

CHAPTER NUMBER TWO

MARKETING OF HEALTHCARE SERVICES

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2.1 AN INTRODUCTION:

Traditionally, the Indian has been economy considered as an agrarian economy, which is under going structural change with an increasing emphasis on service economy. The service sector, dominates the today's Indian economy, which contributes almost half of the national income.

As defined by Philip Kotler and Kevin lane Keller (2005), "A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything and its production may or may not be tied to a physical product".¹

As the healthcare organizations provide different kinds of services, they need to follow the principles of marketing in order to market the healthcare services. By the mid - 1980s, marketing departments had been established in most of the large healthcare organizations in the West. By early 1990s, market orientation at the level of the firm has been achieved to a substantial extent in the healthcare industry. But, infiltration of such customer orientation down into the personnel involved in providing healthcare services has not been observed remarkably. No doubt, healthcare organizations like health insurance, pharmaceuticals, and medical supplies, which are more in retail business of healthcare products, had been found registered themselves with practice of incorporating the marketing activities, but, so far as health services providers are concerned, they still have not resisted for consumer - oriented services. It is found to be more true with developing country like India as her culture found it hard for a long time even to imagine an equivalent of the "customer is the king" philosophy especially in the healthcare services.

The initial marketing efforts of the healthcare industry were on few of the marketing activities, such as, relationship development among the physician, community services, and public relations. The philosophy of customer centralism is found to be observed more from the mid - 1990s with an increased over-supply of healthcare facilities along with other environmental compulsions. The healthcare practitioners had initiated providing more convenient customer services and have moved far beyond providing the core healthcare services of mere prevention of or cure from a disease by developing better marketing mix offerings. Yet, in the initial period, there indeed was an unseen and lethargic approach towards need for such development and after initiation, healthcare practitioners have begun to consider customer relations executives and the hospitals as hospitality undertakings. The smart hospitals follow a patient friendly approach to provide service alike hotels and have changed traditional belief of hospitals where people would like to stay away so far as possible.

This has been achieved by healthcare marketers during their struggle to find an appropriate position in the healthcare industry by acquiring a much better understanding of the market and their customers.

But, the healthcare industry is yet to formalize the position of marketing within it. Education and research in the area of healthcare marketing by adopting sophisticated market research techniques is yet to be incorporated in generating pure and applied knowledge in marketing of healthcare services (Bapu P. George, 2006).²

The knowledge about the marketing of healthcare services will be helpful in providing better services to their customer, but the marketer of healthcare services need to understand their customers because the customers of the healthcare industries are different than customers compared with the other service sectors.

The customer and patient, can be used as synonymous, of the healthcare service is a different type of customer in a number of ways as patients' physical condition is different; the illness involved and the seriousness of the health; healthcare service is also a high involvement service in which the patient is directly involved in the provider-client interaction; and the service is produced and simultaneously availed by the patient. The patient does not know what s/he is getting from the doctor even after experiencing the medical services due to lack of technical knowledge. Most often, the need for availing the healthcare services from a service provider that is, doctor becomes immediate and unavoidable as it may involve the question of life or death of the patient. Whereas, in case of a consumers of other services, the decision of consumption may be avoided or postponed to a future date depending upon the wishes of the individual. Such a possibility does not exist in healthcare sector as usually the avoidance or postponement of decision of availing medical services will hold to very serious implications for the health of the patient.

Truly speaking, patient has very little choice with regard to the diagnosis; medicine prescribed; various medical tests; scans etc. which are to be carried out and s/he has to behave fully under the control of the doctor for his/her well-being; and many a times the doctor lacks human warmth, and concentration carries over on medical treatment.

The views about the concept of "patient" and "illness" to the doctor are contrary to that of the patient himself/herself. To the doctor, illness follows a process that can be measured and understood through laboratory tests and clinical observations. The focus is more on keeping pace with the rapid advances in medical science whereas to the patient, illness is a disrupted life, and development of a feeling that the doctors does not try to understand. The patients' feelings and concerns many times leads the patients' psychologically irritated and more sick and unhappy.

There are varying situations and conditions, like in routine ailments, in emergency situations, in treatment of chronic ailments etc., that a patient may encounter in healthcare services. A large number of systems exists for the patient to take medical treatment from, such as Allopathy, Ayurveda, and Homeopathy etc. Various specialties of the doctors are available ranging from general practitioners to the super specialties. It clearly suggests that the healthcare service is different from the other types of services and thus, the factors that determine the patients' loyalty to the doctor largely varies from those of other type of services (Dr. Pradeep Salgaonkar, 2006).³

2.2 ROLE OF HEALTHCARE INDUSTRY IN INDIA:

The role of healthcare industry in development of India is described in brief as follows.

In whatever situation and condition the patients get the medical treatment the ultimate goal of the patient is to improve his/her health which will increase his/her productivity and ultimately contribute to the economic growth of the nation. So, healthcare industry, therefore, plays an important role in the development of country through improving health of nation's populations.

Healthcare industry plays a vital role in the development of nations. An effort towards good health is considered to be a crucial as it improves health of people which increases productivity of an individual and reduces absenteeism at work place. Improvement in survival rate and life expectancy increases the overall investment in national physical capital and in turn increases per capita Gross Domestic Product (GDP) growth. Healthcare industry is not an exception from threats and opportunities which is largely the outcome of technological advances, and three C's – Competition, Consolidation and Consumerism. Technological advances are responsible for rising needs of people which create demand for new kind of services. The healthcare service providers are trying to obtain Return on Investment (ROI) through improvement in basic healthcare practices as many watchers of the healthcare industry are of the opinion that hospitals are to be seen as a long gestation business (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

The astonishing growth is observed in the share of Gross National Product (GNP), which is more contributed by private service sectors, and healthcare industry is not an exception to it. Since liberalization, in the Indian economy the more focus is noticed for service sector as the investment in health directly contributes to India's economic growth in the form of improved health status of people, increased productivity and reduced absenteeism.

Since independence, vast health infrastructure and manpower has been built up in India at primary, secondary and tertiary care in Government, voluntary and private sectors. Steep decline in infant mortality and changes in other health indices have been observed positively supported with the development in technology and improvements in diagnostic procedures, coupled with an increased awareness level of people.

Prior to the growth of allopathic medicine, medical care was provided as a private household and community activity; traditional and magical remedies were applied for treatment of ordinary people by lay practitioners and even with wealth patrons the treatment were provided by service providers with or without having acquired formal educational qualifications and training.

The role of State was minimum in terms of providing healthcare services and the dominance of individual practitioners was observed for Indian indigenous systems like Ayurvedic, Unani, Sidda, Hornoeopathy and Naturopathy.

An individual badly affected by a wound or disease was completely isolated from the society and has to suffer and protect himself due to general belief of people that illness caused either by evil spirits or has a punishment for one's misdeeds. Common responsibility towards afflicted persons taken by societies as civilization and socialization advance from individual to family and family to organized community and during the process of treating ailments the need for institutional set up was recognized, called as a Hospital (Ibid).⁴

In India, from Vedic times immemorial, she believes in "Sarvosantu-Hiranmaya and Sarvajana Sukhino Bhavate", "May the whole world be in good Health and Free from Disease". The outcome of improved health showed improvement in survival rate and life expectancy which makes individuals to save more in order to ensure their income and quality of life. Socio-economic development of economies leads to industrial growth at the expense of the agricultural sector. For instance, switch from agriculture to industrial production may reduce the incidence of infection disease primarily found in rural areas. With the development, the countries devote more resources and increasing share of their national income to health, which increases per capita income that leads to consumption of health improving goods and services that exhibits a positive relationship between status and stage of development. A network of healthcare facilities both in the rural and urban areas was established by Government of India and determined the efforts to upgrade the skills of healthcare providers. Considerable progress has been made in improving the Indian health system and positive role was observed in reducing the burden of the diseases.

A healthcare institution at primary, secondary and tertiary levels provides comprehensive healthcare for the people. The primary healthcare institutions provide first level contact between the population and healthcare providers. The secondary healthcare infrastructure provides focus on specialized services at the taluka and district hospitals, and developed a linkage with primary healthcare sector in order to achieve quality and diagnostic by therapeutic services. A tertiary healthcare institution has enhances the quality of services by strengthening the linkages with secondary care institutions that provide super specialty services.

