CHAPTER - I

RESEARCH DESIGN OF THE STUDY
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INTRODUCTION

The current millennium has unfolded new business rules, the most significant of them being that past history or experience in a given product market is no indicator of future success. Market leadership cannot be taken for granted because customer loyalty does not exist. In an era of seamless markets, the customers today has a much wider choice. They do not have to adhere only to the locally available brand/services. Over a period of time, wooing and cajoling the customer will only intensify. Today, marketers have pulled out almost every weapon from their armoury to retain and expand their brand’s share in the consumer’s mind. The concept of marketing is essentially a concept of customer orientation. For a long time it has been preached by all, including Mahatma Gandhi, that “the customer is king”. What this implies is that products/services are bought not merely because of their quality, packaging or brand names, but because they satisfy a specific need of a customer. It also implies that organizations have to provide services to their customer and that too without any obligation.

A successful relationship marketing firm leverages its knowledge of customer needs and values in order to determine resource allocation to different customer groups. The relationship marketing process
emphasizes on continuous interactions between the firm and the customer. These interactions lead to firms acquiring accurate, timely and relevant information from the customer, which helps in creating a differentiated or customized offer for each customer, which in turn, leads to higher customer loyalty.

CONCEPT OF SERVICE MARKETING

Service marketing is based on very different paradigms. Since services are highly intangible, its benefits are felt over a period of time and not immediately. The task of the marketer becomes creating confidence in the customer’s mind that the delivered benefits, will at the minimum, be the same as that of the promised ones. There are two categories of products included in the range of services marketing.

Hospitality sector in the service industry offers both tangible and intangible benefits to the customer. The tangible features are properly equipped rooms matching the lifestyle of the target customer, air conditioning, facilities like television, internet connectivity, facsimile machines, bar, refrigerator and other benefits like healthcare services, swimming pool and so on. The intangible dimensions are the services provided by people in the housekeeping, room service and or restaurant services.

Today the service industry plays a significant role in both the global and domestic economies. The significance of the service industry
will only increase over a period of time. Thanks to information technology, today, companies realize that they should not concentrate only on the manufacturing sector. By offering a range of services to the customer, in the real time on the internet they can move up the value chain much faster than if they remain only in manufacturing. Further, with tremendous boost to trade and the market being flooded by a variety of products, the manufacturing sector has come to realize that the key differentiation comes from services rather than the physical product. Hence most companies here also use their services to attract and retain customers and then up sell or cross sell other products to the customer.

SERVICE AS A PROCESS

In service marketing today, service brand is built by taking the process of perspective. This means that unlike manufacturing, differentiation between operations and marketing is blurred in the services industry. Internal customer focus is as important as external customer orientation. Further, since customers are often involved in the production of services (for example, the customers in a food chain wherein he places the order, picks up the order himself and then after finishing clears the table), marketers need to understand the nature of the service process and the stages in this process that are exposed to
customers. The process is a special method of operation wherein several steps or activities are performed in a defined sequential manner.

It is obvious that people and objects are two major inputs processed in the service industry. In most cases, customers are important inputs in the service process, as reflected by restaurant, airline or beauty saloon businesses. In other cases, the key input is an object that needs to be either produced or repaired. For example, a burger is an object to be produced by Mc Donald in a defined manner and time so as to ensure consistent quality, production and delivery. In another case, like the computer hardware industry, a malfunctioning computer is an object that requires service support.

In the context of information processing services, the marketer has to understand that information is a most intangible form of service output and, in today’s context, most vital from the point of view of the customer’s own competitive advantage. In this era of information technology customers shop for information in areas as diverse as accounting, legal research, medicine, insurance, and financial products. The customer’s involvement in these situations are very high are categorized as high involvement purchase decisions. From the customer’s view point these are high cost (both financial and non financial ) and high risk service situations. Hence the customer tries to avoid going into the service factory to shop for the service product.
From a marketer's perspective, this poses a challenge to bring the customer to the factory and motivate him to buy and consume the services.

