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## AN EMPIRICAL STUDY ON THE IMPACT OF MARKETING STRATEGY ON THE PRIVATE HOSPITAL'S PERFORMANCE IN PATIENT SATISFACTION

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### ABSTRACT

With more than 4 million people employed, the health care industry in India is one of the largest service sectors. The medical practices used in India's healthcare system include Allopathy, Ayurveda, Unani, Siddha, and homeopathy. Allopathy is the most popular medical technique out of everything mentioned above. At least 80% of the nation's health services are provided by private infrastructure, which is divided into private dispensaries, private hospitals, charity hospitals, and corporate hospitals. As a result, this study is well-positioned to investigate the marketing techniques used by private hospitals and assess their efficacy. There is no specific study on the application of marketing strategies in hospitals in Delhi, despite the fact that there are numerous studies related to marketing strategies in hospitals, services marketing in hospitals, service quality in hospitals, and patients' perceptions of the services provided by hospitals.

The goal of the current study is to identify the weaknesses in the marketing plans of Delhi's private hospitals and highlight the need for enhancements to patient satisfaction and hospital service promotion. Thus, it aids management of private hospitals in taking the proper actions to ensure the viability and competitiveness of their institutions.

**Keywords:** *Marketing, Strategy, Techniques*

### 1. 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. 1, 717 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.



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## Private Corporate Hospital in India

With more than 4 million people employed, the health care industry in India is one of the largest service sectors. The medical practises used in India's healthcare system include Allopathy, Ayurveda, Unani, Siddha, and homoeopathy. Allopathy is the most popular medical technique out of everything mentioned above. At least 80% of the nation's health services are provided by private infrastructure, which is divided into private dispensaries, private hospitals, charity hospitals, and corporate hospitals. The health care sector in India is growing incredibly quickly. This rise appears to be being driven by private hospitals, public investment, and foreign help in public health initiatives. Unexpected demand for high-quality healthcare is being driven by more than 300 million strong middle-class "healthcare consumers."

## Marketing Strategies and Performance of Hospitals

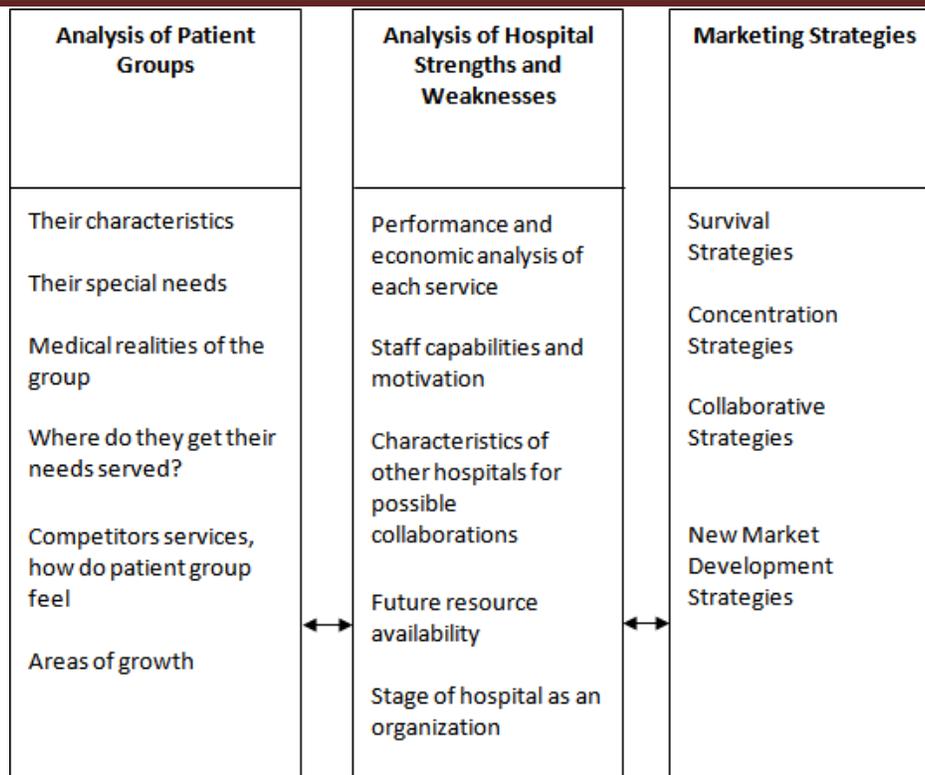
The adoption of marketing methods can help people establish and maintain better relationships with their healthcare providers. Intermediary health groups have taken the place of traditional doctor-patient relationships. In the globalised world, particularly in the health care market, factors including price transparency, high-quality health care, multispecialty services, financial accommodations, customer and competitor analyses, and promotional strategies are becoming increasingly crucial (Reinhardt, 20063; Mahar, 2006) 4. Medical specialisation, finances, accommodations, health packages, customer analysis, competitor analysis, and promotional methods that were identified by various academics have all been used to study the marketing tactics of corporate hospitals (Shin and Moon, 20055; Wilkes et al., 20006; 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 offers healthcare businesses a common future vision. All too frequently, a company will carry out a marketing assignment, send a direct mail piece, and then watch to see what happens. A strategic approach will make sure that the company gets the most out of its marketing investments and increase earnings. The method of marketing tactics used in hospitals is as follows:



**Fig 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 development 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 is broadly classified under the following heads: Customer based factors and Environment based factor.