There exists a need to encourage private entrepreneurs to participate in healthcare services as the efforts of Government of India to enhance the healthcare system both quality wise and quantity wise are inadequate and the financial resources and managerial capacity available to meet health needs of India fall short. Despite, the Government's willingness to invest for improving the health status a growing gap between Government's capacity to finance and provide healthcare and the demands of the growing population has thrown challenge on the healthcare system. It is therefore, highly essential to frame policies and strategies to promote productive investment in healthcare sector (Ibid).⁴

2.3 ROLE OF PRIVATE SECTOR IN HEALTHCARE SECTOR OF INDIA:

Though, the Government of India plays an important role in improving health of nation's populations through framing and implementing different policies and strategies, the participation of private sector in healthcare also play an important role in improving health of populations through promoting productive investment in healthcare sectors.

In terms of health service delivery since days of pre-independence the private health sector is playing significant role. Bhole Committee's Survey on sartorial employment of allopathic doctors in India, during the 1940s, revealed that 73 per cent of doctors were preoccupied in private practice while the remaining 27 per cent were employed in the Government service.

Indian National Congress voiced the State's provision of health service on its political agenda emphasized the need for free education and healthcare to all citizens. The leaders of Indian National Congress were influenced by the Beveridge Committee Report in providing welfare services.

With the objective of not only to establish private interests but to accommodate private sector in certain spheres of Indian economy, the big business houses viz., JRD Tata, GD Birla, Shriram and Purushottamdas, came out with Bombay Plan. Government of India advocated the purpose of planned development vis-à-vis the private sector in its First-Five Year Plan.

Though, the objective was that the private enterprise should have a public purpose but there is no such thing strictly observed under present conditions of unregulated free enterprise system as it functions within the condition created largely by the State. Private enterprise derives support from the Government of India from the general protection extended by the State by way of maintenance of law and order, as well as, through general and special assistance by any tariffs, fiscal concession and other direct assistance (Ibid).⁴

Though, it seems very difficult to acquire the information on the growth of private institutions, a study on private healthcare in India, social characteristics and trends indicated that presence of private institution was small during 1950s and 1960s, but from the 1970s onwards there was a steady growth.

The principle of simultaneous operation of the private and public sector observed in mixed Indian Economy but, it has not yet been possible to differentiate between the role of the private and public sectors system due to several evils that arise from overwhelming profit motive of, both medical and pharmaceutical, the private sectors.

The health policy documents released in the Sixth Five Year Plan period envisaged a very constructive and responsive interrelationship between the public and private sector in the healthcare and it showed a shift in the attitude of Government of India for private sectors in medical care, since it was for the very first time an open reference was made with reference to health sector that paved the way for growth of private sector (Ibid).⁴

A shift in the attitude of Government for private sectors in healthcare industry leads to the growth of private sector and therefore, private sector needs to focus more on the activities related with marketing of services.

2.4 MARKETING OF HEALTHCARE SERVICES:

Marketing of services is confronted with many problems such a cannibalization, customization, segmentation, and communication. Understanding how consumers actually perceive all the different service elements is regarded as an important task as it will lead to better synchronization of marketer's perception and customer's perception of the services and result into the success of service business. (Ibid).⁴

Though, marketing mix is considered as a fair combination of Product, Price, Place and Promotion, in marketing of services, but still the traditional marketing mix can be considered as inadequate because of need for tangibilisation, lack of standardization and need for different marketing models and concepts for service marketing. The marketing of services extended marketing mix beyond four Ps. Booms and Bitner (1981)⁵ suggested an expanded marketing mix for services consisting of seven variables. In addition to product, price, place and promotion they added people, physical evidence and process.

Service quality is more difficult to evaluate than quality of physical purchases by the consumer as services are inseparable; produced and consumed simultaneously; the judgment about quality of service can be made during an interaction between the customer and service provider. The satisfaction from service provided is a result of comparison of consumers' expectations with actual service performance and quality evaluations which involve evaluation of process of services and are not solely on the service outcome (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

To overcome the difficulties inherent in evaluating service quality, Parasuraman, Zeithmal and Berry (1988)⁶ proposed that consumers use five determinants to evaluate service quality viz., tangibility; reliability; accuracy; assurance and empathy. Importance of each dimension may vary depending on the type of services being evaluated.

Service quality valuation is primarily based on repeated comparison of consumers' expectations about a particular service with actual performance (Parasuraman, Zeithmal and Berry, 1988).⁶ Parasuraman, Zeithmal and Berry (1985)⁷ has developed a conceptual model of quality by identifying gaps between expectations and perceptions on the part of management, employees and customers as follows.

Gap 1: The difference between consumer expectations of service and management perceptions on consumer expectations.

Gap 2: The difference between management perception on consumers' expectations and quality specifications set for service delivery.

Gap 3: The difference between the quality specification set for the delivery and the actual quality of service.

Gap 4: The difference between the actual quality of service delivered and the quality of service delivery described in the firms' external communication.

Gap 5: The difference between customers' expectation of service and their perception of the service actually delivered.

The service firm must make efforts to close gap 5 or at least to make it narrow so far as possible. Before this gap is closed or narrowed the other four gaps also need to be closed or narrowed down to optimize quality of services (Parasuraman, Zeithmal and Berry, 1985).⁷

With more and more service providers entering the market, the worldwide scenario of service providers firms shows intensive competition. In order to overcome the threatening of competition most service firms will have to become marketing oriented, which can be considered as an attitude of mind that puts the customers' needs first in any trade-off. Companies should plan its business orientation according to market needs. The objectives of the firm should be to satisfy consumers' needs rather than merely using existing ready facilities or raw materials (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

It is quite evident today that people are more conscious of their health than ever before, hence, the marketing practices adopted by the marketer of healthcare services has change over a period of time. The changing lifestyle, work patterns and food habits are responsible for changes amongst consumers which has lead to increase in common ailments like hypertension, diabetes; high cholesterol etc. With the emergence of Information Technology today's consumers are much more educated and informed, and the role of the consumers is getting being transformed from a simple payer to an active participant in the entire process. Few other major developments are privatisation of healthcare, greater patient involvement, and that self-treatment of recurring minor ailments which is becoming common practice across the urban / rural terrain, and it has lead to a growing demand for Over the Counter (OTC) products for brands viz., Revital, Becosules, Digene, Calcium Sandoz etc. that fall under this category.

A large segment of the population follows the 'prevention is better than cure' philosophy and use health supplements by exploring ayurvedic and natural options. These areas offer many options, like aesthetic dermatology, obesity management, figure enhancement, laser treatment or anti-scar therapy, which makes consumers feel good about their health. These changes have led to sharper focus of doctors on various activities aimed at clinical trials to ensure experience of the medicine for its efficacy and safety (Malvinder Mohan Singh, 2007).⁸

The growth opportunity can also be tapped, by another emerging area known as medical tourism area which is related with consumer behaviour is the influx of overseas tourist in the various States of India that has offered opportunities to Indian corporate hospitals. The next phase of globalization of healthcare services will be the treatments of insured patients across the world which will attract large number of insured patients who would visit Indian hospitals. The key would be for Indian hospital is to feel accountable for the safety of their patients and provide them better quality healthcare services at low cost as most of the health services in insurance driven countries are bleeding and evaluating hospitals in India as an alternative. To illustrate, US-based Cancer Care And Research Company International Oncology has planned to set up high-end cancer hospitals in India to target foreign patients from the US and Europe. India's medical tourism is estimated to be around \$ 450 million and may reach \$ 2.2 billion a year by the year 2012. An over 1.5 lakh foreign patient visited India for medical procedure in the year 2006, and it is growing anyway by 15 per cent a year (Khomba Singh, 2007).⁹

The growing influx of health tourist in the State, mainly the non-residence Gujaratis, corporate hospitals are queuing up to set up multi-speciality hospitals. To illustrate, 'Care Group Hospitals', which has an extensive presence in Andhra Pradesh, has planned to make an investment of Rs. 50 Crores by setting up a multi-speciality hospital at Ahmedabad (Kamran Sulaimani, 2007).¹⁰

Technological advances coupled with the rising need of consumers and increasing number of health providers have created tremendous demands resultant in to evolving of threats and opportunities for the healthcare sector of India. For their survival, healthcare providers, with a strong sense of capturing users have created a competitive environment, not by doing whatever it provide, but by doing what it does best within the constraint of market demand. The ability to make marketing as an integral function of hospitals and cope with continuously rising competition lies in to what extent these hospitals can bring about a shift from product - orientation to marketing - orientation. In the 1980s very few hospitals realized that it was necessary to incorporate marketing, as an integral function in the hospital operations due to prevalence of common perception that is "Marketing is unethical". Marketing of hospital services involves identifying what current and prospective patients' needs are and also understanding their perceptions and offerings these services that are capable of delivering desired satisfactions to them (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

1980s and 1990s had witnessed growth of number of corporate hospitals which have increased the need for marketing of healthcare services in India. Marketing concept have been simply borrowed from larger organizations and applied to healthcare system which has showed results in offering and managing of services of hospitals based on analyzing healthcare needs of customers that has also brought together healthcare system and society communication.

