

## **ABSTRACT**

### **REFRESH DIRECT**

Hospital stays are not often thought of as comfortable, nor the first place anyone would choose to stay. Unfortunately for many people, frequent trips to the hospital are a normal way of life. Refresh Direct is a mobile business that offers spa type services and treatments which come directly to the patient's bed. It is a mobile based business that caters to patients that are bedridden and recovering in the hospital and need a little personal care or pick me up. Services provided will depend on any physician restrictions and include massage therapy, manicure/pedicures, aromatherapy, facials including peels, epilation services such as threading and waxing, shaves, and blowouts. A concierge style coordinator will be available on a 24-hour basis. These concierge specialists ideally also have experience in basic medical procedures and the hospitality industry available to help curate select services to tailor to each patient. The services provided by Refresh Direct can drive premium comfort and convenience for any hospital bound patient, allowing for increased recovery which not only benefits the hospitals, but ultimately the patient.

## **CHAPTER ONE**

### **MARKET ANALYSIS**

Refresh Direct is a mobile business that offers spa type services and treatments which come directly to the patient's bed. It is a mobile based business that caters to patients that are bedridden and recovering in the hospital and need a little personal care or pick me up. Services provided will depend on any physician restrictions and include massage therapy, manicure/pedicures, aromatherapy, facials including peels, epilation services such as threading and waxing, shaves, and blowouts. A concierge style coordinator will be available on a 24-hour basis. These concierge specialists ideally also have experience in basic medical procedures and the hospitality industry available to help curate select services to tailor to each patient.

#### **Introduction**

The sheer number of stressors from being in the hospital alone can be overwhelming, from being thirsty, to not having treatments explained, to voices talking too loudly, or even the presence of nurses constantly performing activities around the bed (Gultekin, Ozcelik, Akinci, & Yorganci, 2018). It is important to help patients reduce that stress and distract their internal focus on their own pain so as to help the patient leave the hospital as quickly as possible. In our ever-changing world, systems, processes, technology and services must all continue to evolve towards efficiency and satisfaction. Health care is no exception. In fact, the last decade has even seen a vast improvement over many hospital designs that have taken inspiration from hotels (Wu, Robson, & Hollis, 2013).

Research suggests that value can be created by enhancing the physical environment and taking services that are supported from the hospitality industry and applying it to health care to foster healing and drive perceptions of service quality. Studies have shown that when patients

feel good about themselves, they can often recover more quickly (Smith, Stallings, Mariner, & Burrall, 1999). Despite minimizing the discomforts of staying in a hospital, life still carries on. There are still things that must be done and often times, self-hygiene maintenance can be placed on the back burner. Nurses and other ancillary staff may provide minimal care in routine hygiene such as bedside bathing and mouthwash, but a basic shave or even washing of hair can be overlooked. Moreover, this often falls to family members, invoking embarrassment or simply awkward and undesirable encounters that may deter patient recovery. Personal grooming and maintenance can also help reduce infections, contributing to overall and speedy recovering (Parker, 2004).

Refresh Direct can help fill that void while also closing the gap on the basic need of personal hygiene and patient wellness within a hospital. The services that Refresh Direct will offer will also be a welcome distraction to provide respite for the patient, such as massage therapy services and other routine, self-grooming services which can often make a world of difference not only in their well-being, but also in their recovery. Studies show that patients as young as infants that feel better will have shorten stays in the hospital, which benefits everyone (Vohra, Procianoy, & Mendes, 2009).

### **Company Analysis**



Hospital stays can often be complex, overwhelming and just down right uncomfortable. There is a lack of privacy as patients have little or no control as to who is allowed to enter into their room, the connection factor such as a hug, handshake or even just eye contact can often times be missed in the hustle and bustle of doctors, nurses and other providers making their rounds. Even décor, though not often the first thing people think of when they visit a hospital, can often dictate how long family and friends stay. Small factors, such as comfortable seating,

calming paint colors or adjustable lighting all contribute to improved patient recovery (Bell, 2016). Unfortunately, for many people, frequent trips to the hospital are a normal part of their lives.

