

Impact of Marketing Strategy on Coimbatore Private Hospitals Measured By Patient Satisfaction- An Empirical Study

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Abstract

Health care in India is in the private sector provides at least 80 per cent of health services in the country and can be classified as private dispensaries, private hospitals, charity hospitals and corporate hospitals. The Indian health care industry is expanding at a phenomenal rate. Private hospitals, government investment and foreign aid in the public health programs appear to be driving this boom. More than 300 million strong middle class “health care consumers” are creating unforeseen demand for quality health care. In view of the recognition of the importance of marketing to private hospitals worldwide, Indian private hospitals have started adopting marketing strategies to improve their performance in terms of profits and patient satisfaction. In the current scenario, marketing is evolving to become a full-fledged function and going beyond traditional marketing services. In view of this, this study is positioned to inquire about the marketing strategies practiced by private hospitals and evaluate their effectiveness. Even though there are so many studies related to the marketing strategies in hospitals, services marketing in hospitals, service quality in hospitals and the patients view on services offered by hospitals, there is no exclusive study on the implementation of marketing strategies in hospitals at Coimbatore. Hence, the present study has made an attempt to fill up the research gap. The present study will aim to find the gaps in the marketing strategy of private hospitals in Coimbatore and point out the need for introducing improvements in the promotion of hospital services and patient satisfaction. Thereby, it helps the

management of private hospitals to take steps in the right direction to make their organizations viable and competitive.

Keywords: - Health Care Consumers, Health Services, Patient Satisfaction, Service Quality & Hospital Services

INTRODUCTION

India is considered to have a good health care network available in both rural and urban areas of the country. The important component of the value chain in the Indian Healthcare industry rendering services is the hospital industry. A hospital is an institution for health care that provides treatment by specialized staff and equipment and often, but not always, provides for longer-term patient stays. The Indian health care delivery system compares favorably with many other Asian countries. This industry is growing at an annual rate of 14 per cent.

The size of the Indian health care industry was estimated at Rs. 1717 billion (USD 359.85 million) ¹ and is projected to grow by 2012 to Rs. 3,163 billion (US\$ 662.91 million) at 13 per cent CAGR. The private sector dominates the healthcare market, accounting for nearly 80 per cent of the healthcare market, while public expenditure accounts for 20 per cent. ²

PRIVATE CORPORATE HOSPITAL IN INDIA

Health care in India is one of the largest service sectors, with more than 4 million people engaged. The health care services in India based upon various systems of medical practices such as Allopathy, Ayurveda, Unani, Siddha and Homeopathy. Among all the above, allopathy is the widely used medical practice. The infrastructure in the private sector provides at least 80 per cent of health services in the country and can be classified as private dispensaries, private hospitals, charity hospitals and corporate hospitals. The Indian health care industry is expanding at a phenomenal rate. Private hospitals, government investment and foreign aid in the public health programs appear to be driving this boom. More than 300 million strong middle class “health care consumers” are creating unforeseen demand for quality health care.

MARKETING STRATEGIES AND PERFORMANCE OF HOSPITALS

The marketing strategies are useful to develop and sustain better health care relations for patients. Traditional doctor-patient relationships have been replaced by intermediary health organizations. The price transparency, quality health service, multi-speciality services, financial accommodation, customer and competitor analysis and promotional measures are becoming more important in the globalized era, especially in the health care market (Reinhardt, 2016³; Mahar, 2010)⁴.

The marketing strategies of the corporate hospitals have been examined with the help of medical specialization, financial, accommodation, health packages, customer analysis, competitor analysis and promotional measures, which were identified by various researchers (Shin and Moon, 2015⁵; Wilkes et al., 2018⁶; Kay, 2007⁷).

TYPES OF MARKETING STRATEGIES

In the present study, the types of marketing strategies adopted by the private hospitals are measured by three important types, namely low-price medium service (LPMS), high price excellent service (HPES) and medium price high service (MPHS).

PROCESS OF MARKETING STRATEGIES IN HOSPITALS

A marketing strategy provides healthcare organisations with a shared vision of the future. An organisation will often perform a marketing task, send a direct mail shot, and then sit back and see what happens. A strategic approach will ensure that the organisation maximises returns on marketing spending and boost profits. The following is the process of marketing strategies adopted in hospitals.

Analysis of patients group		Analysis of Hospital strengths and weakness		Marketing Strategies
Characters		Performance analysis		Survival
Special needs		Staff capabilities		Cost focus
Medical Realities		Collaborations		Concentration
Where do they get served		Resource Availability		Blue ocean
Competitors		Vision and Mission		Collaboration
Area of growth		Stage of the organisation		New Market development

Figure 1: Process of Marketing Strategies Adopted in Hospitals

NEED FOR THE STUDY

The strategies hospitals use to compete provide significant insight into broader health care market developments because hospital strategy is shaped by a variety of external forces.

STATEMENT OF THE PROBLEM

The various factors that advocate the need for an in-depth understanding of why marketing strategies are in the hospital industry are broadly classified under the following: Customer-based and environment-based factors.

The Research Rationale

The research importance focuses on that determinants and factors affecting hospital performance are important issues that help the hospital administration properly improve patient satisfaction, leading to patient retention of health services in private sector hospitals.