A massive investment in hospitals is being now made to implement marketing plans and strategies based on marketing principles with an objective to delight consumers. Corporate hospitals have accepted the relevance of marketing in helping the patients to select best hospitals. Image of these hospital lies in their ability to offer medical, paramedical, and administrative services to its targeted consumers.

Corporate hospitals are of the opinion that marketing is not unethical, as just like any other business, an investment made in Crores of rupees for erecting hospital setup and hospitals must enjoy competitive edge over competitors through marketing practices by designing and applying suitable marketing mix strategies; selection of the right location; development of good public relations and establishment of the methods for promotion of products. Corporate Hospitals need to learn systematic planning of marketing activities to achieve better results by concentrating on developing and applying an optimum marketing mix to emerge as successful player in the healthcare market. Though, corporate hospitals are developing talent in medical field through recruitment of super specialist doctors and via procurement of sophisticated medical equipment, but, it has failed to develop market talent and hence, increase gap it has between market talent and medical talent. This has resulted in failure of design of optimum marketing mix, necessary to out-perform its competitors (Ibid).⁴

In order to better exploit the existing and built up hospital potential and keep their patients more satisfied, hospitals need not only to fine tuned its healthcare marketing programmes but should also focus on its successful implementation. It has to make the hospitals viable, profit - oriented, sustainable, in order to provide other benefits such as, helps the hospital to deliver satisfactory services to the customer in highly competitive environments by applying suitable principles of marketing; improvement in efficiency with an emphasis on rational and professional management in designing the product, price, place and promotion strategies; and to help to create services of value that would satisfy patients' needs. It calls for hospitals to develop unique strengths and need to concentrate on a few major services and thus achieve an edge over its competitors. It should facilitate hospitals in careful planning for developing and launching new services. It should emphasize hospitals to adopt a creative and rational strategy to develop pricing policies so that hospitals can outperform its competitors and attract customers successfully. It helps hospitals in motivating competent medical and paramedical personnel to join these hospitals to drive the growth. It calls for organization-wide marketing - orientation and participation of the entire management. (Ibid).⁴

In order to adopt a creative and rational strategy for various activities of healthcare organization and get maximum benefit of being oriented towards marketing principles, the one of the important aspect that need to be considered is prevailing trends of demands for health services. Demand for hospital services includes medical conditions associated with lifestyle; hospital infections; patient Safety; social and political changes, and patient empowerment. Medical conditions associated with lifestyle include a major problem of overweight and obesity which is a growing problem among urban Indians.

Patients' safety is very important which requires focus on protection of the patients; appropriate planning and designing for a safe, comfortable and healthy environment for the patient. The caring, safe and qualitative environment is expected by the patients so hospitals should provide the convenient, reliable and timely medical services. Many western countries have passed legislations on Patients' Safety, and India will also have to follow the suit. Consumer Protection Act is already in place. Computerized Physician Order Entry (CPOE), automation of pharmaceutical dispensing, and evidence-based hospital referral have emerged as solutions to some of these concerns. Political influence has given rise to healthcare accreditation in India. Another trend is related with technology which has empowered the patients that becomes evident through patients have become tech savvy, and now assumes increased responsibility of own care, communicate with each other and has also joined support group of concerned diseases and are also active in consumer movement (Col A. K. Dutta (2007)).¹¹

The major impact of new technology on future is that pharmaceuticals will replace some procedures and will decrease the need for admission to hospital, and newer vaccines will treat as well as prevent diseases but, at the same time it will present several challenges viz., understanding its future demand; improved forecasting of length of stay and other aspects of hospital performance; the benefits of sub-specialisation and methods to reduce the impact of this on access to services; how hospitals can be staffed; how to manage change effectively, and development of flexible approaches in planning of a hospital (Ibid).¹¹

The success of the healthcare organization, in taking advantage of changing technology in providing better medical services to its customers, depends upon efficiency, effectiveness and flexibility of their healthcare practices that shall leads towards creating of loyal customers for organization. Patients' loyalty towards healthcare organizations depends not only upon the healthcare practices adopted by healthcare organizations but also upon psychological factors, personality related, communication related many other factors.

Patients' loyalty to healthcare organisation is therefore, an important aspect to determine how successful organisation would be in providing healthcare services which shall persuade the customers towards becoming loyal for a particular healthcare organisation. Factors Affecting Patient Loyalty as stated by doctors which are grouped into categories depending upon their similarity considering factors, such as personality factors; communication factors; factors related to caring and empathy; treatment given by the doctors; characteristics of the patient, and other general characteristics, as follows (Dr. Pradeep Salgaonkar, 2006).³.

Table Number 2.1: Factors Affecting Loyalty as Cited by Doctors

| Sr. No. | Factors |
|---------|---|
| (i) | Personality Factors |
| | (a) Doctors personality factors Doctor should have dignified morality |
| | Doctor should have dignified morality |
| | Doctor should be approachable |
| | Doctor should be well behaved, kind and courteous |
| | Personal character of the doctor should be good |
| | Doctor should have optimistic nature |
| | Doctor should have good mannerism |
| | (b) Patients personality factors |
| | Patient should be cooperative, and obedient |
| | Patient should have Tactic expectations from doctor. |
| | Patient should have lot of patience |
| | Patient should trust the doctor |
| (ii) | Communication Factors |
| | Frank and openness with patients |
| | Tell facts of the case to patients |
| | Listen to the patients carefully |
| | Answer patient queries satisfactorily |
| | Make the patient comfortable and at home |
| | Encourage patients to talk frankly |
| | Give a lot of advice to patients |
| | Call patients by name |
| | Greet the patients when they enter the clinic |
| | Explain in detail to the patient |
| (iii) | Caring and Empathy Factors |
| | Satisfy psychological needs of the patient |
| | Show interest in the patient and his family |
| | Show sympathy towards patient |
| | Show understanding towards the patient |
| | Be caring to the patient |
| | Be compassionate to the patient |
| | Handle the patient carefully |
| | Answer queries to the satisfaction of the patient |
| (iv) | Patient Characteristics |
| | Patient's psychological make up |
| | Patient's family background |
| | Patient's financial condition |
| (v) | Other Factors |
| | Time spent by the doctor in clinic with the patient |
| | Knowledge of the doctor and competence of the doctor |
| | Availability of the doctor in emergency |
| | Image of the doctor in the society |
| | Accessibility to the doctor |
| | Unnecessary economic constraints on the patient |
| | Attend emergency calls |
| | Aims and objectives of the doctor behind the practice |

Source: Ibid.³

In the opinion of doctors' certain factors that can be considered as reasons for patients' switch over from one doctor to another are as follows.

Table Number 2.2: Reasons for Patients' Switching in Doctors' Opinion

| Sr. No. | Reasons for Patients Switching in Doctor's Opinion |
|---------|---|
| (i) | Doctor related factors |
| | Attitude of doctors (approach, personal warmth, assurance) |
| | Lack of interaction time |
| | Communication gap/Patient queries not answered satisfactorily |
| | Doctors' availability in emergency calls/outside OPD. |
| | Doctor shouts at the patient |
| | Exploitation of the patient by the Doctor |
| | Accessibility of the Doctor |
| | Failure to empathize with patient |
| (ii) | Patient related factors |
| | Friends' talks/other people's opinions/ relatives' opinions |
| | Death of a family member—the whole family switches |
| | No psychological satisfaction |
| | Patient feel, he is fine and stops treatment |
| | Patient's illiteracy |
| | Habitual doctor shopping |
| | High expectations |
| | Difference in opinion between doctor and patient |
| (iii) | Ailment related factors |
| | No symptomatic relief/cure/Quick relief/fast recovery |
| | Side effects of drugs |
| | Too costly medicine |
| | Fee structure |
| (iv) | Others |
| | Too long waiting time |
| | Patient referred for second opinion |
| | Advertisements |
| | Distance |
| | Cleanliness of waiting room |
| | Receptionist's behavior |
| | Professional jealousy |

