are generally for large TCM clinics. Now that the internet is developed, the price of customizing a suitable TCM clinic logo is not high. So customizing a professional TCM clinic logo will make it easier for consumers and doctors to remember the brand and clinic positioning. Also, developing a brand vision for the TCM clinic will improve the brand image of the clinic, making more consumers and doctors identify with the clinic in terms of value.

Finally, small TCM clinics can form brand alliances with each other. For small TCM clinics, individual strength cannot compete with large and medium-sized TCM clinics. Large and medium-sized TCM clinics have sufficient funds and personnel to execute a good marketing plan, while small TCM clinics do not have such funds and capabilities. Therefore, small TCM clinics should affiliate with each other and establish hospital alliances. From China's policy perspective, due to the implementation of the new medical reform, the grading system has greatly increased the accessibility of primary care. Therefore, small TCM clinics should establish brand alliances under the opportunity of policy support, join hands with other clinics, even across regions, to jointly play to their strengths, complement each other's departments, and jointly conduct brand marketing to achieve a win-win situation.

5.2 Services

Although a TCM clinic is a medical institution, it is actually a service industry. Therefore, service is also an important part of the marketing process of TCM clinics.

5.2.1 Medical services

The current service process of TCM clinics has four steps: registration, consultation, payment, and drug collection. Data from actual clinics show that registration and
consultation queues are the two most time-consuming steps. Thus, solving the long queue is the most critical way to improve the service.

First, the author's research found that the queue for consultation is the longest and tends to be concentrated in the opening hours of some high-level TCM doctors, especially in the morning hours of Saturday and Sunday, while the afternoon hours tend to be sparsely staffed, and especially for large and medium-sized TCM clinics. So TCM clinics can find out the longest queue of their own clinics based on queuing theory. Even the distribution of customers at different times of the day is different and different queuing measures are used. For example, instead of scheduling high-level doctors on weekend mornings, high-level doctors' opening hours can be appropriately adjusted on weekdays, or even in the evening. The author knows that some TCM clinics in southern China will put their specialist clinics on weekday evenings, but they last for a shorter period. This also solves the problem of crowding and long waiting time for consumers.

Then, taking advantage of the current mobile Internet + 5G, the CRM system and online hospital information system can be used to launch remote limited registration service and cell phone online payment method for medicine. For remote limited registration, it can be refined to sub-time and minute levels, and the limited amount also ensures fairness between online and offline, and does not cause consumer congestion. The CRM system ensures that each consumer's information can be tracked and reminded to register on time. And it can intelligently adjust the advance registration time according to the number of consumers. The cell phone online payment for medicine can greatly reduce the length of time consumers have to wait in line to pay. More importantly, Chinese medicine needs to be boiled, a process that often takes a long time to pick up the medicine. Then when the doctor prescribes the medicine, the consumer can immediately pay for the medicine on the cell phone, and the pharmacy will immediately start dispensing and decocting the medicine, and remind the consumer to come and pick up the medicine after the decoction is completed. This will greatly reduce the waiting queue for medication pickup. For large and medium-sized TCM clinics, they can
choose to build an independent and personalized digital system, while for small TCM clinics, there are now more and more SaaS providers for TCM clinics, which can be purchased on demand according to their own consumer volume, which is very economical.

5.2.2 Medical environment

If a TCM clinic wants to compete with a public Chinese hospital, it needs to make a difference in service from a public Chinese hospital. Although the overall clinic environment in public hospitals has good infrastructure, it is difficult to maintain hygiene and meticulous service at all times because of the large number of people and the large space. Chinese medicine clinics, on the other hand, can make a big improvement in the clinic environment. Snack area and TCM knowledge learning area can be set up in the waiting area, and different healthy food and drinks, such as health tea, can be provided for different waiting consumers. For the hygiene situation, it can increase the frequency of cleaning and sanitation, improve the level of clinic hygiene facilities, and ensure a clean and comfortable environment for consultation.

