

A Study on Impact of Marketing Mix and Implementation of Marketing Mix Strategies in Tertiary Care Hospital: Health Care Executives and Clinicians' Perspectives: A Literature Review

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Abstract

The purpose of this paper is to determine the effect of marketing mix strategies and implementation of marketing mix strategies in a tertiary care multispeciality hospital. Objectives of the study were to explore the marketing mix strategies practiced in the 7Ps of marketing mix of the hospital and to analyze the perspective of healthcare executives and clinicians in the 7ps of marketing mix. A 5-point Likert scale was used to assess the data. Statistical analysis was done on the obtained result. Later, t-test was used for comparing the two sets of data.

Introduction

Marketing is the ability to convince consumers to use their product or service and accordingly planning for the same. Marketing is not restricted to products anymore. Nowadays marketing is also an integral part of service industry. Philip Kotler had mentioned that "marketing mix is the mix of controllable marketing variable that the firm uses to pursue the target level of sales in the market". Marketing mix was extended in service industry to people, physical evidence and process. The need for extension is due to intangibility and nature of consumption.

Marketing mix strategies mainly stresses on basic practices that every industry and company follow, including the service industry. It includes identifying the target customers, researching about the needs and preferences, analysis of influence of purchase decisions and way in which it is executed in the way that the customers buy the product or service.

Need for the Study

Marketing mix is an important component of the hospital. Product may be defined an item that satisfies consumers wants or needs. In the case of hospitals, the services offered in the organization and the quality of the services mainly constitute the product in the marketing service mix. It may include clinical and non-clinical services. In service industry there are various kinds of product services provided. The first benefit is the core benefit that the patient actually comes for. A patient coming for a surgery wants safe surgery without complications. Second one is a basic product. Thus, a patient coming for a surgery would get a more comfortable bed with sophisticated equipment for easy and painless surgery.

At the third level, the marketer gets prepared for an expected product, a set of things patients would normally expect. After surgery, clean sanitary facilities, quiet rooms and air-conditioned rooms come under this. At the

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fourth level, the healthcare facility may provide augmented product that exceeds customer expectations. Features include: accessibility to hospital care, emotional support, involvement of family and friends. In developing countries, competition is present in the expected level. At the fifth level is the potential product which patients would not usually expect but would be happy to receive.

Price mainly include pricing strategy and pricing policies of the hospital according to the type of services offered and luxury of services preferred by the patient. Place refers to the consumer access and consumer convenience to avail the services in the hospital. Promotion mainly concentrates on promotion, advertising adopted by the hospital to propagate their services to the consumers. Companies should tell the staff and customers about the types of services, their benefits, and ways to propagate these services. Communications can be done by websites, pamphlets, social media, newspaper can conduct camps.

People usually include employees who are in direct contact with the consumers. Successful service firms put a lot of effort into recruiting, training, and motivating their staff, particularly those in direct customer contact.

Physical evidence comprises of the facilities offered by the hospital for the better providence of services. Process in the marketing mix includes various policies and procedures followed in the hospital while providing various services. If the hospital has standardized the process, it means that hospital is providing quality service to the patient.

Significance of the Study

Employees are also valuable customers to the organization. Almost all employees avail the services provided in the hospital they are working in and are more exposed to the hospital environment as compared to the patients. It is a well noted fact that patient surveys are necessary to improve quality and performance of the hospital, it is to be noted that employee opinion also is to be taken into consideration for improvement of hospital service as they can provide valuable insights about the current marketing mix followed in the organization and may provide practical insights for the improvement of the marketing mix services.

Aim

To study the impact of marketing mix and implement measures of marketing

mix in tertiary care hospital.

Objectives

1. To explore the marketing mix strategies practiced in the 7Ps of marketing mix of the hospital.
2. To analyze the perspective of healthcare executives and clinicians in the 7ps of marketing mix and study relationship of marketing strategies of tertiary care hospital.
3. To suggest measures for improvement for marketing strategies in the selected tertiary care hospital

Literature Review

Product

Product is defined as "the set of all potential additional services a supplier can supplement his product offering with, in order to differentiate his offering relative to the competitors' as perceived by (potential) customers and distributors." [1]. Hospitals and palliative care are a recent and fast-growing industries. Many studies suggest that hospitals will increase and become one of the effective markets in most of the developing countries. Sufficient marketing is not done in the field of healthcare. They concluded that hospitals do not have proper marketing department, have very less contribution of money to marketing department, do not properly utilize all strategic planning tools, branding is not well-known concept in most of the hospitals [2]. Health care facility which has been a focus of discussion during the past decade. Naidu et al product can be used as a good tool for the industry for profitability [3].