Source: Ibid.³

As per doctors' opinion, the patients may switch over to other doctors because of the factors such as, doctor's attitude; non-availability of the doctor in case of an emergency; influence of other people's opinion; suggestions by close family members the death of a patient under a particular doctors' practice/supervision; and long waiting time outside the clinic. But, once patients enter to the doctors' room s/he want to spend a lot of time with the doctor telling the symptoms, describing the diseases, clarifying queries etc. There are various other factors that are stated by doctors as being reasons for switching of the patients. Aspects like advertisements appearing in newspapers, pamphlets etc. about things like complete cure of Asthma, alternative therapies etc. may cause patients to switch. Professional jealousy may also force a patient who has gone for second opinion, to switch permanently (Ibid).³

2.6.2 Reasons for Patients' Switching of Doctors in Patients' Opinion:

Table Number 2.3: Reasons for Patients' Switching of Doctors in Patients' Opinion

| Sr. NO. | Reasons for Switching Doctors given by Patients |
|---------|---|
| (i) | Doctor Related Reasons |
| | The doctor does not keep appointments |
| | The doctor does not give appointment and as such too much waiting time |
| | The doctor hurries through the consultation |
| | The doctor judges the patient rather than checking thoroughly |
| | The doctor exaggerates things! creates fear in patients mind |
| | The doctor does not talk/explain properly |
| | The doctor does not listen properly |
| | The doctor does not fulfill my expectations |
| | The doctor loads me with medicines/too many medicines |
| | The doctor prescribes very costly medicines |
| | The doctor charges very high consultation fees |
| | The doctor unnecessarily tells to do tests, scans and X-rays |
| | The doctor does not behave properly |
| | The doctor is too formal not friendly at all. |
| | The doctor is not accessible. |
| | The doctor is not easily available/or in emergency |
| | The doctor puts too many restrictions specially on diet |
| | The doctor is stupid , does not know how to talk with patients |
| | The doctor simply shouts |
| | The doctor is of serious nature and egoistic |
| | Time spent in the clinic is very less |
| | Same medicines are repeated over time |
| (ii) | Patient Related Reasons |
| | Patient found a better option |
| | Convenience of meeting and clinic timing |
| | Friend recommended/WOM |
| | Other people's opinion |
| | Patient expects immediate relief |
| | Patient has doubts about diagnosis and treatment |
| | Patient has no confidence in doctor |
| | Patient goes for second opinion and does not return |
| | High expectations created from others opinions |
| | Patient's mind is not stable |
| | Being a lady the patient couldn't discuss a few things with male doctor |
| | Patient simply did not like the doctor |
| (iii) | Ailment Related |
| | No symptomatic relief |
| | For long time no relief |
| | Wrong diagnosis by the doctor |
| (iv) | Allergic reactions/side effects of medicine |
| | Others |
| | The distance to reach the doctor is too far |
| | Too much waiting time |
| | Doctor migrated |

Source: Ibid.³

For every business the key to success lies in its ability to maintain a strong base of loyal customers, and healthcare is not an exception to it. So the foundation for services marketing is excellent service, and healthcare services marketer must strive hard to fulfill every need of their customers with the hope that it will make the customers more satisfied which ultimately leads to the profitability.

The doctor can be considered as an entrepreneur as s/he needs to possess marketing skills in order to compete with the other service providers in the same segment. Very essential sustenance for and growth of doctors' practice is patients' loyalty, and therefore, for the doctors/ healthcare service providers s/he should know what determines the patients' loyalty, how significant is each determinant to loyalty and how doctor-patient interaction aspects affect better service delivery (Ibid).³

2.5 MARKETING OF HOSPITALS:

In marketing of hospital services the healthcare service providers should adopt a very dynamic approach and analyse the marketing environment so that appropriate marketing efforts can be planned. Marketing is just finding out what is required and then communicating to patients that the hospitals carry all those facilities that are expected by the patients. In contrast to whatever hospital marketer may think, marketing is not advertising, is not sales, it is not market research and it is also not networking but, in reality it combines all of these and much more (Vivek Shukla, 1, 2008, www.cyberlectures.indmedica.com).¹²

India is witnessing an era where new hospitals are being built at a pace like never before. One discouraging task that every hospital is facing today is the task of marketing itself. And therefore, an attempt from hospitals is urgently needed to generate referrals from the Registered Medical Practitioners (RMPs) and hospitals should also appoint Public Relation Officers (PROs) for the same. The job of the PRO would be to visit these RMPs every day and tempt them into referring patients. The other part-time business strategy is that two physicians with same skills, and if one physician offers services at a lower price, s/he will get more clients, but, the other physician will not remain quite on such strategy and the result will be that both the players will be forced to reduce profit margins and may make compromise in the quality of medical services. Hospitals may follow strategy of 'Differentiation'. Customer Relationship Management (CRM) strategy is also applied by the hospitals for survival and hospitals may regularly send to its customers' cards, and gifts. It should also include the present and past patients to participate in these activities being carried out by hospital for social causes. Having feedback forms filled up during the discharge hour of the patient is one useful CRM exercise. Suggestion boxes and patient satisfaction surveys can also be used (Vivek Shukla, 2, 2008, www.cyberlectures.indmedica.com).¹³ Apart from above mentioned practices the hospitals today have adopted modern concepts for marketing of hospitals, so that hospitals have become dynamic in shape, size and functions.

Continuing advances in medicine and society has imposed great demands on the planning team and therefore, the hospital planning involves the quality of medical care and the improvement of its standards. More often it has been observed that the hospital planning process concentrate more on the designing of buildings and their architectural appearance, and devotes inadequate attention to the planning of organization and equipment as well as accommodating them and generating spaces to meet policies.. There is no place for perpetuation of the status quo as well as for beyond belief innovations (Col A. K. Dutta, 2007).¹¹

Though, innovation is troublesome to the establishment, to core competition and to the industry some principles for change should be followed to bring in innovation which includes, modular construction; flexibility in design; new diseases profile; advances in technology, Nanotechnology, and hospital utilization trends (Ibid).¹¹

While introducing modern concepts in hospitals the hospital owners, service providers and its administrators must consider the interior design and graphics such as graphic art and design, business looks directional graphics, safety signs, hospital logo, and use of decorative colours.

Graphic Art and Design helps in generating public image of hospital. The public image or public standing of a hospital that is, its degree of acceptance in the community, is derived from the total of all the impressions it gives to the various persons who come into contact with it. The graphics art and design help in generating such impression.

More focus on business looks for marketing of healthcare services makes good business sense for hospitals. In order to market the hospital the important aspect hospital should consider includes , dress code of employees; professional set-up of business; house keeping; providing high quality medical care not only lend a therapeutic and aesthetic touch but also provide many other benefits.

Hospital should use the Directional Graphics to provide direction to patients and visitors. Hospital with their maze of corridors and departments can be an intimidating place for both patients and visitors even at the best of times.

Considering graphics design involves the use of Signs, symbols, directories, and room identification, play an important role in providing right direction so that time and motion are not wasted. Hospital should take concerted efforts to select appropriate terminology which is to be supplemented by visual symbols, maps and directory of floors and rooms. Hospitals and every department should have written safety rules and should make the use of signs relating to fire emergency, smoking, and safety at work place in general and in certain critical like the nursing floor, laboratory, kitchen and laundry in particular (G.D. Kunders, January, 2006).¹⁴

In order to create the brand identity, the use of corporate logo for the hospitals is an important component, which should be clearly communicated. To illustrate, the logo “The skill to heal, the spirit to care” and “Caring for People, Caring for you.”. Another example is a Mother and Child Hospital’s logo which is imprinted on a T-shirt that the hospital gives to all mothers who come to the antenatal clinic. The hospital gives a baby T-shirt to every baby born in the hospital that proudly says: “Special Delivery, I was born at Mercy Hospital” or “I am a Mercy Hospital Baby.”

Further, hospitals can also provide to every patient on discharge a stuffed teddy bear, bunny or panda to take home to give a reminder for kind of qualitative service enjoyed by him/her.

As the colours have a define influence on the mental and emotional state of patients’, the interior design in the coronary and intensive care units should be so planned as to avoid over stimulation or depressing effect from certain colours and lighting. In order to provide a desirable therapeutic effect in the psychiatric ward, the light, paint and decor should be thoughtfully chosen as these things can easily affect the mood and attitude of psychiatric patients.