However, this research sought to overcome the limitations it encountered with the most methodologically sound techniques and it should be followed by other efforts in the same direction.

OBJECTIVES OF THE STUDY

The objectives of the present study are confined to:

1. To exhibit the profile of the patients;
2. To measure the level of perception of service quality in hospitals among the patients;
3. To evaluate the impact of various marketing strategies on the level of perception of service
4. Quality and services offered by hospitals.
5. To examine the rate of implementation of various marketing strategies in hospitals;

RESEARCH METHODOLOGY

The research methodology deals with the research methods and the selection of various research methods which are appropriate for the research study. It starts from the collection of reviews to report preparation. The methodology includes the research design, sampling framework, data collection, framework of analysis and limitations of the study.

RESEARCH DESIGN OF THE STUDY

The applied research design is a 'descriptive and diagnostic' research design.

SAMPLING PLAN OF THE STUDY

The proportionate sampling was adopted to distribute the total sample size of 160 among the population of 206 hospitals.

The simple random sampling method (lottery method) was adopted to select the samples in each group, and the results were Big hospitals was 57, and Small hospitals were 103.

Selection of Patients from Hospitals

The snowball sampling method was adopted to select the patient from the hospital. From each hospital, 3 patients were identified with the help of relevant medical officers in the hospitals. Hence, the total number of patients from the big and small hospital came to 171 and 309 patients, respectively.

DATA COLLECTION

Since the present study is completely based on the primary data, a special care was taken to design the structured questionnaire and interview schedule. One is meant for medical officer, whereas another is meant for patients in hospitals. The relevant variables related to the

concepts generated for the study were drawn from the review of previous studies. A pilot study was conducted among 20 hospitals, domestic and 40 patients. Based on their feedback, certain additions

LIMITATIONS OF THE STUDY

The present study is subjected to certain limitations. To name a few: the present study is confined to its scope to Coimbatore City only, even though the sample size is determined by the scientific way, the applied sampling procedure is unscientific, only service marketing mix strategies are included as the marketing strategies for the present study.

Summary of Findings

The impact of marketing strategy implementations on the service quality in the big and the small hospitals and the pooled data have been computed separately. The results are given in Table 1.

Table 1: Impact of Marketing Strategies on the Service Quality of Hospitals

Sl. No	Marketing Strategies	Regression co efficient in hospitals		
		Big	Small	Pooled
1	Product	0.1443*	0.1091	0.1234
2	Price	0.1011	0.1343*	0.1699
3	Place	0.0894	0.1414*	0.1094
4	Promotion	0.1641	0.0834	0.1234
5	People	0.2269	0.1023	0.1804

6	Process	0.2145	0.1266*	0.1732
7	Physical Evidence	0.0542 (-)	0.0433(-)	0.0613 (-)
8	Innovative delivery	0.2664*	0.1249*	0.2089
9	Brand Image	0.2554*	0.1408*	0.1869
	Constant	1.0334	0.7244	0.9149
	R2	0.7987	0.7173	0.8403
	F Statistics	9.0413	8.0886	13.9045

Significant at 5% level

The significantly influencing marketing strategies on the overall service quality in the big hospitals are their product, promotion, people, process, innovative health service delivery and hospital brand image strategies since their respective regression coefficients are significant at the five per cent level.

The impact of implementation of marketing strategies on the overall attitude towards hospitals in the big and the small hospitals and also for pooled data has been computed separately. The results are given in Table 2.

Table 2: Impact of Marketing Strategies on the Overall Attitude towards Hospitals

Sl. No	Marketing Strategies	Regression co efficient in hospitals		
		Big	Small	Pooled
1	Product	0.2146*	0.1088	0.1691
2	Price	0.1542*	0.0996	0.1323
3	Place	0.1024	0.1624	0.1344
4	Promotion	0.1142	0.0884	0.1405
5	People	0.1335*	0.1334	0.1305
6	Process	0.1342*	0.0454	0.0886
7	Physical Evidence	0.1446*	0.1259	0.1311
8	Innovative delivery	0.1737*	0.1244	0.1367
9	Brand Image	0.1669*	0.1341	0.1504
	Constant	1.0989	0.7337	1.0478
	R2	0.7814	0.7336	0.8342
	F Statistics	9.3942	8.6434	10.0865

Significant at the five per cent level

The significantly influencing marketing strategies on the overall attitude towards hospitals in the big hospitals are their product, price, people, process, physical evidence, innovative health service delivery and hospital brand image since their respective regression coefficients are significant at the five per cent level.

CONCLUSION

The present study concludes that the rate of implementation of marketing strategies in big hospitals is higher compared to smaller hospitals. The big hospitals are very sword in the innovative health service delivery and brand building. The important determinants of the successful implementation of marketing strategies at the hospital are interactive and internal marketing. The highly influencing marketing strategies at the level of perception of service and service quality in hospital patients are among the innovative health service delivery and brand building.

Hence the present study concludes the need of appropriate marketing strategy in various customer segments in order to satisfy all types of customers in the health care industry in order to create the patient loyalty towards the hospital. Since the patients are expecting updated medical treatment in all fields, the hospitals have to

provide to its to retain the existing patients and also to attract new patients.

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