Meanwhile, for the doctor's working environment, it should be more beautifully constructed, with both antique furniture and also well equipped with modern electronic facilities. A perfect and comfortable working environment for doctors is also a way of marketing to them.

5.2.3 Medicine delivery service

As mentioned above, TCM tonics require a long time to prepare the medication and time for the medication to simmer, which is a pain point for TCM clinics. Many consumers do not have the time to wait for their medications, and making them wait for the herbs to simmer would greatly reduce their consumer experience. Many consumers choose to give up on TCM treatment precisely because of the long time it takes to see a TCM practitioner, mainly because of the long boiling time of the herbs. And, generally, consumers are not required to drink the medicine in the first place after seeing
a doctor. So, solving the problem of consumers waiting for the Chinese medicine to boil will greatly improve the quality of consumer services.

Now with the rapid development of logistics in China, many logistics companies have not only greatly improved the delivery time of goods, but also have sufficient warranty in delivering liquid medicines, and cold chain services are also available. TCM clinics can cooperate with several large logistics companies in China, which are also willing to cooperate with smaller companies, such as JD and SF. The TCM clinic can have the consumer leave the clinic directly after the consumer has paid. The TCM clinic, on the other hand, makes the medication and delivers today successfully brewed herbal tonics to the consumer's address via a logistics company before the end of the day. Author has also actually investigated the drug and cold chain delivery services of logistics companies, which can fully satisfy the TCM clinic's tonics delivery.

5.2.4 Membership services

Membership marketing is a fairly mature method applied in other industries, but in TCM clinics, it is still in the beginning stages. Membership systems are established to improve the professional services of clinics, especially for high consumption consumers and healthcare consumers. TCM clinics should set up a membership system to improve consumer stickiness and can set membership levels by paying or accumulating consumption amounts to obtain corresponding services or discounts. Also, monthly membership days can be set up to provide discounted services on over-the-counter medicines. However, it is important to note that price discrimination is possible, but not service discrimination. As a medical institution, treating consumers is a basic service and cannot be discounted. The membership system can also be applied to the doctor's side, giving doctors membership services, such as transporting doctors to and from the clinic, giving doctors regular gifts, and even giving doctors regular advertising services to enhance their fame.
All the membership services will eventually be deposited into a large amount of information, which can be used to statistically analyze and predict customer needs, coordinate clinic operations, and design new products and marketing plans for the clinic in a more targeted manner.

5.3 Channel

5.3.1 Digital marketing

Digital marketing, a very hot marketing method in recent years, has a mature system in place. The CRM mentioned earlier is actually one of the parts of digital marketing now. First of all, the digital marketing of TCM clinics should have a mature information system, i.e., a digital solution, to drive the wholly internal business process of TCM clinics, which in turn drives the external digital marketing. Then, digital marketing can focus on using the Internet to build doctors' personal brands and IPs as a way to enhance the attractiveness to doctors and market to the doctor's side. Third, TCM clinics can use digital channels to establish themselves as personal professional health consultants for consumers and spread quality TCM products and health care knowledge. The channel is no longer a sales channel in the traditional sense, but a communication carrier for brands, services, and products. Fourth, now that China's online influencer economy is exploding with growth, new digital marketing tools such as TikTok are now being used to conduct accurate marketing and create KOLs for the cultivation of a private domain fan economy.

5.3.2 Community health services

TCM clinics should actively develop community health services. Because TCM clinics are now mainly offline services, so rooted in community services, are the source of a constant stream of consumers and the basis of TCM clinics. TCM clinics should choose several communities with a high population density that is close to the clinic, where priority can be given to communities with more women aged 30-59 and premium communities. The TCM clinic should cooperate with the community property to
provide TCM culture promotion and lectures in the community, to open up this channel of the property and establish a good relationship. Organize clinic experts to hold regular special medical consultations and health check-ups in the relevant communities to deepen community consumers' brand awareness of the clinic and increase their trust in the clinic.