Designers have successfully experimented in decorating two walls of patient rooms in one colour and the other two in a complementary colour. It is more difficult to find curtains to harmonize with colours of the walls that have already been painted (G.D. Kunders, February, 2006).¹⁵

2.6 MARKETING MIX STRATEGIES FOR HOSPITALS:

Apart from the use of modern concepts and interior design, the main focus of hospitals should be on designing strategies for marketing mix elements so that better product/services can be offered to patients.

Healthcare has emerged as a managed care as it is the need in the era of globalization and privatization. In order to satisfy the needs of the chosen market segments, hospitals need to clearly understand and integrate the elements of marketing mix as such knowledge of precise combination of these elements would yield best result to it. Marketing mix comprises of four Ps and hospitals can combine any number of elements to design marketing mix that could satisfy the needs and wants of patients.

2.6.1 A Hospital Service Strategy:

A hospital service provider offers different types of services to its patients that is, the line services, supportive services and auxiliary services. The most important service that is being marketed by hospitals is the healthcare and hospitals therefore, need to provide quality healthcare and necessary infrastructure should be acquired before offering it to patients

The hospital setup need to introduce any area of medial treatment with all facilities required for providing that medical treatment. The line services provided by hospitals include, emergency, outpatient, in-patient, intensive care and operation theatre services, whereas supportive services covers, diagnostic facilities and equipment, required for the medical treatment.

Hospitals in general should concentrate on patient population and an interesting list of hospital markets and the products they purchases is given as below (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

Table Number 2.4, A list of hospital Markets and the Products

| Hospital Markets | Selected Services |
|--------------------------------|---|
| Investors | Dividend reasonable returns on investment |
| In patients and out – patients | Healthcare services, surgical services, nursing emergency, diagnostic and therapeutic services etc. |
| General public | Community health, health fairs, health camps educational programmes etc |
| Patient families | Information about patients condition, kindness etc. |
| Press | News release about achievements VIP' etc. |
| Visitors | Courtesy, information, direction signs, parking etc. |
| Governing Board Members | Governance, , prestige, opportunity to give advice |
| Employees | Good perks, good working environment, career Growth |
| Government | Mass awareness about evils of health, contribution during disasters, immunization taxes etc. |

Source: Ibid.⁴

In hospital marketing, branding, brand name, brand image are all important such as, Fitness Clubs, Well Baby Clinic, Day Surgery. Satellite Clinics, Good Health, Evening Clinics are marketable brands. All these hospital service brands convey the trust intended to convey the beliefs values and benefits of an intangible service. By promising only what hospital can consistently deliver, the hospitals need to establish trust with its patients; develop unique value of services in the patients' mind, and build perceptions like, best quality of service; availability of best medical and paramedical professionals; diagnostic equipment; best value; and hygienic atmosphere. Through a broad portfolio of services such as, branding, positioning and differentiating over the competitors the hospitals can market and deliver its services (Ibid).⁴

2.6.2 A Price Strategy:

In order to improve quality of healthcare facilities, the hospitals need to invest heavily on the sophisticated equipments; latest technologies; qualified professionals and on modern infrastructural facilities. The task of price fixation becomes difficult with increasing cost on inputs which compels the hospitals to make a possible fair synchronization of users and hospitals' interest. Value in terms of money and intangible price that patients pay for hospital services are two distinct aspects that should be considered by hospitals while fixing the price. Hospitals are expected to make efforts to reduce and or eliminate intangible price and deliver value for the money to its patients.

Hospitals are facing non-price competition and in the case of hospital setup, the greater the competition, higher the price because hospitals try to be ahead of others by providing superior services through use of high-tech diagnostic equipments and professional management. There is no fool-proof system of pricing in hospitals, and in some hospitals, prices are charged based on the economic status of the patients, the type of bed s/he occupy without any consideration of cost of providing these services.

Many hospitals think that scientific method of pricing is a complicated exercise, and an expensive investment in terms of specialist personnel, time and money. In order to make hospitals survive the different pricing strategies being adopted by hospitals to attract customers. Some of the strategies include viz., psychologically satisfying pricing; psychological-cum-prestige pricing policy; skimming pricing policy, and penetrating pricing policy.

Psychologically satisfying pricing strategy is built on the psychological satisfaction of the patients. Patients in general make enquiries about hospital personnel that is, doctors and user charges. Corporate hospitals' pricing strategy is built around the room charges.

Psychological-cum-prestige pricing policy is being adopted by hospitals to convey that higher the price, higher the quality of service. Hospitals attempt to create impression in the minds of customers that, outstanding specialist doctors, hi-tech equipment and quality care they could demand higher price.

Skimming pricing policy is adopted by the hospitals to quickly recover the huge investment and maximize revenue before competitors enter. Marketing expert states that lowering prices is easier than increasing prices.

Penetrating pricing policy implies charging a lower price than prevailing ones in the market to attract more number of patients, which is adopted by hospitals at an entry level to gain patient base. (Ibid).⁴

2.6.3 A Place (Distribution) Strategy:

In order to achieve patients' satisfaction, hospitals are expected to focus on place where services are made available, that is hospital services distribution channel comprises more than the hospital in the form of link of medical specialists that is, physicians and surgeons, paramedical staff, hospital administrators, Government, investors, insurance companies, employers and many others, where each member has a different role to perform in offering of healthcare services to hospitals.

Possibility of delivering services at the customer's door step is facilitated by Information Technology (IT) and based on IT, the hospitals have designed community out reach programmes, satellite clinics, e-diagnosis, and e-medicine etc. to deliver healthcare right at the patients' door step and industrial and occupational medicine at the work place.

Large hospitals in advanced economies have developed a home healthcare markets, which is a new system of delivering services at the patients' residence which is gaining attention and serve the growing affluent market. Hospitals can differentiate its healthcare services by providing more convenient points of access for customers. Access to customer preferred channels are provided to enhance benefits to its patients. (Ibid).⁴

2.6.4 A Promotion Strategy:

An appropriate tool for marketing of healthcare services is the communications programme hospitals need to select, which should include, Public Relations, Publicity, Advertising, Educational Programmes, Endorsement of Opinion leaders, Personal Selling and Direct Marketing. Further, hospitals need not only to select but also require to divide the tasks amongst professionals. In earlier years, advertising by hospitals was strongly objected and was regarded as unethical and hospitals usually advertise on traditional lines to position hospital's image in the community.

Patients' needs comprehensive and complete information about healthcare services being offered; availability of facilities, equipments, doctors and paramedical staff. The various promotional that can be put to use for promoting hospitals are healthcare and educational seminars, free health camps, health fairs, immunization camps, news, release, and annual reports, public service campaign (Ibid).⁴

2.6.5 A Public Relations Strategy:

Across the hospital industry, patients are concerned about the actual experience rather than tangible items that would help them to realize the promised experience by the hospital. Degree of acceptance of the hospital is derived from the total of all impressions it makes in minds of patients, who come into contact with hospitals medical and paramedical staff. Public Relations programmers of the hospital should take care of the responsibility of maintaining public relations and understanding and acceptance of the hospital services by various publics. Prestige and image of the hospitals is being judged by employees' actions, attitudes, appearance and the quality of hospital services it renders to patients. Hospitals should emphasize on policies that would help it to create, congenial and employee - oriented working conditions, an attractive environment, high morale, and internal harmony to make employees feel pride in their task which would play crucial role in building reputation, brand equity for the hospitals.

Apart from patients, there are various publics and families, who could also form part of Public Relations programmes viz., present and past employees; former patients and their families; friends; visitors and well wishers, persons - associated with hospital such as suppliers; outsider diagnostic centers; investors; media persons; Government officials as well as medical and paramedical staff working in various hospitals. Developing the philosophy and honesty in delivering the hospital services could be the best way for hospitals and it can be achieved through positive relationships with media; guest relations; internal relationship; public relationship, and relations with outside physicians (Ibid).⁴

2.7 MARKETING MIX STRATEGIES OF CORPORATE HOSPITALS:

Healthcare became more sophisticated and profitable business with the growth of medical technology. Since the late 1980's there has been a steady increase in the import of medical equipment. While there was a slump in imports during the early 1990's, there was a gradual recover from 1993 and a sharp increase during 1996-1997. In the year 1997, Government of India further slashed import duties and it encouraged massive investment in the healthcare sector which leads to growth of large scale corporate hospitals. The approval of the insurance bill by the Lok Sabha too has provided further impetus for healthcare service providers. The promoter of Apollo Hospitals in an interview stated that, the liberalized Health insurance sector would be the engine of growth for Healthcare in India.