Spending extended amounts of time in any sort of medical setting is not ideal for anyone, but there is no reason why a stay, extended or not, needs to be uncomfortable. Services provided by Refresh Direct will offer multiple options of spa services and treatments that come directly to the patient’s bed to provide extra comfort. The services will not only benefit the hospital it will end up being a cost savings in the end with a shorter hospital stay for the patient, but the patient will also benefit from an uncomfortable stay in the hospital. Table one below is ...

**Table 1. 1 The Average of Total Charges Per Day (Colorado Hospital Association, 2018)**

### The Average of Total Charges Per Day

		
<b>Urban Hospital</b>	<b>4.47</b> Average of Length of Stays (Days)	<b>\$68,201.28</b> Average of Total Charges (\$)
<b>Specialty Hospital</b>	<b>13.75</b> Average of Length of Stays (Days)	<b>\$55,210.60</b> Average of Total Charges (\$)
<b>Rural Hospital</b>	<b>3.21</b> Average of Length of Stays (Days)	<b>\$34,681.97</b> Average of Total Charges (\$)
<b>Critical Access Hospital</b>	<b>4.30</b> Average of Length of Stays (Days)	<b>\$25,289.88</b> Average of Total Charges (\$)

Though Refresh Direct is not a health care provider, it is a mobile based business that caters to patients that are bedridden and recovering in the hospital and are in need of a little personal care or pick me up in the same manner would hail for an Uber or Lyft or order food from their favorite local restaurant to have delivered. Services will depend on the sign off of the medical staff and include massage therapy, manicure and pedicures, aromatherapy, facials, epilation services such as threading and waxing, shaves and trims, and hair blowouts. All products used will be organic and sourced from local businesses whenever possible.

Patients who wish to obtain any of the services provided by Refresh Direct will receive a menu card with a 24-hour phone number to call and speak with a live concierge specialist. The card will also include directions on how to download the app and so potential clients can select from an array of services in packages or a la carte all the different preferences pending medical staff approval. These services can also be sent as gifts in lieu of flowers and/or balloons to recovery patients as the starting price point for Refresh Direct are similar to those of flowers or gifts that would be sent otherwise. It is a unique yet practical gift that can go such a long way. There are also few services of this nature available for patients so Refresh Direct enters the market with ample opportunity to make a positive impact in the recovery of patients.

Though it may seem unconventional to send services such as a massage to a bedridden patient, research has actually shown that massage therapy supports the health, healing and quality of life of hospitalized patients (Smith, Stallings, Mariner, & Burrall, 1999). The most frequent identified outcomes were increased relaxation, a sense of well-being, and positive mood change according to the descriptive and qualitative study. With some patients, pain management remains a critical issue for hospitals and the integration of massage therapy in an acute care setting can also benefit not only the patient, but the hospital if the hospital has a team centered

approach on patient care (Adams, White, & Beckett, 2010). The trend of incorporating massage therapy into patient healing has even caught on at the prestigious Stanford University Hospital in Palo Alto to include in-room massages for patients and appointments can be requested by not only the patient or family members, but staff or physician (Stanford Health Care, 2019). It can also be a nice touch to a mother recovering from a difficult labor or a patient who may feel well but is still not allowed to be discharged from the hospital.

Other services such as facials, make up services, epilation, hair and nail treatments will be done by licensed individuals who are qualified and able to perform their services. Recruitment would include experienced and trained individuals with strong interpersonal skills who are masters at their craft, empathetic to patients who are recovering from an ailment or illness and are able to travel to local hospitals. These individuals must also pass any exams or testing to be an approved vendor of that particular hospital. The follow tables show the employees and contractors that will be used to run the Refresh Direct organization.

