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1. INTRODUCTION

Strategic marketing management is a crucial approach to support an organisation in addressing major market opportunities and responding to external challenges by maintaining a sustainable competitive advantage. In the context of the present dynamic business environment and highly regulative sectors, particularly the healthcare industry, required to focus on external environmental forces to sustain a sustainable competitive advantage driven by strategic decision making and market positioning. The purpose of this report is to analyse the macro marketing environment of the UK healthcare industry. Furthermore, this report aims to evaluate organisational response with strategic decision-making to the external influences within the strategic marketing management dimension. The UK healthcare industry is one of the significant public service sectors to provide multi-facility healthcare services comprising private and public providers.

This industry has been dominated by the publicly funded National Health Service (NHS) to provide a wide range of healthcare services for the population in the UK, and it is one of the pioneer organisations in the sector (NHS, 2025). In this sector, Bupa operates as a private healthcare provider (Bupa, 2024b). Furthermore, the overall industry has been evolving with increasing healthcare demands because of a growing ageing population, technological innovation and patient expectations in public health systems.

Strategic decision-making based on analysis of the macro marketing environment is crucial for healthcare organisations to identify major external factors that affect service delivery, competitive dynamics and resource allocation. This report is structured into major do tasks, including first to analyse macro environmental factors influencing the UK healthcare sector, and the second one is to examine the strategic response of pioneer and follower organisations by using relevant strategic management tools. Finally, the report offers main findings highlighting the strategic importance of environmental analysis in healthcare marketing management.

2. TASK 1: CRITICAL ANALYSIS OF THE MACRO MARKETING ENVIRONMENT

2.1 MACRO MARKETING ENVIRONMENT

Organisations operating in a wider external environment which has a great impact on their strategic decision-making and marketing. The PESTLE framework is one of the most

popular analytical tools that can be used to analyse these external forces (Citilci and Akbalik, 2019). The PESTEL framework assists organisations to scrutinize major macro-environment in a systematic manner that determines the industry dynamics, competitive patterns, and organisational performance.

Factors	Description
Political	- Government policies (UK Legislation, 2025). - Healthcare regulations (Government of the UK, 2026).
Economic	- The rate of inflation in the UK is 2.84% (Trading Economics, 2025). - Inflation increases and influence consumer Price Index by 3% (ONS, 2025). - Overall healthcare spending in the UK was £292 billion in 2023 (ONS, 2024).
Social	- More than 10 million people are presently aged 65 and over making up 18% of the population (Centre for Ageing Better, 2024) - The rate of the older population in England is getting higher, with 47% growth of people 50 and above (Centre for Ageing Better, 2024). - Trend of public health awareness (Public Health England, 2020).
Technological	- Technological innovation in the healthcare sector uses artificial intelligence (Akila et al., 2025). - Digital health services (ABHI, 2026). - Electronic health records (NHS England, 2023).
Legal	- Health and Social Care (Safety and Quality) Act 2015 (Government of the UK, 2025). - Patient safety law (Government of the UK, 2023)

Environment	• Healthcare waste comprising 15% hazardous materials (World Health Organisation, 2024). • Climate change is affecting healthcare services and delivery (NICE, 2023).
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Table 1: PESTLE analysis

Justification for selecting two major factors and their significance in the healthcare sector

Among the multiple PESTLE dimensions, political and technological have been chosen as the aspects that can be further analysed due to their direct and greatest influence on the strategic development of the healthcare industry in the UK. The impact of political factors is especially prominent since the UK healthcare services depend mostly on the governmental policies, the amount of healthcare funds, and the regulatory frameworks. Since the NHS is the leading provider of social healthcare, it is directly reliant on government actions concerning healthcare budgets, priorities in service, and healthcare reforms (Stewart *et al.*, 2019). Patient demand, healthcare accessibility, and regulatory needs are other areas impacting which upon such political decisions, being made affect not only the demand of patients but also the healthcare providers, including Bupa.