More contributions from private healthcare system is needed due to increasing demand of healthcare system and changing expectations of patients due to an ongoing democratic shift in a upper-middle and upper class segments of India's population. The another reason for fast spreading of private healthcare network throughout India is that the resources owned by Government of India are insufficient to meet the increasing demand of quality healthcare. In order to encourage expansion of private health sector, the attitude of Government of India changed considerably and it has adopted a strategy of concessions for the growth of private sector since 1980s. It has liberalized the import policy on high- tech medical equipment, offered reduced import duties and concessions for Non-Resident Indians; and has increased facilities for loans from financial institutions, and recognized hospital services as part of the healthcare industry.

Due to this, the large enterprises established in medical care now enjoys the various benefits offered to the healthcare industry and it has generated pressure on various State Governments for providing them land, water and electricity at a concession rate and also permission for duty free import of medical equipment with the understanding that they will provide in-patient/out patient services at free of cost to people below poverty line.

It has increased investment in the healthcare field and became profitable business and attracts small and big business groups into the healthcare field, which marked a change in the organizational form of private investment in healthcare from single ownership enterprise and nursing homes to corporate enterprise. Historically, big business groups have established hospitals, contributing to welfare, as Trusts or Societies and not as corporate entities as the companies funding charitable trusts could secure tax concession and exemptions. In the 1990s, by floating shares in the market, some of the big groups have established hospitals alike regular business concerns that includes Hinduja; Modis; Nandas; Goenkas; Singhanias, and Chabharias in form of private and public hospitals. Apart from these big business groups, multi-speciality hospitals which offer tertiary healthcare have been also established in three Southern capital cities viz., Bangaloré, Hyderabad and Chennai (Ibid).⁴

Today marketing is the basic requirement of each corporate hospital and it combines several activities to serve and satisfy customers' need while meeting its own goal.

2.7.1 A Service Strategy:

One can hardly find today a corporate hospital, which market only one product. At present, most of the hospitals offer multi specialty services depends on various factors such as availability of medical professionals; diagnostic equipment; demand for services offered, and financial viability. Though, the hospitals are operating on multi-services, in general, hospitals focuses on specialization strategy to build image of the hospital which allows hospitals to understand several factors viz., market trend and reaction of customers towards hospital performance, positioning of competitors and their services, and offerings these services to its patients (Ibid).⁴

While formulating the product mix the healthcare service provider need to show their world class excellence as hospital services are of intangible in nature, and healthcare services offered by corporate hospitals are line services, supportive services and auxiliary services for various areas of specializations available. Healthcare service can be offered efficiently and effectively by integrating line services, supportive services and auxiliary services.

Many corporate hospitals claim to be multi specialty hospitals without necessary infrastructural facilities required for providing line services and supportive services, and for that they refer the patients to referral centers for diagnosis, where a huge investment is required for procuring diagnostic equipments.

Some hospitals with infrastructural facilities are unable to provide line services due to non-availability of specialists' doctors. This develops a poor image among the patients, which creates dissatisfaction amongst patients with the service providers.

Designing the product mix for hospital set-up is a complex phenomenon and has financial implications, and therefore, branding and perceiving competitiveness of hospitals is important for hospitals. Most of the hospitals do not have full time specialists and depend on visiting consultants for few hours on specific days or whenever need arises (Ibid).⁴

Corporate hospitals in India are operating on a commercial basis in a market place, and are heavily burdened with good intentions of developing quality of healthcare. This is leading to high social cost for healthcare. Quality in medical services is multi-dimensional and with increasing competition, which was observed during late 1980s and early 1990s, quality competition has increased due to technological innovations.

A corporate hospital in order to excel has to plan and continuously innovate and design newer and creative services to attract the patients. Corporate hospitals should concentrate on wellness and not just only on an illness; an equal emphasis on preventive and creative services is essential to increase its market share. Corporate Hospitals larger in size are offering health cards of different types for individuals and entire family which provides a percentage reduction in price charged for services offered by them.

The problem of uncertainty in the incidence of large healthcare expenses can be overcome by insurance. But, still many of the selected corporate hospitals are not able to offer health insurance schemes on their own due to some of the reasons viz., lack of awareness towards healthcare insurance and its benefits; fear of diseconomies of scale; loaded administrative work and administrative costs, and medical insurance has not gained popularity in India due to fact that people are risk-averse.

Health checkup is intended to scan individuals' bio-history and interpret signals of ailment, Individuals' life style also adversely affects health in the form of recurring headaches, coughs, fever are some nagging problems that needs attention of individuals for health checkup. Health checkup today are more comprehensive and are provided by many hospitals which is a preventive programmes where hospitals need to concentrate to make every citizen undergo health checkup once in a year which reduces the cost of illness both for individual and society.

Same day surgery aimed to reduce hospitalization costs has been introduced by many of the large corporate hospitals. Massive investments in technology facilitate hospitals to perform a large number of surgeries without the need for hospitalization. All the tests required for surgery are conducted on an outpatient basis before the day of surgery, and depending on convenience the patient is admitted for surgery which is more convenient and economical to the patient.

Increased accidents world wide are the results of Industrialization, Urbanization, and domestic and road are the major cause of death. If the treatment is initiated in the first hour following the accident many deaths can be prevented. Hence, in order to balance the healthcare and affordability, few hospitals have introduced an innovative card known as Accident and Trauma Card. Most of such cards are linked to insurance schemes.

Some hospitals are offering Evening Specialty Clinics to provide comprehensive, specialized treatment at a time which is convenient to patients, that is, office goers who have to waste an entire productive day in case they need to consult a specialist doctor (Ibid).⁴

Corporatisation and competition in healthcare sector are forcing healthcare organizations to improve quality of the hospitals' products and services and reduce patients' dissatisfaction and look for new ways and means for improving their process, and therefore, the modern hospitals and their healthcare delivery systems needs to be changed by adopting Six Sigma methodologies.

As healthcare sector is becoming more complex, the opportunities for errors will be more and in order to reduce the errors and to move towards perfection, most of the corporate hospitals are now functioning at Three Sigma or Four Sigma quality levels. Adoption of Six Sigma can reduce variability and waste, translating to fewer errors, improve customer satisfaction, and provide better process, greater patient satisfaction rates, and happier and more productive staff (Pradeep Bhardwaj, 2006).¹⁶

With all efforts to improve quality of healthcare delivery to patients by adopting Information Technology or by applying Six Sigma or any other activity, the healthcare organization will make them comparable at global level in terms of providing healthcare services.

2.7.2 A Price Strategy:

Hospitals make huge investments in technology based equipment too have increased non-price competition, and in turn cost of healthcare. But, this has pushed the corporate hospitals into financial crises due to decline in revenue (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

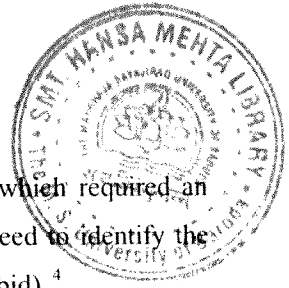
Corporate hospitals are not exercising scientific method of pricing as many hospitals perceive that pricing does not require a complicated exercise, qualified specialist personnel as it is time consuming and costly exercise and in large number of the hospitals, prices are fixed arbitrarily without any consideration of the components of cost.

Many of the corporate hospitals are adhering to market price that is, a price commonly charged by various other hospitals. A deviation from market price leads to premium price or affordable price, that is the higher price than market price, which is charged, based on the prestige of services provided by corporate hospitals, and other is lower price to satisfy the users.

Cost plus pricing is not being practiced by most of the selected hospitals because pricing hospital services is not so simple due to difficulty of estimating various costs includes equipment and administrative cost for each procedure, department overheads, cost of supplies, and cost of nursing care needed etc. Most of the hospitals follow a variable fee structure on the category of bed patients occupy. Such arbitrary system of pricing without any standardization of prices exists in many of the corporate hospitals due to reasons such as, if the fee is greater than true competitive price, hospitals will have incentive to provide quality care and attract customers, whereas, if the fee is below competitive price hospitals would have incentive to under provide care and can still attract cost conscious patients (Ibid).⁴

2.7.3 A Place (Distribution) Strategy:

Corporate hospitals should locate itself at a place convenient to the patient as well as to ensure coverage of large catchments area. As the hospital service necessitates the physical presence of the patient, the focus should be on the size of the catchments area.