5.4 Pricing

Price is a fundamental part of marketing tactics. Pricing is a very important and complex decision, important because price is the source of profit and the competitiveness of the company in the market. It is complex because the price is determined by taking into account the influence of many factors. Usually, the pricing decision takes into account cost, demand, competitors' prices, and the price sensitivity of the target group. Cost often determines the minimum price, the demand situation determines the maximum price that can be demanded of the product, and between the maximum and minimum prices, the prices of competitors and the price sensitivity of the target group are considered. Cost pricing, competitive pricing, and value pricing are three types of pricing methods that are widely used.

Large and small TCM clinics can use different pricing tactics for different customers, respectively. For high consumption consumers, the sensitivity to products and services is greater than the price sensitivity. The price and profit of this part of the product are relatively high and need to focus on highlighting the professional type and high-class identity. For products serving this type of consumer, a value pricing approach can be adopted. High-consumption consumers usually lack knowledge about the pricing of pharmaceutical and health products, which belongs to information asymmetry. High-consuming consumers often tend to take high prices as a sign of high quality, and if the price is low, they will instead feel that the product or service is not of high quality.
For health care consumers, because this type of consumers will pay close attention to their health, very careful, and there are more TCM clinics in the market that provide these types of services. In particular, Chinese professional massage, full body massage, and classic foot massage projects, to meet the needs of the public, belong to the basic type of maintenance projects, and competition is fierce. And these products can be made into cost-effective explosive products, so as to attract consumers. Therefore, the price of products for the health care type consumers should adopt the competitive pricing method, referring to the prices of nearby competitors to set the price of their own products, effectively forming a competitive advantage.

For female consumers aged 30-59, this segment generally uses TCM consultation services. Registration fee and medicine fee are their main expenses. This group of consumers is inherently priced sensitive. They have their own judgment on the good or bad of the product. So, cost pricing method or competitive pricing method can be used.

Pricing is also very important for the doctor's side. For high-level doctors, because of their strong reputation and many consumers, it is important to attract such doctors by giving them high registration fees and high commissions. For mid-level doctors, although their medical skills may also be very good, their reputation is a little less, so they can be given low registration fees, and commission amounts according to the number of consumers in a step-by-step way.

5.5 Promotion

In addition to excellent and abundant products, competitive prices, good service, and modern channels, promotional approaches are also essential for TCM clinics. TCM clinics should use a variety of ways to promote to increase the attention of consumers and doctors, expand brand awareness and enhance competitiveness.
5.5.1 Free clinic services

Although TCM clinics are profit-oriented, the medical profession is supposed to have a tradition of saving lives and helping the injured. For large, medium, and small TCM clinics, regular charity clinics should be held according to their radius of radiation.

For large TCM clinics, they should conduct charity clinics across provinces, subsidize high-level doctors, and go to regions such as Northwest and Southwest China. This is very important to build the brand image of the TCM clinic. And selectively target premium communities. Consumers in premium communities are the ones who can and will often travel across provinces to find hospitals and doctors.

For medium clinics, conduct charity clinics in the province to radiate to the surrounding cities and pave the way for chain stores to open later. For small clinics, try to do charity clinics in nearby communities and create a positive impact on consumers around the clinic so that they can continue to be treated at the clinic.

For the doctor's side, it is important to subsidize the doctor's voluntary consultation, but more importantly, in terms of fame promotion. Doctors are benevolent in medical ethics, they will have a natural sense of obligation to the charity clinic. Therefore, the publicity of the clinic should highlight the doctors, so that more doctors will notice that a good reputation is sometimes greater than money.

5.5.2 Online seminars

In addition to offline activities, online medical lectures using the Internet and 5G are now an effective means of promotion. Because many consumers, in addition to receiving medical treatment, expect to receive the principles behind medical treatment to prevent themselves from getting sick again in the future. To use the old Chinese idiom: a long illness becomes a doctor. So many consumers, especially healthcare
consumers and female consumers aged 30-59, prefer to understand the reasons behind being sick.