### 2. OBJECTIVES OF THE STUDY

- To study the various determinants of the successful implementation of marketing strategies
- To exhibit the profile of patients
- To measure the level of perception of service quality in hospitals among the patients.



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## HYPOTHESES OF THE STUDY

- In terms of the degree of execution of marketing strategies and the perception of factors that contribute to successful implementation of marketing strategies, there are no appreciable differences between large and small hospitals.
- There is no significant difference between patients in big and small hospitals regarding their perception of service quality and services offered by hospitals;
- There is no significant correlation between the patient profile and their view of service quality and services offered by hospitals; and
- There is no significant impact of implementation of marketing strategies on the rate of implementation of marketing strategies in hospitals.

### 3. RESEARCH METHODOLOGY

The selection of numerous research methods that are suited for the research study is dealt with by the research methodology. It begins with the gathering of evaluations and ends with the creation of reports. The research design, sampling strategy, data collecting, framework for analysis, and study restrictions are all included in the methodology.

#### Research Design of the Study

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

#### Sampling Plan of the Study

The distribution of the 160 total sample among the 206 hospitals was done using proportionate sampling. The samples in each group were chosen using the sample random sampling method (lottery method), and the outcomes were 57 big hospitals and 103 small hospitals.

#### Selection of Patients from Hospitals

The hospital patient was chosen using the snowball sampling technique. Three patients from each hospital were selected with the assistance of the hospitals' pertinent medical officers. As a result, there were 171 and 309 patients overall from the large and minor hospitals, respectively.

#### Data Collection

The standardised questionnaire and interview schedule were carefully created because the current study is entirely based on primary data. One is intended for medical officers, while the other is for hospital patients. The analysis of earlier studies yielded the pertinent factors associated with the

concepts developed for the study. A pilot research involving 20 domestic hospitals, 40 patients, and was carried out. To create the final interview schedules, several additions, deletions, and alterations were made in response to their suggestions.

#### 4. Analysis

The following statistical tools: T-test, one-way analysis of variance, exploratory factor analysis, multiple regression analysis, discriminate analysis, confirmatory factor analysis (CFA) have been administered to analyze the data.

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**

T	Marketing Strategies	Regression Coefficient in Hospitals		
		Big Hospital	Small Hospital	Pooled
1	Product	0.1442*	0.1081	0.1233*
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 Health Score Delivery	0.2664*	0.1249*	0.2089*
9	Hospital brand image	0.2554*	0.1408*	0.1869*
	Constant	1.0334	0.7244	0.9149
	R <sup>2</sup>	0.7987	0.7173	0.8403
	F-statistics	9.0413*	8.0886*	13.9045*

\* Significant at the five per cent level.

The product, promotion, people, process, innovative health service delivery, and hospital brand image strategies are the marketing strategies that have a significant impact on the overall service quality in the large hospitals because their respective regression coefficients are significant at the 5% level.

The effects of implementing marketing techniques on people's perceptions of hospitals overall in large and small hospitals as well as for pooled data have been calculated independently. Table 2 presents the outcomes.

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

Sl. No.	Marketing Strategies	Regression Coefficient in Hospitals		
		Big Hospital	Small Hospital	Pooled
1	Product	0.2144*	0.1085	0.1688*
2	Price	0.1541*	0.0996	0.1344
3	Place	0.1024	0.1624*	0.1403*
4	Promotion	0.1142	0.0884	0.1045
5	People	0.1335*	0.1334	0.1304*
6	Process	0.1342*	0.0454	0.0886
7	Physical Evidence	0.1446*	0.1249*	0.1311*
8	Innovative Health Score Delivery	0.1737*	0.1244*	0.1367*
9	Hospital brand image	0.1669*	0.1341*	0.1504*
	Constant	1.0989	0.7337	1.0478
	R <sup>2</sup>	0.7814	0.7306	0.8342
	F-statistics	9.3942*	8.6434*	10.0865*

\* Significant at the five per cent level.

Since their separate regression coefficients are significant at the 5% level, the following marketing tactics have a significant impact on consumers' attitudes about hospitals: product, pricing, people, process, physical evidence, innovative health service delivery, and hospital brand image.

## 5. CONCLUSION

The current study comes to the conclusion that larger hospitals use marketing techniques at a higher rate than smaller hospitals. Large hospitals have a strong reputation for providing innovative healthcare services and brand development. Internal and interactive marketing are key factors in determining how well marketing initiatives are implemented at the hospital. The innovative health service delivery and brand building include marketing methods that have a significant impact on how hospital patients perceive the level of service and service quality. Thus, the current study's conclusion



is that in order to satisfy all types of customers in the health care industry and foster patient loyalty to the hospital, effective marketing strategies in diverse customer categories are required. Because patients demand modern medical care across the board, hospitals must deliver it if they hope to keep their current patients and draw in new ones.

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