The characteristics of service marketing are intangibility, perishability, heterogeneity, ownership, simultaneity, inseparability, quality measurement, nature of demand and no inventory.

WHAT IS SERVICE?

It is defined as medical/health service of any type received in any recognized health institutions, clinics, nursing homes from a qualified medical, nursing, paramedical professional by a patient.

WHAT IS PROFESSION?

"An occupation or vocation requiring training in the liberal arts or sciences and advanced study in a specialized field."

"The body of qualified persons of one specific occupation or Field".

"The act or an instance of professing; declaration; claim".

WHO IS PROFESSIONAL?

Engaged in a specific activity as a source of livelihood. Having great skill or experience in a particular field or activity. Professionalism is viewed as an attitude that is task-oriented, while service being cost, quality and time conscious. Professionals include Accountants, Lawyers, Management Consultants, Architects, Interior Designers, Engineers, Doctors and others who have the professional ethics as a task oriented,
quality, time and cost conscious mind set that holds social rebuilding as a guiding value.

SIGNIFICANCE OF PROFESSIONAL SERVICE

The traditional professionals find themselves in a new competitive environment. There are new types of firms that offer new types of services in new types of locations. Fees and prices are being billed in new ways and selling and advertising are being done using new and overt techniques.

However professional service marketers cannot assume that the marketing approaches and techniques that have worked in other industries will automatically work for them. The marketing of professional services is different and what has worked to sell consumer goods or industrial goods or even banking services may not be transferable to the situation found in many professions.

Hereafter professionals can not think of smooth business, as they have to come across numerous problems in the day to day work. The problems that professionals face day to day are listed below.

1. Client uncertainty
2. Professional experience
3. Quality control
4. Involvement of third party
5. Limited differentiability
6. Allocating professionals’ time to marketing
7. Limited marketing knowledge
8. Effects of advertising unknown

MARKETING OF HOSPITAL SERVICES

Hospital and health care marketing have got its significance during the last decade. However, it is important to remember that marketing is used in public health campaigns throughout history. The communication techniques used to educate population about prevention and treatment procedures for different epidemics and communicable diseases are the beginning of the concept of health care marketing. In fact, health education through Government health departments is the foundation of health care marketing.

It is also important to remember that marketing has been used extensively by public health departments, pharmaceutical firms, medical supply businesses and health maintenance organizations during the last few decades.

MARKETING OF SERVICES IN INDIA

Marketing of services in India has gained momentum in less than a decade with the service industry gaining importance as an essential support system. The latest service sector to join the marketing
bandwagon is health care. With a spurt in the number of private hospitals and clinics in the country, health care has today become a buyer’s market.

In a far cry from the earlier scenario when hospitals viewed their services as essential, today’s health care institutions fall over each other to draw in the patient, primarily using the quality platform to position themselves. One client segment practically all health care institutions are concentrating on corporate houses-perceived as the fastest emerging breed of the rich and famous. Under these circumstances, the focus has shifted from the curative to the preventive aspect of health care.

Just when the ailing health care system in India was gasping for breath, revolutionary trends abroad were changing the whole face of medicine. New gadgets, diagnostic equipment, aggressive treatment methodology and new concepts in patient management were some of the index to these welcome changes. Ironically, catalyzing these changes abroad, and even leading them occasionally were the Indian doctors.

All these factors led to a pressure building up in the arteries of the government and finally the Rajiv Gandhi Government declared hospitals as an industry for the limited purpose of borrowing money. This triggered a boom in hospitals in the private sector.

With mushrooming of private hospitals, competition is bound to be stiff. In the last two years, over Rs. 250 crore of investment has been
poured into the industry. Over the next 5 years the figure could multiply ten fold, with one Madras hospital alone planning to catalyse Rs. 1,300 crore investments in 14 projects spread all over the country and outside.