The technological factors are also important because the healthcare sector is undergoing a high rate of digital transformation (Stoumpos, Kitsios and Talias, 2023). Telemedicine, artificial intelligence in diagnostic tests, electronic health records, and digital systems to manage patients are innovations that are transforming healthcare delivery and enhancing efficiency in service delivery (Bajwa *et al.*, 2021). Public and private healthcare providers are also placing more investments in digital technologies to enhance patient outcomes, curb operational expenses, and improve accessibility to healthcare.

2.2 ANALYSIS OF MACRO FACTOR 1 - POLITICAL

2.2.1 Impact on the Pioneer Organisation

Expansion of government expenditure on healthcare is a huge potential, as more funds will enable the NHS to grow its infrastructure, hire healthcare workers and enhance patient care. As an illustration, the UK government spends more than £180 billion pounds

on NHS services annually, which means that it directly participates in the provision of healthcare services in the country (Bulut, 2023).

Nevertheless, political choices on cost-limiting and healthcare reforms could also become a menace. Healthcare demand is on the rise because of an ageing population, and the shortage of workforce to meet the demands has put pressure on the NHS resources.

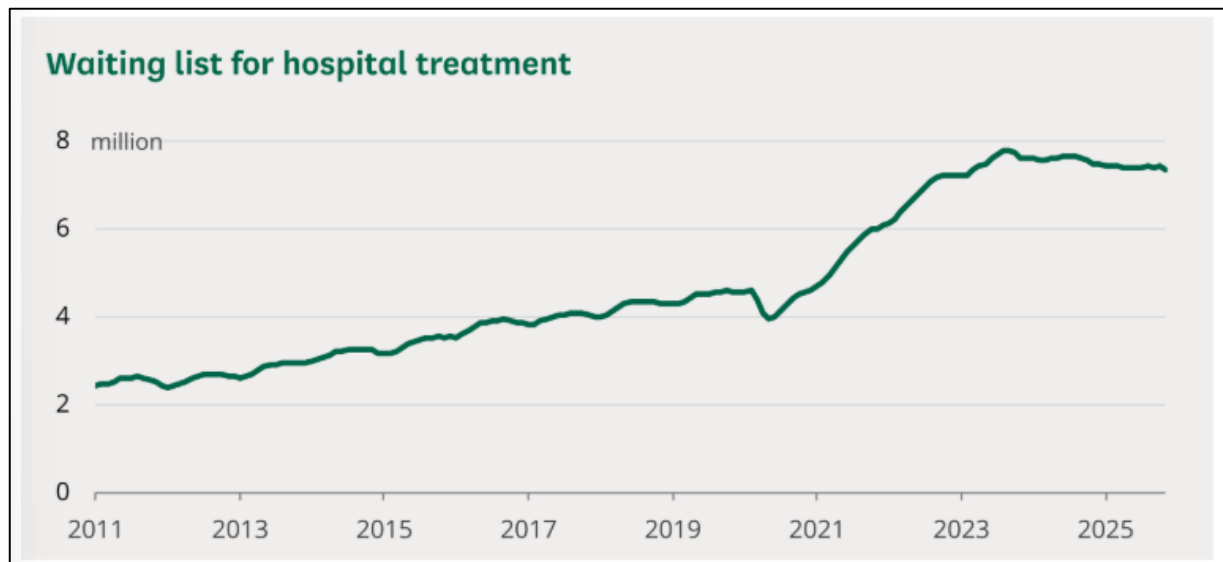


Figure 1: Waiting list for hospital treatment

(Source: Baker, 2026)

The above figure depicts that in recent years, waiting lists of treatment have risen by 7.7 million in 2023 September and surpassed several million patients, and this shows that the public healthcare system is experiencing problems with its capacity (Baker, 2026). Regardless of these difficulties, the NHS continues to have a high level of competitive advantage owing to the government support, coverage of the whole country with its services and high levels of public trust, which consolidate its strong position as the leader in the UK healthcare sector.

2.2.2 Impact on the Follower Organisation

The effect of political factors on private healthcare providers like Bupa is also different, unlike the NHS. The policy issues encountered by state health systems usually open opportunities for private providers. For instance, the NHS gives some patients an incentive to find quicker medical treatment through its private healthcare services (Government of the UK, 2025). The reason was the long waiting time and limited capacity

available in the NHS, which stimulates more demand for the services that are offered by Bupa.