**Table 1. 2 Employees**

<b>Employees of Refresh Direct (FTE)</b>
CEO/Founder (1)
Concierge Specialist (3)
Administrative Assistants (2)
IT Services (2)

**Table 1. 3 Contractors**

<b>Contracted Specialists</b>
Massage Therapists
Manicurists
Cosmetologists
Estheticians
Hair Stylists

Marketing efforts will include social media outlets, such as Yelp, Google, Facebook, Twitter and Instagram and even expand to bus benches within a 7 miles radius of the hospital to traditional fliers and business cards. Refresh Direct will also work with the hospital's marketing and public relations department to help advertise within the hospital. An easily accessible "live" person via phone must be available to answer any questions potential clients may have on a 24-hour basis. Although Refresh Direct will be based out of Orange, CA, services will be available in Orange County and parts of Los Angeles county to start, with further expansion to all of Los Angeles, San Bernardino Riverside and San Diego counties.

### **Market Definition, Potential and Demand**

The defined market would cater to all patients in hospitals that are recovering from a surgery, treatment, procedure in low risk departments or childbirth. Patients that have not yet been discharged still require basic self-maintenance that is not always readily available or even an accessible option to the hospital bound patient. The growth potential for Refresh Direct is substantial considering that this would be a one of a kind service that is brought directly to the patient's bed. The demand would really start to take off, especially if services begin in a more affluent geographical area as most residents in more affluent areas already generally seek such services on a regular basis. The fees that Refresh Direct charge are not that much more than what these potential clients pay anyway. With services such as UberEATS and Soothe that bring basic necessities and luxuries straight to your door, Refresh Direct offers the same services at the convenience to the hospital bound patient.

Boutique or concierge medicine represents a new approach to the delivery of primary care in which an annual fee or retainer is paid for more personalized attention and on demand health care. The concierge market has had a steady revenue growth since 2005 that has doubled

in revenue and is projected to \$4,585 million by the year 2024 (Miller, 2018). While the average person is generally unable to afford the new trend, a luxury in which celebrities such as Beyoncé or the Kim Kardashians are afforded to VIP suites to birth their children that now most NYC hospitals boast rooms costing from \$250 to a reported \$4,000 a night, on top of what is covered by insurance, dedicated to patients who want more of a hotel feel during their hospital stay (Schuster, 2015).

**Table 1. 4 Revenue Growth for Concierge Services (IBISa)**

<b>Revenue Growth</b>		
<b>Year</b>	<b>Revenue \$ million</b>	<b>Growth %</b>
2005	1,841.5	0.0
2006	1,795.3	-2.5
2007	1,867.4	4.0
2008	2,229.1	19.4
2009	2,442.3	9.6
2010	2,487.9	1.9
2011	2,622.2	5.4
2012	2,335.7	-10.9
2013	3,093.9	32.5
2014	3,264.3	5.5
2015	3,109.8	-4.7
2016	3,290.1	5.8
2017	3,497.1	6.3
2018	3,694.4	5.6

**Table 1. 5 Revenue Projections for Concierge Services (IBISa)**

<b>Revenue Outlook</b>		
<b>Year</b>	<b>Revenue \$ million</b>	<b>Growth %</b>
2019	3,879.7	5.0
2020	4,003.3	3.2
2021	4,133.1	3.2
2022	4,269.9	3.3
2023	4,421.2	3.5
2024	4,585.0	3.7

The services in which Refresh Direct will offer may not be as lavish as the celebrities have but will still be able to provide similar comforts and amenities that can be found in luxury and high-end hotels. This short respite of this service will allow patients to experience a bit of opulence while regaining their confidence and having their self-worth restored and ultimately lead to a speedier recovery, especially considering that the average length of a hospital stay is 6.1 days according to a study provided by the CDC through 2014 (Hospital Admissions, average length of stay in US from 1975-2014, 2016).

Refresh Direct will also have the potential to scale and grow to other hospitals in other areas, after it saturates the Southern California market, starting in larger, metropolitan areas such as New York, Chicago, Miami as the more affluent will usually have more of the means to splurge on the extras. Services can also be modified to tailor the demographics and demands of each area. The wellness industry in general has seen substantial growth since 2005, growing from a \$12 million-dollar industry to now over an \$18 million-dollar industry with projections to grow as much as well over \$20 million dollars by 2024 (IBISb). Integrating wellness services such as massages, facials and body treatments and further expanding into routine maintenance such as manicure and pedicure services, epilation and other barber services can help create not only a better experience for the patient while they are recovering but can also potentially help contribute to a faster road to recovery (Dalen & Alpert, 2017).