Dr T. Sreenivas, Dr U. Srinivasa Rao did analysis of the current state of Indian corporate hospitals, which is one of the key marketing mix elements i.e. product mix [4]. A study tells about types of products and mentions that in hospital marketing, the product is what is offered to the consumer- that is, patients, expect certain services or product characteristics when a product is sold to them [5].

Price

Zallocco discussed the quality-profit relationship. The author studied the relationship between quality and profit. First observation obtained was that low-quality hospitals made less profits when compared to high quality hospitals, proving that patients prefer quality services; second observation made was low quality hospitals did have good demand for the offered services as some patients cannot afford quality services and lastly, low quality hospitals mainly had less staff which caused work overload [6,7].

D E Farley, C Hogan described price is an important specialisation and lower hospital cost. Hospital with more specialisation usually target to reduce prices charged by the hospital should target and attract patients and it should be able to systematise with other elements of the marketing mix. They also mention that pricing in healthcare is not about making maximum profit, it is about giving quality service to the patients at reasonable cost [8].

Marlowe D also agrees that pricing is key component of a successful marketing mix. To be successful, all must work together with other marketing mix elements. Even though it is an important element of marketing mix, using price as administrative tool is very limited in health care. He mentions that the structure and process of healthcare industry, limited knowledge in healthcare and its ability to measure costs. Overview is given in the study both in healthcare and outside industries [9]. Michael (1987) explains the role of marketing practice in healthcare. The author has also explained different pricing strategies in healthcare [10].

Place

Studies have been done in identifying market segments in a health care industry related to placed [11]. Carter et al in his study had specified

that channels differ according to different kinds of industries. Several life insurances had different types of channelling methods which differed from each other [12]. The study done on customer perception on fans had told that place convenience is one of the reasons why they select a game to watch [13]. John suggested that while building a hospital place is very important. Lin, Lee and Chen told that research should be done before establishing an hospital, different indicators should be used while selecting and establishing an hospital [14].

Reddy and Campbell Positioning is one of the most important tools in marketing that can help a hospital compete with other hospitals effectively. A hospital first must see if the target customers are available in the area and assess needs of the community, analyse different places, make appropriate planning and then come to a conclusion of situating a particular hospital in an area and have positioning strategies [15]. Leonard and Kent explain how branding is important in an hospital at an appropriate place and influence customer buying behaviour when linked to branding [16]. Kyung et al identified that leads to creation of brands due to good customer relationships in certain areas and places [17].

Promotion

Thomas A. Petit, Martha R. McEnally also stress promotion mix is mainly the channels which healthcare and industries adopt to achieve promotional marketing objectives of the organisation [18]. In an article, Menon et al designed various promotional techniques and experimented different techniques to see the customer satisfaction and reactions [19]. Tudor and Kanth in their work discuss the perceptions of consumers towards hospital advertising and the expectation of the customer in advertisements and media while buying products [20]. Christopher et al. said that customers such as patient are becoming more aware of the marketing services and hence the expectation and burden of the industry increase to satisfy these customers [21].

Physical evidence

Zeithaml & Bitner defines "Physical Evidence is the environment in which the service is delivered and where the firm and customer interact, and any tangible commodities that facilitate performance or communication of the service". Woodside et al in his study found that customers have expectations when it comes to location and equipment used and usually come back to the same organisation if the expectation and convenience of the consumers are met. Cleanliness, neat facilities, seating arrangements and ease of travel are important factors considered by the customer while buying a product [22]. Michael D. Richard, Arthur W. Allaway (1993) in their article explains that good facilities and quality of services provided usually attract consumers to a large extent [23].

People

Anne et al concluded in the study that as customer care increases, the customer satisfaction increases, influencing the customers to visit the organisation to buy the product again. Weng investigates how patients select a product or service based on proper customer care provided [24].

Process:

Laing and McKee examined different process adopted by different hospitals and relationship with the marketing of the hospital [25]. A study told that as we make the marketing process more flexible and standardised, the customer satisfaction is increased which indirectly leads to selling and profitability of the products or services. According to the study, as standardised the processes of the hospital are, the more satisfied both the consumers and patients will be [26].

Conclusion

This study assessed perception of 7Ps of marketing of doctors and healthcare executives. Perceptions of administrators about the seven Ps in hospitals showing that the P's are somewhat positively opinioned by the

respondents in the hospital. The mean scores are in the range of 2.36 to 2.81. On a 5-point scale indicates marketing mix of the hospital is somewhat agreeable to the respondents. Similar results were obtained in the previous studies conducted while comparing the doctors and healthcare executives while comparing different hospitals and their perspectives on marketing mix.

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