Nevertheless, the government authorities also demand strict healthcare rules and quality standards to be followed by the private healthcare providers (Government of the UK, 2022). Bupa is more flexible than the NHS because of its commercial organisation and flexibility in operations. Consequently, the political influence on the state healthcare systems can indirectly empower the Bupa market position as it creates more stress on the need for private healthcare options.

2.3 ANALYSIS OF MACRO FACTOR 2 - TECHNOLOGICAL

2.3.1 Impact on the Pioneer Organisation

Use of digital health technology like electronic health records and online consultation systems has enhanced effective patient care, efficiency in operations and access to healthcare. Through these tools, healthcare professionals will be in a better position to coordinate treatments and also monitor patients remotely. This kind of development empowers the NHS with the capacity to provide efficient and patient-centred healthcare services and thus assist it in its competitive advantage as the key provider of public healthcare in the UK (Anderson *et al.*, 2022).

Technological innovation provides services through a connected digital system connecting the care records program, digital prevention services portfolio, single patient record, digital medicine program, digital primary care, NHS app and digital academy (NHS England, 2023a).

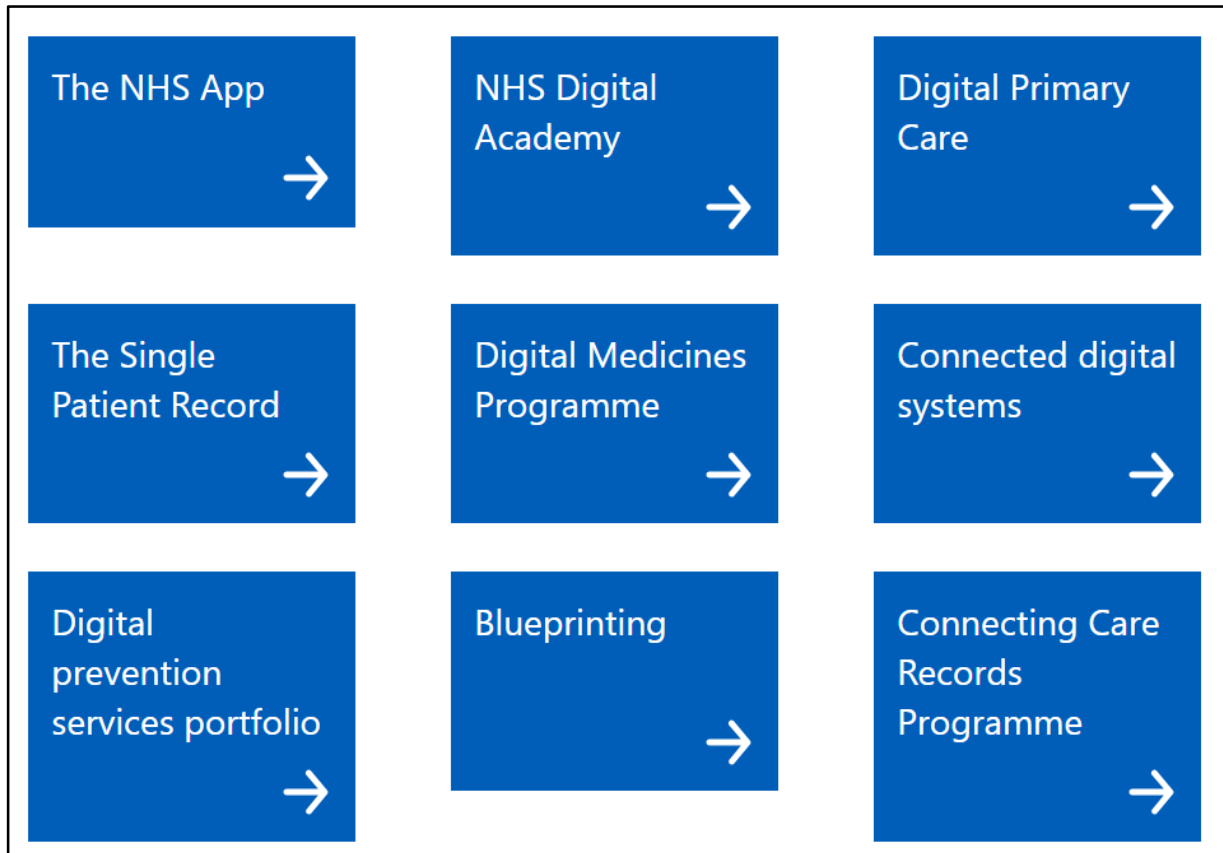


Figure 2: Technological innovation and services at the NHS

(Source: NHS England, 2023a)

