

## **HOSPITAL SERVICE MAREKTING MIX IN INDIA**

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### **ABSTRACT**

“The health care market has become consumer centred and expecting high quality care at a reasonable price. The mushroomed development of corporate hospitals in India, competition is also bringing massive changes in industry structure. In this context, hospital services’ marketing is slowly and surely coming of age and is being woven into the fabric of hospitals planning and public relations programmes.” The essence of any marketing activity is marketing mix, and the central theme of the present paper revolves around the contemporary service marketing mix offered by Indian hospitals. In this paper author has reviewed various research papers to describe elements of hospital service marketing mix; product, price, place, promotion, people, process and physical evidence.

### **Key words:**

*Hospital marketing, service marketing mix*

### **INTRODUCTION**

Healthcare in India is one of the largest service sectors, with more a large number of people engaged. The hospital services market represents one of the most lucrative segments of the Indian healthcare industry. Various factors such as increasing prevalence of diseases, improving affordability and rising penetration of health insurance continue to fuel growth in the Indian hospital industry. One of the most important elements in human life is achieving the appropriate health care on time and this growing need of sound health has not only increased the number of hospitals and also has shaped competitive hospital industry but still there is a shortage of primary healthcare centres and community healthcare centres.

According to “Indian Hospital Services Market Outlook” by RNCOS Industry Research Solutions, the country needs to cover the cumulative deficit of around 3 million hospital beds to match up with the global average of 3 beds per 1000 population. This scenario has given rise to Hospital service marketing which is a specialized field that deals with connecting patients, physicians and hospitals in mutual relationships.

## **OBJECTIVES**

To study service marketing mix and relate it with hospital marketing

## **METHODOLOGY**

This paper is based on the information gathered through secondary research. The research papers on healthcare marketing and marketing strategies of hospitals are referred to. The service marketing mix as mentioned in the available books is dealt with thoroughly and hospital marketing practices are related with to fulfil the objectives of this research..

## **DISCUSSION AND FINDINGS**

### **Service Marketing Mix:**

The essence of any marketing activity is its marketing mix which has been defined as the set of marketing tools the firm uses to pursue its marketing objective. The components of traditional marketing mix are Product, Price, Place and Promotion but while talking about hospital sector it is better to apply Service Marketing Mix which has three additional elements viz. People, Physical Evidence & Process. Having the right marketing mix to market the services of the hospital industry is very important. Using the right balance of marketing elements, hospital service marketers can ensure that their marketing efforts fetch them expected result.

### **Product:**

The product is the central component of any marketing mix which can be defined as a set of attributes offered to consumer. Most products of the hospitals are services which can be classified as line services, supportive services and auxiliary services. Line services which are

also called core services include indoor & outpatient services, emergency services i.e. ICU & operation theatre. Services offered by medical & Paramedical staff come under supportive services which directly determine the quality of medical services. At last auxiliary services include ambulatory services, dietary services, indoor & outdoor patient registration services, engineering & maintenance services which all help in making hospital services effective.

Hospitals are facing several threats like increasing competition, rising costs, and image problems that can threaten their existence and to face it. It is suggested to make continuous innovations in product and product differentiation is the key to marketing success & in hospitals this can be easily done by the mixing & matching of the same set of available elements. Literature review indicates Sustainability as a business approach is becoming widely adopted by health care companies and organizations around the world, and the easy way for all kind of hospital to become sustainable is making their product effective.

### **Price**

Price is defined as actual charge made by a hospital. There is a huge gap between charges of public & private hospitals. Some professionals of the areas suggested hospital marketers to adopt transparent pricing strategy which ultimately lead to higher patient satisfaction.

Research indicates that price acceptance is directly influenced by satisfaction judgments and loyalty. In addition, price fairness influences price acceptance indirectly through customer satisfaction and loyalty. According to some authors for hospital product pricing zero base pricing is pricing is best method whereas others emphasised on Activity based costing method. Still some other authors analysed that monetary & non monetary cost has significant impact on patient satisfaction & loyalty towards hospital and according to Cooper (2012) hospital's costs are highly affected with the supply chain practices adopted by the hospitals, so hospital marketer should always try to purchases from manufacturer directly or take advantage of distributor schemes.