**Table 1. 6 Revenue Growth for Spa Services (IBISb)**

Revenue Growth		
Year	Revenue \$ million	Growth %
2005	12,190.0	0.0
2006	11,464.1	-6.0
2007	12,951.9	13.0
2008	14,918.2	15.2
2009	14,220.8	-4.7
2010	14,623.4	2.8
2011	14,997.7	2.6
2012	15,386.2	2.6
2013	15,898.6	3.3
2014	16,471.1	3.6
2015	17,132.2	4.0
2016	17,435.9	1.8
2017	17,847.4	2.4
2018	18,310.1	2.6

**Table 1. 7 Revenue Projections for Spa Services (IBISb)**

Revenue Outlook		
Year	Revenue \$ million	Growth %
2019	18,764.3	2.5
2020	19,167.1	2.1
2021	19,551.0	2.0
2022	19,954.8	2.1
2023	20,375.5	2.1
2024	20,802.7	2.1

### **Competitor Analysis**

Competitors include 24 Hour Home Care (for profit) and Beauty Bus (not for profit).

Other models that are similar are Beyond Spa at Hackensack University Medical Center in New Jersey, Bed Rest Concierge in Dallas and TenderHearts in Atlanta.

Most of the competitors do not provide the top-notch, white glove service that Refresh Direct offers. The biggest differentiator is that Refresh Direct will work with hospitals to ensure that each employee or contractor of Refresh Direct will be professional contractors of the hospital so that services can be brought directly to the patient's bedside. The vast array of

services is also available with all organic and locally sourced products whenever possible, which would meet the accounting framework of the triple bottom line.

1. Beauty Bus, while offers a lot of the same, similar services as Refresh Direct such as nail services and basic hair services for both men and women, Beauty Bus does not have the same high caliber delivery of services that Refresh Direct does. Beauty Bus operates as a not for profit, therefore, relies heavily on volunteers and donations of products. Beauty Bus is also not able to visit the patient directly at the bedside in all circumstances. Often times, Beauty Bus operates either in a conference room or sometimes out of their vehicle (Beauty Bus Foundation, n.d.). This allows Refresh Direct to stand out as the services are brought directly to the bedside for convenience and often times necessity as not all patients have the ability to even get out of their beds to go downstairs to seek these services. It is also assumed that Beauty Bus does not provide 24-hour services for their clients.
2. 24 Hour Home Care actually offers more services outside of personal care such as light housekeeping, companionship, medication reminders and transportation services, however, 24 Hour Home care is geared more towards the senior care or those with disabilities (24 Hour Home Care, n.d.). The services within personal care are still just the standard services that a typical hospital would offer and not the more spa like type services which Beauty Bus or Refresh Direct is able to provide. 24 Hour Home Care also has direct to patient services, however, the services are more geared towards patients that are homebound and not in a supervised, acute care setting.

Other competitors such as Beyond Spa Medical Plaza (Hackensack University Medical Center, n.d.), Bed Rest Concierge (Bed Rest Concierge, n.d.) and TenderHearts (Tender Hearts Home Care, n.d.) also have similar components and services which Refresh Direct offers, however, all the aforementioned competitors are not located within the Southern California and therefore are not a fair “apples to apples” comparisons against demographics such as Beauty Bus and 24 Hour Home Care as both Beauty Bus and 24 Hour Home Care are based and operate out of Southern California (Ref)!

**Table 1. 8 Competitor Competition Chart**

	<b>Beauty Bus Foundation</b>	<b>24 Hour Home Care</b>	<b>Refresh Direct</b>
<b>Services SoCal</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Mobile App to Order Services</b>			<b>x</b>
<b>24-hour service</b>		<b>x</b>	<b>x</b>
<b>Nail Services (manicure, pedicure)</b>	<b>x</b>		<b>x</b>
<b>Hair Salon Services (basic haircut, hair color, blowouts, etc.)</b>	<b>x</b>		<b>x</b>
<b>Massage Therapy</b>			<b>x</b>
<b>Epilation Services (threading, waxing, etc.)</b>			<b>x</b>
<b>Aromatherapy</b>			<b>x</b>
<b>Facials</b>			<b>x</b>
<b>Basic Men's Services (shaves, beard trims, etc.)</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Service on Demand</b>		<b>x</b>	<b>x</b>
<b>Home visits</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Hospital visits</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Anywhere visits</b>		<b>x</b>	<b>x</b>
*All products with Refresh Direct will be organic and locally sourced			