The hospitals should know how far patients can travel to use the hospital service, which required an assessment of connectivity of the place of hospital with other areas. Hospitals also need to identify the availability of doctors, paramedical and administrative staff in service delivery process (Ibid).⁴

2.7.4 A Promotion Strategy:

Corporate hospitals need to select various medias of advertising based on the target audience and the television advertising is most preferred media, followed by Newspapers and Magazines, Hoardings, Radio and Internet. Selection of media for advertising of hospital should be preceded by research identification of target audience, assessment of communication reach, and viability of the hospital. Due to intangibility, inseparability, heterogeneity and perishability inherent in service products an important thing to remember is design of hospital advertising, its messages and types and amounts of information demanded by healthcare consumers vary greatly. Hospitals have not fully realized the role of public service messages and community health programmes in the hospital publicity and there are only few hospitals that are motivating the medical staff to write columns or articles for newspapers and magazines. Hence, establishing and maintaining good news media relations is one of the most important functions of hospital (Ibid).⁴

By developing effective marketing mix elements combination the healthcare organization enable them to deliver better services to their customers, which results in to loyal customers. Though enough efforts are made by hospitals in developing marketing mix strategies the inconsistencies in the marketing practices are observed in the healthcare industry.

2.7.5 The Role of Information Technology (IT) in Hospital Management:

Use of Information Technology (IT), is another important and positive development taking place in the Indian healthcare sector, with a aim to obtain real-time information on hospital management indices, handling medical records, networking various departments in a hospital, and providing tele-medicine services. Outsourcing also happens to be the current trend in hospitals, especially in non-clinical (such as laundry) and clinical support (blood bank, diagnostic services) areas. These transformations in the healthcare sector have several implications, which includes, the choice is increasing for healthcare users; need to differentiate and establish a favourable price-value equation by healthcare entities; need to monitor the provision and quality of healthcare offered by regulators; the viability of healthcare entities must be ascertained by the lenders. All these needs call for a system that can provide a credible, objective and unbiased opinion on the quality of care that healthcare entities are providing (Dr. Shyama S. N, 2007).¹⁷

In order to support doctors' work processes it is desirable for a hospital to link massive amounts of constantly updated clinical knowledge to Information Technology (IT) systems, which improve the quality of physicians' decision making and hence improve the quality of patients care.

However, what poses a major problem is, hospital are not able to codify millions of facts and data points, which are used by doctors to make complex decisions about treatments. The key success factor of knowledge-based order entry, referral, computerized medical record and event detection systems is its real time application. Moreover, physicians can consult other experts in real time through teleconferencing, video conferencing and other technologies. There are other knowledge resources include online journals and databases, care protocols or guidelines for particular diseases, interpretive digests prepared by physicians, formularies of approved drugs and details on their use, and even online textbooks (Dr. Anil Kumar, 2006).¹⁸

2.8 HEALTHCARE MARKETING: A GLOBAL PERSPECTIVES

The healthcare services in various countries are considered as superior or average or needs improvement depending upon the availability of medical facilities, personnel, infrastructure, favourable Government policies and many other factors.

Sheenu Jhawa (2006) has made a Group Study Exchange (GSE) during his visit to UK for getting insights in to three parameters, namely, 'care of the elderly', 'care of the young' and 'equitable healthcare provision'. It is often repeated, western culture does not care for its elderly, but how far it is true. India have a large percentage of senior citizens, not all of them dependent but progressing towards that stage. So far as Indian Scenario is concerned, unacceptable practices exist in India whether among the rural area, or even unfortunately in some urban area, where working is not just an option, but a necessity for mother, and in the wake of nuclear families whether out of choice or compulsion, care of the young, is seriously neglected. India do have state of art tertiary care centers – a very large percentage of which comes from the private sector as we have a new mission is in the form of National Rural Health Mission (NRHM).

In order to healthcare in India really is equitable or not, GSE experience put an effort to study the cultural exchange between India and UK. Healthcare, termed as the 'National Health Service' (NHS) is provided by the Government of the UK. Unlike India, where around 60 percent share of healthcare provision comes from the private sector; healthcare in the UK is primarily from the Government and is a major political issue. General Taxation almost similar to social insurance provides the resources for the provision of healthcare. In India, not only can social insurance not work because only 10 per cent of the labour is in the organized sector, but sadly private insurance advertises and caters only to those people, who might not need it. Rural India has never heard of this concept and as research has proved, more often than not, after dowry healthcare is the next major burden and can lead to further poverty (Sheenu Jhawa, 2006).¹⁹

Though large number of opportunities brought by globalization of health, but grabbing opportunities are restricted by common threats such as, rising costs, variation in quality of healthcare etc. More importantly, rising healthcare costs and related increase in corporate spending threaten to weaken the ability of developed economics to compete globally, threatening to destabilize those economics. Rising costs is one of the key threats to sustainability. For instance, the Medicare Trust Fund in the US is projected to go bankrupt by 2019. Yet, in 2006, the US began an expensive new drug benefit scheme for the elderly, expected to cost USD 1.2 trillion in the coming decade. By 2020, health spending is projected to account for 21 per cent of Gross Domestic Product (GDP) in the US (Rajashri Sengupta, 2006).²⁰

Sustainable health systems demonstrate (some or all) several features such as, quest for common ground; a digital backbone; incentive realignment; quality and safety standardization; climate of innovation; adaptable delivery roles and structures, and the quest for common ground. The HealthCast 2020 survey provides a viewpoint on where to look for common ground. When defining a sustainable health system, HealthCast 2020 respondents saw the ingredients in two tiers. More than 80 percent of the respondents agreed that transparency and access were the two most important requirements of sustainable systems. The US rated access highest; the rest of the world rated transparency highest. More than 50 per cent of HealthCast 2020 respondents said competition, taxpayer funding of some or all of healthcare, regulated cost controls, and cost sharing by patients were important. Clearly, competition and regulated cost controls are opposite ends of the spectrum, but the health industry might need some of both as long as there's agreement on goals. Balancing these divergent needs will require regulation, co-operation and planning. The Health Cast 2020 survey, found that the importance, and thus the role, of competition has a societal context which is rated higher in the US than in the Government run systems offering universal coverage, as in Europe and Canada. Another component of creating a common ground is balancing the public and private financing of the healthcare systems. Delivering the best healthcare is no longer confounded by national boundaries (Ibid).²⁰

Health Cast 2020 also focused on use of regulation to encourage and strengthen competition. Regulation typically determines the playing field and rules, and increasingly, Governments are encouraging more competition in healthcare. Competition is expanding as Governments seek more efficient ways to deliver than non-competitive markets can deliver. Despite the resistance to increased competition and privatization, more Governments realize that in order to meet consumer needs and to reduce costs, privatization and / or competition may need to occur. In the Us, more than 200 Regional Health Information Organizations (RHIOs) have been established by consortiums of hospitals, physicians and payers to create local networks of electronic health records. Around the world and across all sectors of the industry, healthcare leaders are exploring many of the same solutions. The solutions are related to a common ground and digital backbone concern (Ibid).²⁰

2.9 HEALTHCARE INSURANCE IN INDIA:

The basic purpose of health insurance is to ensure affordability of care, but, it has not yet emerged as a major contributor in the Indian scenario due to various reasons such as, service providers have not harmonized their costing system which leads to wider variation of fees between surgeons and hospitals across the country, which in turn results from the lack of an objective indicator for quality service offered, increased number of doctor's visit to the insured customer, unnecessary investigation, and inflated and manipulated bills. The grading of healthcare institutions while evaluating the technical and interpersonal aspect of care should offer an objective assessment on the capability to deliver care. The grading methodology is to be based on the evaluation of resource, process and outcomes to arrive at the institution's capability to delivery care (Dr. Shyama S. N, 2007).¹⁷

Healthcare becomes affordable to a large number of people with the Health Insurance. One could easily plan for commodities like food but, cannot plan their future consumption of healthcare facilities, as a result of when such future event will occur, an unregulated marketing would respond by developing insurance mechanism, where by an individual or family could make payments to some risk pooling agency, usually an insurance company for guarantee of some form of financial reimbursement in the event of illness.

Hospitals need to develop tie-ups with more and more insurance companies so that they can outperform and achieve market share. Indian and foreign based insurance companies plans to make tie-ups with private hospitals. The races for capturing the health insurance market Multinational insurance companies are racing towards capturing the health insurance market. Hospitals at this juncture need to tie up with insurance companies where insured people can approach these hospitals for their healthcare needs (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

2.10 THE FUTURE OF HEALTHCARE MARKETING:

An attempt has been made to describe in brief on the inconsistency of healthcare marketing practices as follows.