Nevertheless, the cost of deploying advanced technologies is high because it involves spending on digital infrastructure, training the workforce and cybersecurity mechanisms. NHS operations are large-scale and complex, which means that the adoption of new technologies might be slower than it is in the case of private healthcare organisations.

2.3.2 Impact on the Follower Organisation

Bupa has increased the digital healthcare services by including telemedicine options, virtual consultancies, and digital health monitoring applications (Bupa, 2025). These technological features make the services more convenient to the patients, enhance the quality of the services, and increase the level of customer interaction. Technological innovation supports revenue growth by 22% and increased wellbeing index (Bupa, 2024a; Bupa, 2026). Incorporating innovative medical technologies and online healthcare services, Bupa can be able to ensure its distinction among the state healthcare providers and solidify its competitive advantage in the healthcare market.

3. TASK 2: STRATEGIC RESPONSES OF PIONEERING AND FOLLOWER ORGANISATIONS

3.1 PIONEERING ORGANISATION'S STRATEGIC RESPONSES

The NHS operating healthcare industry of the UK, with higher dominance as a pioneer organisation to provide policy regulation and practice standards by meeting patient safety and service quality. However, the NHS has faced challenges such as government policy changes, financial pressure, rapid technological advancement and healthcare demand (Khan, 2023). In analysing the strategic positioning and decision making of the NHS, the implications of Porter's Generic Strategies framework are useful and significantly distinguish the main approach. Porter's Generic Strategies framework includes three major approaches of leadership differentiation and focusses to provide a competitive advantage for the company (Subrahmanyam and Arif, 2019).

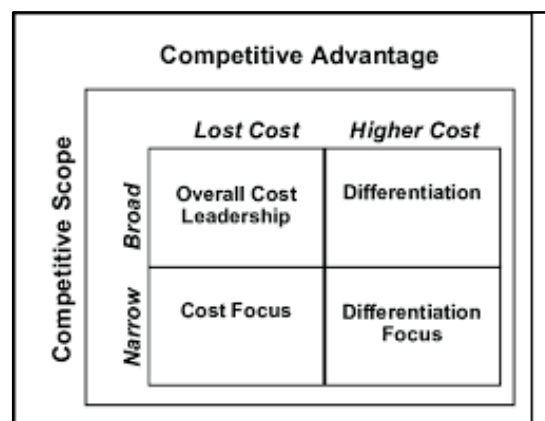


Figure 3: Porter's Generic Strategies

(Source: Subrahmanyam and Arif, 2019)

Based on Porter's generic strategies model, it has been identified that the NHS has adopted a cost leadership strategy due to its main aim of offering a full range of healthcare services to the entire population and keeping costs effective in a publicly funded system. The NHS can provide healthcare services to patients at considerably reduced costs compared to private healthcare providers because the NHS operates on a national level and uses government funding to provide healthcare delivery (Papanicolas *et al.*, 2019). The NHS has adopted several efficiency-based strategies in response to the political pressures, such as budget constraints and rising healthcare demand. In evaluation, integrated care systems have been established throughout the UK in order to enhance

hospital, general practitioner, and community healthcare services coordination (Skills for Health, 2026). They are also designed to promote the elimination of service duplication, optimisation of patient care paths, and general healthcare efficiency. These initiatives sustain the cost leadership strategy of the NHS, whereby the organisation is in a position to provide its healthcare services at a more effective cost whilst managing the cost of operation.