### **Place**

Place refers to the contact point between health service provider & patient. This element of marketing mix leads to the identification of suitable location. For effective distribution of Medicare services it is essential that the hospitals should be able to provide basic medical services at different parts of residential areas and also to rural areas in particular, furthermore Hospital should be located somewhere which is easily accessible by patients and transport services are also available for them easily.

In the past, a hospital could rely on its location for a stable client base but practically there are limitations to the degree of physical changes which can be made to an existing building so according to Goldstein, Ward, Leong, & Butler(2002) hospitals can moderate the effect of location by investing more extensively in clinical technologies tend to be better performance.

### **Promotion**

Promotion activities of a hospital help in communicating the existence of services offered to present, past & future customers. Generally promotion includes advertising, sales promotion, personal selling & publicity, but instead of undertaking aggressive promotion, hospitals rely lot on WOM & social marketing. Some authors pointed out that hospital advertisements should contain a relatively high level of information and should be advertised as comfort zones for human ailments.

According to marketing professionals, Positioning is effective marketing strategic tools that can help a hospital compete for market share and revenues more effectively. In developing strategies, a hospital must first assess a community's health needs; establish the hospital's current and desired positions on its segments' perceptual maps, and finally, choose and implement appropriate positioning strategies. Johnson & Baum suggested that instead of doing hospital promotion, marketer should focus on health education which can position the image of hospital in the mind of patients and in turn increase its market share.

### **People**

Hospital industry is a knowledge based industry, so people play key role in hospitals which include doctors, nursing staff, paramedical staff, supporting staff & front office executives. Some authors concluded that Proper management of human resources is critical in providing a high quality of health care as 'doctor concern' and nurse client interaction are the most important factor affecting customer satisfaction.

Following factors should be considered as part of the recruitment process of medical staff:

a) Emotionally stable individuals having inclination for good service

b) Caring nature. Research indicated that unavailability of doctors

and nurses, as well as their negative attitudes and behaviours, are major barriers to the utilization of public and private hospitals. Research supports the notion that patients want doctors to demonstrate concern and competence, be congenial, communicate with them, be courteous, and be civil. Successful implementation of these behaviours by service personnel

could be a very useful tool for medical providers to ensure customer satisfaction and retention.

### **Physical Evidence**

Physical evidence of a hospital includes all the physical or tangible commodities which provide a tangible aspect to the intangible services. According to some authors it is necessary for a hospital to be well organized and Special care should be taken to maintain hygienic, cleanliness and whole hospital must be well lit

Physical evidence particularly plays an important role in the hospital where the patients are already depressed or traumatized and a good atmosphere could make all the difference.

Physical evidence is an important dimension in the perception of service quality for patients in health sector. Review has identified

following important aspects of physical evidence:

- Physical design of the hospital
- Amenities, signs, symbol, and artefacts
- Ambient conditions
- General condition of equipment and neat appearance of staff members
- Energy Efficiency and Indoor Air Quality

### **Process**

Process is defined as an operational flow of activities which are taken place at hospital for the efficient delivery of services. Following attributes of process leads to patient satisfaction:

- Least difference between perceived waiting times and expected waiting time
- Choice of physician
- Appropriate use of patient safety measures & patient education

The transition from hospital to home is a vulnerable period of discontinuity and potential adverse events.

Hospitalists and other inpatient providers should not view discharge as an end to their obligation to patients but rather should attempt to promote a safe and efficient transition of care. It is important that health care delivery is statistically significant in impacting the perception of respondents, so it should be improved continually.

### **CONCLUSION**

After the thorough review of available literature, it is abundantly clear that Service Marketing Mix is of great importance in today's Hospital Industry and is the best tool to be innovative in the industry. With the growing importance of service marketing mix, hospital administrators are becoming increasingly marketing oriented. All the above service marketing mix elements revolve around customers. In hospital service price transparency, placing hospital services at convenient location of patients, behaviour of medical staff, tangibility and process through technology plays important role in differentiating services from competitors.

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