According to Vivek Shukla (2006), the current scenario of marketing practices of the healthcare industry reflects much inconsistency which can be considered as eye openers for healthcare marketers and inconsistency can be expressed by considering the manufacturing and marketing strategies of healthcare industry. Heavy funds are invested to build a hospital; the costs of the building equipment, education expenditure to be a doctor, hiring other people etc. are various other important purchases that requires huge funds. Most of the hospitals develop its marketing department but employs poorly-trained and poorly-paid Public Relation Officers (PROs), and also copy strategies of others.

Role of a marketing strategy is more critical as no one wants to buy the hospital; no one is looking forward to his next surgery with excitement. Furthermore, the brand recall for hospital services is low and therefore, more efforts are needed under the banner of marketing to enhance its brand equity (Vivek Shukla, 2006).²¹

Everyone in healthcare delivery business wants to double its patient intake in and therefore, many times adopt short cut methods instead of long-term strategies. No one takes strategic brand building, customer relationship management, and creation of a long-term vision that is legacy that hospital should create for itself.

The positive result of marketing efforts of hospitals is to carry out marketing functions which ensure not only Return on Investment (ROI), but, it ensures patient loyalty, brand building and strategic marketing efforts for long term survival. The hospitals are yet to realize the difference that nurses, ward boys, sweepers and security guards also make up to the hospitals. A hospital need to be tuned to around simply by having an inspired workforce. But, in reality employees' work for insufficient salaries and in some places, they have to deposit their original certificates at the time of appointment as employers do not trust them. The hospitals do not know the name and age of children and family member of employees with whom they spend entire day by working closely with them. Therefore, it is highly essentials that hospitals learn to empower its own employees, give them powers to make decisions, nurture and develop them and place trust and faith in them. (Ibid).²¹

The globalization of health brings enormous opportunities, but is overshadowed by common threats. Spiraling costs, uneven quality, and inequitable or mismanaged access threaten the sustainability of health organization, systems and populations. Price waterhouse Coopers (PwC) undertook the third of its Health Cast surveys, which focused on examining the globalisation of healthcare and efforts to create a sustainable health system. The research included a survey of more than 580 executives of hospitals and hospital systems, physician groups, prayers, Governments, medical supply companies and employees from around the world in 27 countries.

The report had four main goals viz., to provide a context for understanding global healthcare trends; to compile a rich variety of 'transferable lessons' from around the world on what's working in a converging global health market; to identify 'solution drivers' within the control of executives and administrators where health leaders can take action for healthcare organizations to look beyond their own boundaries, and to tackle the complex challenges of sustainability.

Globalization of health has evolved in stage, creating both opportunities and challenges. These stage can be divided into 'fundamental' from 1950-1970, 'discovery' from 1970-1990, 'reactive' beginning in 1990 and estimated to transition in 2010 to the 'sustaining' stage that will define the next decade (2020).

During the fundamental stage, attempts to find common ground begin. The World Health organization was established along with the acknowledgement that fundamental health improvement begins with public health initiatives such as clean water and immunization.

The discovery stage saw healthcare costs spiral upwards due to a huge demand in new pharmaceuticals. In the reactive stage, health systems began considering a variety of global solutions to local problems.

For example, to combat lack of money, health systems in more than 50 countries are creating public / private partnerships to build new hospitals and clinics. Merely reacting to existing problems is not enough, however. Health systems in the next stage will seek sustainability, as cost acceleration is forcing stockholders to assess their future viability (Rajashri Sengupta, 2006).²⁰

Indian healthcare sector is affected by fundamental structural change which includes alteration in demographic and socio economic profile of the country's population that is, increase in the proportion of the working age group (15 to 54 years) leads to unprecedented rise in per capita income, which guide lifestyle and consumption patterns that further witnessing the rise in the incidence of lifestyle diseases. This necessitates the changes in hospital to add capacity in specialties. The health insurance industry, which hitherto accounted for only a small share of the total expenditure on health, is also poised for a big leap, with private insurance products having been launched. Health insurance is yet to exert any significant pressure on the way hospital compete or operate in India, however, institutional customers have emerged as an important source of regular and lucrative business for the health insurers (Dr. Shyama S. N, 2007).¹⁷

India has been working continuously to improve its healthcare system and considerable progress has been made in expanding public healthcare system and reducing burden of disease. Government has established a network of healthcare facilities both in urban and rural areas. Every village has been equipped with a primary health centre/sub centre to look after primary health needs of people. Taluka hospitals and district hospitals are providing healthcare facilities. In just over five decades after independence, life expectancy in India has doubled and the infant mortality rate halved.

Even though Government is actively emphasizing on mass awareness on need for controlling population growth, Indian population has grown to one billion and is still experiencing high population growth rate which is high compared to most emerging economies. These significant changes in the demographic profile are throwing challenges on the performance of health indicators.

In view of the economic liberalisation healthcare is recognised as an industry, paving way for evolution of corporate hospitals. This was further promoted by Government policy on free import of medical equipment, access to bank loans etc. The changing attitude of Government towards easing the burden of public expenditure on health and confining the role of the Government on primary health facilities rather than on secondary and tertiary healthcare.

With this deregulated economic environment a new entrepreneurial talent comprising both providers and non providers entered into healthcare system by establishing corporate hospitals in the form of private limited and public limited. The growth of corporate hospitals enhanced the focus of healthcare on health and wellness, not on illness (Dr. G. Krishna Mohan & Dr. C. N. Krishna Naik, 2006).⁴

The healthcare sector across the world is undergoing cultural transformation as the traditional, passive customer is becoming more assertive and skeptical. Increase in the literacy rate, a wave of Information Technology and whooping competition in the healthcare sector asserting a voice to the customer to demand more information about the services delivered by the hospitals. Competition, a growing number of hospitals, cost conscious customers who demand better standards of service forced the hospitals to look for marketing practices in order to achieve the desired goals. Today's healthcare is market driven is giving to regime of managed care. The ascent of managed care has triggered an entry of Multi -core, Multi-specialty hospitals into healthcare, all of which have been looking for ways to capture market share, expand their business and ensure survival (Ibid).⁴

India can learn a lesson from the Government of UK which has a national mandate on 'elderly care' and takes it as its personal responsibility. The question is not whether it is right or wrong for the family members to leave their responsibility on external factors, but the fact that this situation exists and something needs to be done about it. Another area is that India need is to learn bettering India's child care support system. Government of UK provides partial funding support for childcare organization; various perks exist for working mothers, like flexible working system, wherein the working hours may be adopted at the convenience of the employee. Funded 'after school care' exists for bigger children.

In India willing workforce cannot function and a big chunk of possible GDP is being allowed to go waste. Private agencies in urban settings, and/or the Government in rural India need to come forward and step into the 'care taker' shoes (Sheenu Jhavar, 2006).¹⁹

Some organizations can survive on the basis of ad hoc planning, educated guesses, and intuition but, these approaches alone will not serve healthcare organizations well as they compete with an increasingly competitive and financially unstable operating environment. Strategic planning remains an important and frequently used management tool, both inside and outside healthcare, though evidence of its effectiveness is mixed. Despite the uncertainties about value of strategic planning, it is being used with some frequency.

Today's healthcare providers are expected to be more thoughtful about their choice of strategies as the future of the organization and the individual is secured by strategic planning by crafting a viable future business. Strategic planning involves its stakeholders while making strategic plans, and it provides a road map, direction, focus for the organization's future; and helps in aligning its activities sets priorities for the really important strategic tasks that etc. The key stakeholder includes, Board Members, Physician, Senior Management, Other Clinicians, and Other Management Members. The board should be involved in strategic planning as it concerned with the policy implications of strategic planning in hospitals, as well as the other groups also needs to be involved such as, medical groups, physicians; clinicians nurses; physical therapists, and psychologists should be well represented on the strategic planning committee (Alan M. Zuckerman, 2006).²²

The strategic planning gets evolved and the role of the planner of strategic planning will take place in an dynamic environment which poses major external challenges which includes, cost control; aging population; technological advances; pharmaceutical advances; labor shortages; alternative medicine; information explosion; consumerism; competition, and Government regulation. The likelihood of successful strategic planning and future organization vitality in the new environment require to follow guidelines which includes, move to a more flexible model of strategic planning; be rigorous to address competition; assimilate information effectively, and improve the planning process to move forward and manage challenges (Alan M. Zuckerman, 2006).²²

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