Considering the stiff competition and heavy investment in their organizations, they forced to market their services either directly or indirectly. Many professions responded to the ruling with comprehensive advertising campaigns. In India, though the code of ethics restricts professionals from advertising campaigns, hospitals have slowly started marketing campaigns in the early 1990s in order to cope with the competition and other environmental changes. It has become common to see hospitals advertising their services via a number of media. Hence this study is undertaken to know the various marketing practices, strategies and other activities connected with the marketing of professional services especially with particular reference to hospitals.

STATEMENT OF THE PROBLEM

Today, it is being witnessed that an enormous surge of interest in marketing over the last few years from sectors of our society which formerly disclaimed marketing, such as hospitals, educational institutions and other non-profit organizations. The professionals are turning to marketing with great enthusiasm and commitment to cope with a rapidly changing and difficult to understand environments. They
see a strong commitment to marketing as something that can help their organisations to strengthen their relationships with existing clients, attract additional clients and improve the efficiency of its business development efforts.

Now, many private hospitals have manifested their role-in the health care sector to meet the inadequacies in the health care. Many private hospitals are leading India's rapid stride in the field of medical services. They provide high standard, cost effective health care services that are comparable to the standards of highly developed Western countries.

The study is, thus, undertaken to know the various service marketing aspects of hospitals in Salem District, Tamil Nadu State, India. Salem District, the pioneer of corporate hospitals, is perceived as the fastest emerging centre to treat services as a commercial venture. Most of the hospitals in Salem District are very conscious of marketing as an integral tool in health management. These hospitals are also create "brand awareness" by sponsoring medical education, conducting seminars, publishing journals, etc.

In Salem District, the private hospitals play a major role in providing medical care to all strata of society and these services are well, utilized by every one. These are also mixed feelings among
patients towards private hospitals about the quality of services, fees for various services and the marketing practices.

This study would enable one to understand the need for marketing approach while selling Hospital services, the marketing strategy employed by the Hospital bodies, the method of price determination and how far the existing Hospital organizations share the patients. The patient's views are also covered as part of the study.

REVIEW OF LITERATURE

As this profession has gained importance in the modern society, the present study is selected to know the existing scenario in the marketing aspects of private hospitals viz., strategies, fee setting and patients' feelings on various aspects of hospitals. Some of the available literatures have been described below.

"Marketing professional services " – Philip Kotler and Richard A.Connor,Jr (1977)7. The study was undertaken to explicate the role of marketing in professional services firms. The conclusion drawn by this study is follows. The question facing professional firms is not whether to do marketing. They are doing Marketing, the question is how to do it effectively. As the firm's Competitors resort increasingly installing organized programs for business development, the professional firm can no longer remain indifferent to the discipline of marketing.
Kimberly and Evanisko (1981), "Specialisation refers to the number of medical specialities found in the hospital. Employment of a variety of specialists perforce provides access to broader knowledge of new ideas, techniques and products".

Lehtinen and Laitamaki (1985) "Perception of hospital care is derived from a set of criteria based on perceptual cues that patients use. They present a holistic view on how to measure, monitor and operationalise customer perception of service quality in health care organizations.

"Problems and Strategies in Services Marketing" by Valarie A. Zeithaml, According to, A. Parasuraman and Leonard L. Berry (1985) studies this area for the following purposes.
1. To offer a conceptual framework summarizing the unique characteristics of services, the problems stemming from these characteristics, and the strategies suggested as appropriate to overcome the problems.
2. To report the findings of a national survey of managers of service firms concerning the problems they face and the marketing strategies they use to overcome them.
3. To compare the problems and strategies cited in the literature with these reported by managers of services firms, and
4. To offer recommendations for the development of services marketing thought.

W Willliam J. Winston (U.S.A) (1986) the evolution of marketing concept was through the health education by public sector health departments.