The strategic reaction of the NHS is its investment in preventive healthcare and population health programs (NHS England, 2023c). The NHS can reduce long-term healthcare expenditures by encouraging vaccination initiatives, health promotion programs, and early disease diagnosis programs, which can enhance the health outcomes of the population. Preventive healthcare strategies are also in line with the cost leadership strategy of the organisation since they aid in reducing the costly form of treatment in the hospital and enhance the sustainability of the healthcare system.

In spite of these strategic endeavours, the NHS is limited in a number of ways, as it has a huge organisational structure and is dependent on government funding. The rate of innovation and development of infrastructure can be limited by political reform and financial limitations. Nevertheless, the national coverage, the trust of the population, and the integrated healthcare system of the NHS provide the organisation with a great competitive advantage (NHS England, 2022). Through cost efficiency, digital transformation, and preventive healthcare, the NHS has remained responsive to external environmental threats and stayed on top of the healthcare industry in the UK.

3.2 FOLLOWER ORGANISATION'S STRATEGIC RESPONSES

Porter's generic Strategies can also be used to analyse the strategic positioning of Bupa, and this is specifically the differentiation strategy. As opposed to the NHS, which is geared towards the administration of universal healthcare services at the least possible cost, Bupa thrives by providing premium healthcare services, quick treatment access, personalised care, and quality medical facilities. Moreover, with this differentiation strategy, Bupa can focus on those who are ready to spend to access the services of a private healthcare provider at the cost of convenience and shorter wait times.

Expansion in digital healthcare services is one of the most important strategic responses that Bupa adopts. The organisation has spent a lot of money on telemedicine platforms,

virtual consultation and mobile healthcare applications that enable patients to get healthcare services remotely (Bupa, 2021). These online technologies make the patient experience more convenient and the quality of services in general better. As an illustration, virtual consultation services provide patients with an opportunity to seek medical advice without having to visit healthcare facilities, thus enhancing accessibility and patient satisfaction (Bupa, 2026a).

The other significant strategic move that Bupa has undertaken is that of establishing preventive healthcare and wellness programs. The organisation provides health checks, lifestyle management and corporate wellness programs that are aimed at ensuring long term health and prevention of diseases (Bupa, 2020). Such services are beneficial to the health of patients as they also enhance the relationships with customers and brand loyalty. Bupa has made itself stand out by concentrating on preventive healthcare, unlike other traditional hospital-based providers of healthcare.

Another way in which Bupa reacts to changes by external factors is through the development of alliances with medical practitioners, research centres, and technology firms. Through these partnerships, the organisation can embrace the innovation in medical technologies and keep the healthcare delivery standards high. As an example, the incorporation of modern diagnostic technologies and computer-based health monitoring devices can help Bupa to deliver effective and individualised healthcare services to its clients. However, in maintaining competitiveness in the market, Bupa has been focusing on investing in IoT technology for better service quality (Hanson, 2024).

However, Lack of medical expertise and poor health care infrastructure have developed barriers to sustain differentiation strategy. Despite the existing problem, the organisation has been focused on a strategic objective to support innovation, personalised healthcare experience and high-quality services to ensure positive engagement and positioning in the private healthcare market.

4. CONCLUSION

From the overall analysis and evaluation, it has been identified that the macro marketing environment of the healthcare industry in the UK has a greater influence of political and technological factors. Both the pioneer organization NHS and the follower organisation, Bupa, are affected by political and technological influences in their strategic decision-

making and operations. Findings of the study indicated that government healthcare policies regulatory compliances and funding decisions have been the major factor to influence operational dimension of health care providers. However, these factors have influenced opportunities and national support for the NHS. Challenges associated with funding limitations and developing healthcare demand created barriers in providing efficient services. On the other hand, private provider, namely Bupa Have been reflecting significant opportunities to position in private healthcare services.

Technological development has been significantly driving change in the healthcare sector. The digital healthcare system, electronic health records and telemedicine services improve efficiency and accessibility for patients. It has been found that both organisations have been responding strategically to the evolving trends in the market by investing in digital healthcare solutions.

It was observed that the importance of continuous environmental scanning in strategic marketing management is relevant to support the competitiveness and positioning of the organisation. In the UK healthcare sector organization effectively monitor external changes and adopt marketing strategies and operational approaches for better performance, which are relevant to becoming competitive in the market.

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