A Comparative Study Of Product Strategy Used In Hospital Industry

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Abstract

Hospital sector is completely service oriented sectors. Every patient wants special care and attention, yet it is difficult to attain patient satisfaction. Every sector has its own pace of growth and when it comes to hospital sector it is seen that it has attain growth in substantial speed. This makes market competitive as private hospitals are playing key role in deciding marketing strategy. In this research we have observe product strategy of 2 multispecialty hospital of Indore city. The data is conducted through series of questions from the out patients of Aurobindo Hospital and Bombay hospital of Indore city. Total 150 responses are collected and then analyzed through SPSS by performing Independent sample t-test. Random sampling is done and obtained result is presented in this paper.

Keywords- Product strategy, patient's satisfaction, competitive market.

Introduction

Hospital industry is completely people oriented industry. The services can't be dealt alone without the consideration of service elements of it. When the organizations are mainly service centered like health service organization, it is essential to put the menu of their services in product format to provide a clear understanding about the service providers and their service offerings.

This research paper deals with specifically with Product strategy used by private hospital sector. Usually product strategy can't be implemented alone, it is opted as part of marketing mix package as a whole. But when we observes the market share and patient satisfaction variable for

hospital sectors, we come through that Product is the basic for the other element of marketing mix. As a customer or in this sector reference; patient wants quality care and treatment at top priority.

That is why in this research only Product strategy used by private hospital is studied. We have undertaken 2 major hospitals of Indore which are, Sri Aurobindo Hospital and other is Bombay hospital & medical research centre.

Product Strategy-

First and most important element of marketing mix is Product and on the basis of its strategy other dimensions are strategized. In Product based industry, it is comparatively easy for marketers to establish product Strategy. But when it comes to Service industry this become more difficult because of the characteristics of Service and its quality parameters.

This task becomes more complex when service sector is health care industry. Some researchers gave different opinion on it, in their concern research work.

The service concept is the core element of a service, and it must be derived from the needs and wants of specified target groups of customers (Gronroos 1980).

The service product is the central component of any marketing mix strategy (Cowell,1984;Ennew 1998)

Roberts et al (1989) defined a product as a bundle of perceived banefits that will meet the consumer's need and may also include the services provided before and after the sale.

Armstrong and Kotler (1991) explain a service as something that is exchanged between the parties and that is, by its nature, does not lead to possession of anything.

Product can be summarized as the ultimate result involving benefits enjoyed by a client at the time of purchase of service. (Kotler,1997)

Lovelock argues that the key aspect of the service strategy in hospitals is to meet the problems which are created by the characteristics of services. This can be achieved by having a

range of high quality services, means of branding, new service development, and customer service. (Lovelock, 2011).These characteristics of health service organization are-

1. Health service is largely **intangible.**

2. Health services need **speed** in performance as delay may not be desirable.

3. Health services are **perishable.**

4. Health services are **Inseparable** from a doctor or a consultant

Objective of study-

   The main objective of this research is to compare and find out the difference between the implementation of product strategy in hospital sector. Consider one element of marketing mix strategy as centre we are comparing the behavior of two major hospitals of Indore and for doing this following hypothesis is tested-

Hypothesis-

   H1- Quality of care of two hospitals is same.

   H2- Knowledge of treatment provided by both the hospitals is same

   H3- Communication with doctors of both the hospital is satisfactory

   H4- Technical department of both the hospitals are friendly and helpful

   H5- Quality of food in both the hospital is excellent.

Research methodology-

   To understand the implementation of product strategy, Random sampling is done to collect data. The sample is collect from out-patients of 2 private hospitals i.e. Aurobindo Hospital and Bombay Hospital of Indore city of M.P. Both the hospitals are multi-facilitate hospital and are well known units. The data collected through questionnaire were 150 and analyzed through SPSS. To compute the behavior of both the hospital, Independent Sample T-test is used to compare means of these two hospitals.

Data Collection and analysis-

   As we create hypothesis, the data is analyzed using T-test and following interpretation were obtained-

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Diff	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
QUALITY OF CARE	Equal variances assumed	.628	.435	.000	28	1.000	.00000	.22678	-.46454	.46454
	Equal variances not assumed			.000	27.072	1.000	.00000	.22678	-.46525	.46525
KNOWLEDGE OF TREATMENT	Equal variances assumed	.534	.471	.925	28	.363	.26667	.28840	-.32409	.85743
	Equal variances not assumed			.925	27.638	.363	.26667	.28840	-.32444	.85778

COMMUNICATION WITH DOCTORS	Equal variances assumed	.000	1.000	.457	28	.651	.13333	.29168	-.46415	.73082
	Equal variances not assumed			.457	28.000	.651	.13333	.29168	-.46415	.73082
TECHNICAL DEPARTMENT	Equal variances assumed	.513	.480	.263	28	.794	.06667	.25323	-.45206	.58539
	Equal variances not assumed			.263	27.396	.794	.06667	.25323	-.45257	.58591
QUALITY OF FOOD	Equal variances assumed	.360	.553	.683	28	.500	.20000	.29277	-.39971	.79971
				.683	27.876	.500	.20000	.29277	-.39983	.79983

Interpretation-

From the above table, it is clear that both the hospital implement product strategy in well defined way. The significance value for all hypotheses comes more than 0.05 which means that our null hypothesis rejected as both the assumed variances are equal. When we observe different mean of our 5 hypotheses, it is observed that Quality of care is main preference in both the hospital while the Knowledge of treatment provided by both the hospital is lack behind. Other variables range between them.

Limitations-

Some of the limitations of research are as follows-
1. The research is focused on only one component of marketing mix, while other component also have impact on marketing mix strategies are not studied.
2. It is confined to one city only due to availability of resources.
3. It is done on only 2 major hospitals, as other may have deviation in results.
4. It can be further analyzed on different parametric and non parametric measures.

Conclusion-

Hospital sector is the only sector which is gaining its market share with good pace. It is essential for them to get market research on routine bases to get updated with their market. This study shows how different variables are observed and how a hospital can improve their services and satisfy more customers by enhancing their product strategy.

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