Lauren R. Hegg and Daniel Meyer -1986. The concluding remarks of this article are with the increasing pressures of competition, Marketing, is becoming an essential part of operating health care institutions effectively. Marketing is not a panacea; if understood and utilize correctly, however, it can be a valuable tool for health institutions.

Anthony Canales (1986). The objectives of the study were;
1. To determine administrative attitudes towards emphasizing non-medical services, especially to non-physicians;
2. To determine administrative views of marketing or promoting non-medical and medical luxury services directly to the patient.

Michal R. Bowers (1987), "The first step emphasize the importance of strategy. The development of new services should be congruent with the overall goals of the hospitals. In other words, the general strategic direction of the hospital must be set and subsequently, policy guidelines for new service development must be established."
Gopalakrishna, Pradeep (1988)\textsuperscript{15}. The purpose of this dissertation was to conduct empirical research to determine whether for-profit and non-profit hospitals perceive and utilize promotion as a marketing strategy element. The two steps taken include; identifying importance factors considered by hospital administrators and marketing staff in the development of communication message designed for patients, hospital staff and medical staff; and testing the factors developed and studying the attitudes of hospital personnel toward promotion using a national sample of hospitals.

Horace E. Johns, H. Ronald Moser (1988)\textsuperscript{16}. The purpose of this study were to determine: a) Consumers' attitudes toward advertising by hospitals: b) Which media consumers feel are appropriate for hospital advertising and c) whether consumers are seeing hospital advertisements and if so, through which media.

John (1989)\textsuperscript{17}, argues that there are four dimensions of health care service quality, the curing dimension, the caring dimension, the access dimension, and the physical environment dimension.

Reidenbach and Sandifer-Small wood (1990)\textsuperscript{18}, "developed an instrument based on the original ten-dimension questionnaire developed by Parasuraman et al. (1985)." They analysed patient service needs by examining the differing perceptions of service held by patients in three basic hospital settings;
emergency room services; inpatient services; and outpatient services. Differential impacts were found in all the three hospital settings”.

E.Kiser, David J. Good (U.S.A)(1990)\textsuperscript{19}, “examined how advertising behaviour was influenced the market structure, ownership, and system affiliation”.

Johnson, Scott David, 1990.\textsuperscript{20} “Prior knowledge and task complexity in recommendation – based decision – making for selecting a medical professional”

Dennis O.Kaldenberg and Boris W.Becker (1990)\textsuperscript{21}. The purpose of this study is

1. To identify a number of surveys of professionals that have been reported in the literature, bringing into question whether the sampling frame was appropriate to the population under study and
2. To present the results of an empirical study that bring into doubt the extent to which two commonly used sampling frames actually represented the professional population.

“Robert E.Hite Cynthia Fraser and Joseph A.Bellizzi (1990)\textsuperscript{22} explored the following issues

Does brand advertising by professionals create perceptions that advertised services are higher in quality, as it does in markets for tangible products? Does advertisement of prices for professional services create perceptions that quality levels of advertised services are
lower? If so, does justification of prices neutralize this perceived quality erosion? Does price advertising stimulate demand for advertisers’ services?

Stephen J.O. Connor, Richard M. Shewchuk, Michael R. Bowers, (1991)\textsuperscript{23} The results of their study indicates that service quality is a significant predictor of consumer satisfaction which, in turn, predicts intention to return.

G.M. Naidu, C.L. Narayana, M. Start, George D. Pillari, (1991)\textsuperscript{24}, The study presents evidence of lack of understanding and the misdirected effort on the part of the hospitals in carrying out the marketing function. It also examined the marketing budget, how and where it is spent. And how it related to hospitals revenue, net income and occupancy rates.

Joly John, (1992)\textsuperscript{25}, The article suggests that prospective patients could be educated on what to expect during the health care experience, so that the performance of the health care provider more nearly matches the expectations of the health care consumer, increasing the probability of patient satisfaction.