### **Customer Analysis**

Realistically, the customer base will most likely be women initially as there are more services sought out from women than men in general. This may also prove to be more popular in

the delivery unit as society pressure to leave the hospital looking glamorous can also leave women, especially in more affluent areas, to consider these services, especially if they are in labor for a long period of time or have an unexpected longer stay (Puente, 2018). This may also not be for the retired teacher who just had her second hip surgery, but possibly for the mid-life business man who had an emergency appendectomy and has an important, internal Skype call in two days that he must take from the hospital bed. It is for the individual who is always on the go and once that patient is discharged from the hospital, life will continue, and that patient will merely fall back into place. Refresh Direct will afford the opportunity of time back into the patient's life and not just the standard issue of hospital. This is a more niche market as there are not for profit organizations out there that can tend to the quadriplegic that needs a haircut or a Stage IV pancreatic cancer patient that would just like to have her nails done.

The services in which Refresh Direct not only benefit the actual patient in the hospital, but also the hospital itself. A hospital in a busy, metropolitan area can stand out from others in the surrounding area by allowing Refresh Direct to come in and help distinguish themselves into another level of service, which has become increasingly important in the health care industry to stay competitive (D'souza & Sequeira, 2012). What used to be considered "perk" in hospital setting such as gift shops, valet parking and café settings with more healthy and gourmet options versus the standard cafeteria style food with limited hours in years past have now become a standard in the health care setting as places such as hospitals become more consumer orientated (Griffin, 2012). Introducing Refresh Direct to hospitals will only continue to elevate the customer service levels and reputation of the hospital but also keep the trend of service into a standard.

## **Marketing Objective and Goals**

Ideally, Refresh Direct would initially launch successfully within one hospital. Due to the wide variety of services that are being offered, it would make sense that Refresh Direct can maintain good quality control in the services provided by the estheticians and professionals employed and that client base is exceptionally delighted. Within the 3<sup>rd</sup> year, Refresh Direct should be able to scale out to a second or third hospital and continue to recruit good talent as this company is not just providing the services, but providing the services requested, but providing top notch, white gloved and red-carpet type services. Eventually scaling to different counties in the adjacent areas or other large metropolitan cities such as New York, Chicago and Miami, etc. If the opportunity presents itself to purchase or lease a space within the actual hospital site and open an actual medical spa to also cater and service the physician and ancillary staff and even work collaboratively with providers to render services for treatment so that word of mouth continues to flourish and that all members of the hospital, not just patients, have the opportunity to get a quick, rejuvenated refresh. Each client is delighted, every time.

## **Marketing Strategy**

Refresh Direct will initially be working with the gift shops and check ins in each of the hospitals to display our pamphlet and have business cards available or even adjacent or attached to the fridge doors where flowers are kept so that patrons who are looking to send gifts can also see the services that Refresh Direct provide. A percentage of all sales from the gift shop will result in a “kickback” in the form of complimentary services if the gift shop is a sublease of the hospital. If the giftshop is part of the hospital to generate revenue, then any necessary negotiations will be worked out directly with the hospital, if needed. Refresh Direct would also work with the Public Relations department to promote and advertise in waiting areas or even the

cafeteria so visitors are aware of the options available to send their loved ones. Within the patient room itself, a menu card will be set out for the patient to select any services cleared by the providers where patients can call in for their desired services or they can download a mobile app and set up an appointment request based on which services they would like.

More importantly, continued relationship building needs to not be underestimated. By Refresh Direct already having their “foot in the door”, the demand for services such as a hospital-based massage will only increase, so it is important that complementary and alternative therapies will match and not contradict the services that are currently being provided.