Therefore, online public service lectures are held on the Internet to teach the public the correct concept of health and to learn some practical yet convenient knowledge about disease prevention. This is a very effective way to increase the connection bond between TCM clinics and consumers.

For the doctor side, focus on popularizing mid-level doctors. Because the high-level doctors are mainly national masters and national famous Chinese medicine doctors, they tend to be older and do not understand online activities as well as the mid-level doctors. And the mid-level doctors need to expand their fame more, they will be more active in online activities, and won't even ask for high fees.

5.5.3 Offline medicine giveaways
Offline giveaways often seem to lose money, but in fact, their marketing effect is significantly greater than even the more expensive online advertising. Large and medium-sized TCM clinics can use to send some giveaways to consumers who come to see the doctor, such as health tea, ginger grass foot patch, and magnetic therapy patch. Such supplies are not costly, but practical and can reflect the professionalism of TCM. The key point is to ensure the quality of such gifts and not to lower the product standards because they are gifts. Meanwhile, it can be presented with health manuals to popularize the knowledge of health and wellness, four seasons of wellness and medicinal food to cultivate their gradual recognition of TCM clinics.
6 Conclusion

6.1 Conclusion

Using relevant marketing theories, this paper classifies TCM clinics in China, analyzes the marketing environment, and re-proposes corresponding marketing strategies for both consumers and doctors for different sizes of TCM clinics in China. The main conclusions of this paper are as follows.

(1) TCM clinics were classified into three categories: large, medium, and small, based on the policies of opening Chinese TCM clinics. And summarize the doctor variables to distinguish Chinese doctors into different categories. To provide a basis for the implementation of marketing strategies and tactics afterward.

(2) Analyze the current situation and marketing problems of TCM clinics. It is proposed that the current TCM clinics mainly have problems such as unclear marketing strategy, simple marketing strategy, and lack of marketing organization. Further analysis of the marketing environment shows that TCM clinics are now in a very good political situation with a strong policy orientation. Various policies and regulations are very favorable to the development of TCM clinics. The economic environment is also very favorable for the development of TCM clinics. Consumers are not only highly receptive to TCM treatment, but also pay more and more attention to TCM health care. The current Chinese Internet and 5G technology are helping to digitize TCM clinics more, making the information flow between TCM clinics and consumers and doctors more frequent and improving efficiency.

(3) For TCM clinics, STP strategy analysis was conducted. For large, medium, and small TCM clinics, three segments of consumers are proposed for priority marketing, i.e., high consumption consumers, health care consumers, and female consumers aged
30-59. Two market segments were proposed for doctors, namely high-level TCM doctors with high titles and reputations and mid-level TCM doctors with potential.

(4) Marketing tactics for TCM clinics. Five marketing tactics are proposed for products, services, marketing channels, prices and promotions. In response to the current situation of TCM clinics with a single product due to history, increase the product categories, especially healthcare products. Set up TCM specialty Specialists clinics to deepen the professional impression of consumers. Establish a brand image that combines technology and health. In terms of service, improve service quality, accelerate service efficiency, and enhance consumers' consultation environment and doctors' working environment. Embrace new technologies, fully establish digital TCM clinics, and improve accurate digital marketing to consumers and doctors, etc.

6.2 Future expectations

This paper identifies the marketing dilemma of TCM clinics and redesigns the marketing strategies and tactics of TCM clinics through a unified study of TCM clinics in the Chinese market. However, China is a vast country, and the number of TCM clinics is mushrooming under the current favorable policy situation, and the folklore and customs vary from one part of China to another.

Therefore, the marketing design of this paper can only be highly generalized to provide some guidance for large, medium, and small TCM clinics in China. When it comes to different TCM clinics in each region, more detailed marketing analysis and marketing strategies should be carried out according to local conditions. I will continue to focus on the development of TCM clinics in different regions and propose more detailed marketing strategies and tactics.
Bibliography


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