Babakus and Mangold (1992)\textsuperscript{26}, “empirically evaluated SERVQUAL for its potential usefulness in a hospital service environment. The completed perceptions and expectations scales met various criteria for reliability validity. Suggestions were provided for the
managerial use of the scale and a number of future research issues were identified.

Vandamme and Leunis (1993)\(^{27}\) has been reported on the development of an appropriate multiple-item scale to measure hospital service quality discrepancies between SERVQUAL and the dimensions obtained from their study were discussed in some detail along with the reliability and validity properties of the scale.

Bowers et al. (1994)\(^{28}\), "studied the five attributes of quality from SERVQUAL model. Their results from a quantitative analysis lend support to qualitative conclusions. Caring and Communication were found to be significant. Three of the generic SERVQUAL dimensions were found to be related significantly to patient satisfaction; empathy, responsiveness and reliability.

Anderson (1995)\(^{29}\), "measured the quality of service provided by a public university health clinic; using a 15 item instrument representing the five dimensions of SERVQUAL. According to her findings, all the five dimensions measured negatively, assurance being most negatively measured. Based on these results. Anderson made some recommendations for budgeting future quality improvement projects.

Youssef et al (1995)\(^{30}\), "measured service quality in West Midlands NHS hospital and in all the five dimensions of SERVQUAL
that were measured found that patients’ perceptions failed to meet their expectations.

Youssef (1996)\textsuperscript{31}, “revealed as the most serious problem facing the NHS hospital provides involved in their study”.

Sewell (1997)\textsuperscript{32}, “reliability as the most important dimension followed by assurance. Empathy and responsiveness were found to be of equal importance, while tangibles was found to the least important dimension.

Susan Lee Taylor, Robert M. Cosenza (1999)\textsuperscript{33}, The proposed model presents a number of factors/components that influence hospital shopping mode choice. These factors have been suggested by empirical evidence in the outshopping literature, the sequence of Effects in store choice model, the shopping choice model and the Access to Medical Care Framework.

Lim and Tang (2000)\textsuperscript{34}, ”attempted to determine the expectations and perceptions of patient in Singapore hospitals through the use of modified SERVQUAL that included 25 items representing six dimensions, namely, tangibles, reliability, assurance, responsiveness, empathy and accessibility and affordability. Their study revealed the existence of an overall service quality gap between patients perceptions and expectations.
Futurescan panel (2002), agrees that providers will employ computer-based Customer Relationship Management (CRM) strategies and the Internet to market their services to past patients and encourage repeat business. CRM has in fact, become the latest marketing trend to hit healthcare. Kennedy Information Research Group Predicts that the CRM consulting service market will grow at a rate of 28% through 2004.

Yezdi, H. Godiwalla and Shirley. Y (2002), “the growth areas of the hospitals are the areas upon which the hospital must concentrate and expand. It should prune its marginal or unprofitable services. If several of these are necessary it may either pursued collaboration with near by hospitals, or if that is not possible, then it should pursue cost cutting market segments or patient groups must be analyzed for the development of marketing strategies; survival (or defensive) strategies; concentration strategies (as in the case or should ice hospitals); and collaborative or cooperative strategies.

Jobnoun and Chaker (2003),” They used the ten-dimensions instruments developed by Parasuraman et al. (1985) namely, tangibles (7 items); accessibility (5 items) understanding (3 items); courtesy (3 items) reliability (2 items) security (2 items); credibility (2 items) responsiveness(7 items) communication (3 items) and competence (5
items). Their study revealed that there is significant difference between private and public hospitals in overall service quality.

Gronroos (2003) described, that the nature of service is based on "relationship" because the concept and theory of RM began at service industry. Thus it is appropriate and necessary to take the service industry as the research objective when discussing RM. Regarding the above stream and importance of today's Marketing, the purpose of this study is to discuss the relevance of relationship quality, the Premise of relationship quality, customer interaction and customer value in service industry.

Kolter (2004) indicated that consumer value is the main stream of today's business marketing strategy. If a business can continue providing superior customer perceived value, it may exist forever.

Rohini, Mahadevappa (2006), There were some patients who expressed their dissatisfaction as to not getting information on the type of service facilities that are provided for the costs incurred at the time of admission (Hospitals A, B, C, D and E). Most of the patients were unhappy with the delayed discharge procedure (Hospital E) some of them felt the need of briefing regarding health insurance facilities and expected booking of rooms at the time of admission itself (Hospital B). However all the patients were happy about the quick response to the emergency attending of the hospital personnel (Hospital A, B, C, and E).
Thus an overall small negative gap with hospital A and large negative gap with hospital C and an in between negative scores for B has been observed. Hospitals D and E scored equal with respect to responsiveness dimensions.

Makarand Upadhyaya, Swati Soni, (2008), Chennai has a number of specialty hospitals like Apollo, Sankara Nethralaya, MIOT and Madras Medical Mission which have been attracting patients from other states and also from SAARC countries, West Asia and from Southeast Asia. A sustained campaign acquiring the world-class facilities which are cost-effective would bring in more patients. In the last fiscal, Tamil Nadu saw an increase of 12 percent in tourism arrivals (both domestic and international) compared to the 2-3 percent the previous two years.

Ding and Eliashberg (2008), “health and marketing is not only relevant, it also raises important new questions. For instance the 3p-triangle—patient, provider and payer that jointly decides on treatment choice is unique, yielding unique questions.

Gonzalez et al.(2008), “measured that the consumer faces a high level of uncertainty and imperfect information in a context in which wrong decisions have an important impact on their well-being. Additionally, the importance and specificity of the regulatory
environment generates new question on issues such as patent expiration
and life cycle extension

Grewal et al, Wuyts and Dutta(2008)\textsuperscript{44}, "indicated the clinical
review process for new treatment and the high failure risk in new
treatment development and the influence of regulation and health
infrastructure on new drugs sales growth and launch patterns.

Rahul Govind(2008)\textsuperscript{45}, "in reality hospitals locations are based on
several factors such as potential profits from serving certain population
groups, Zoning laws, and proximity to other hospitals, rather than just
maximizing patient utility by incorporating data on entry costs for new
hospitals, the model can be extended to simultaneously examine
capacity allocation and capacity expansion (locations and capacities of
new hospitals)trading off patient utility against the cost of expanding the
hospital network.

Ashutosh Prasad (2008)\textsuperscript{46}, "reveals that the size of the health-
conscious segment is about 18% of the sample. They justify marketing
effort in targeting the health-conscious consumers are firms in the food
industry. The health conscious households are less price sensitive,
confirming that marketers have the leeway to charge higher prices for
healthy vision foods. Since their model can distinguish households
overall health consciousness across nutritional attributes from the
preferences to specific nutritional attributes , it certainly helps marketers
have a better understanding about household's preferences for the products.

Thomas.L.Powers and Eric P.Jack (2008), "described clearly the development and use of volume flexible strategies is germane to any hospital's strategy and performance and therefore offers several managerial implications. First, administrators need both a clear understanding of the underlying trade offs involved in deploying these strategies and a prescriptive model to help guide their use.

Second, since these strategies are developed at the service line level within the health care delivery system, the effective use of these strategies may depend to a large extent on both organizational structure and managerial initiative. For example, administrators must decide when, where and how to deploy these volume flexible strategies.

Mike Reid (2008), "reveals that a number of implications exist as a result of the changing nature of the market environment faced by professional service firms. The three main issues are.

i) aggressive marketing tactics employed by competitors in the market, especially the use of heavier price discounting and price-based competition in the market.

ii) dealing with more knowledgeable and demanding clients and

iii) competing in markets or industry sectors where growth is declining or has reached a plateau.
OBJECTIVES OF THE STUDY

The following are the objectives of the study.

1. To focus on the various marketing strategies developed by the hospitals for marketing their services and the methodology employed while developing the marketing strategies.

2. To what extent the hospitals expand their services to the existing customers, attract additional customers and identify the potential for future prospective customers.

3. To assess the determining objectives for fee setting and the various tactics employed by the hospitals for fee setting.

4. To find out how far the patients assess the quality of the services rendered by the hospitals to choose a right hospital.

5. To know the customer's attitudes towards advertising by hospitals and the criteria employed while choosing a hospital and their expectations from hospitals.

6. To find out the practical problems involved in marketing the hospital services and offer suitable suggestions to overcome it.

SCOPE OF THE STUDY

The scope of the study is limited to the service marketing aspects of private hospitals located in Salem District, Tamil Nadu, India. The private sector health care services have grown tremendously in India, especially Metropolitan cities like New Delhi, Mumbai, Kolkata and
Chennai. At this juncture, it is to be remembered that Salem District is the place where health care services are treated as a commercial venture. Besides, the District which boasts of many nationality, reputed hospitals which offer specialized treatments, has been drawing large number of patients from outside the city as well as the State.

These successful hospitals of Salem District are either multi-specialty or exclusive specialty centres for trauma, eye, heart, cancer, diabetes and so on, with state of the art equipment and served by a team of renowned specialists. The growth of this service industry in a short span has attracted and induced the researcher to go for a research on marketing of the hospital services.

Further the scope is also limited to private hospitals viz., sole proprietorship, partnership and joint-stock companies (Private limited and Public limited).

**GEOGRAPHICAL AREA COVERED**

For the purpose of this study, the geographical area covered is Salem District, which is one of the District of Tamil Nadu State in India.
REFERENCE PERIOD

The study covers a period of four years from 2005 to 2008. Since the study is exploratory in nature the period of four years is felt sufficient.

METHODOLOGY

This study is pertained to Marketing of Hospital Services in Salem District in Tamil Nadu State, India. Only private health care sector has been selected for this purpose and the study does not include Government and trust hospitals as they give little attention to marketing practices. Private sector health services can be broadly classified into three categories, viz., hospitals, nursing homes and clinics.

Nursing homes consists of maternity home, small medical facilities or both medical and surgical facilities. Some clinics dispense medicines, while others issue only prescription. Compared to nursing home and clinics hospitals provide variety of core and ancillary services. As there are so many services under one roof to cure chronic ailments in the hospitals, the demand for health service increases in terms of both quality and quantity. Hence, this study has been confined to private hospitals alone. The study is exploratory in character and therefore the ‘Survey Method’ has been employed.

Both primary data and secondary data have been utilized to achieve the objectives of this study. The marketing strategies of
hospitals would succeed only when the patients are receptive. In order to contribute to the existing fund of knowledge, patients views on hospital marketing and their expectations from hospitals are also elicited.

Hence, two separate interview schedules have been prepared and used as tools to collect information, covering hospitals and patients. All types of private hospital organizations have been included in the study viz., 1. Sole proprietorship 2. Partnership 3. Private Limited and 4. Public Limited. Patients selected for this purpose of study are from various strata of society and who enjoyed the benefits of these private hospitals during the study period.

SAMPLING PLAN

The survey is conducted only on the target population of different categories of hospitals as specified above. For the purpose of taking a sample, the details regarding the two categories of hospitals existing in Salem District, have been obtained from Indian Medical Association, Salem District, Registrar of Companies and also from the medical practitioners who have adequate knowledge about this. Since there are two different categories of hospitals available in the District for the selection of samples, stratified random sampling was used.

It is also proposed to use the lottery method for the selection of the units from each stratum. In a nutshell, it can be said that stratified
random sampling procedure with proportional allocation is adopted because from each category one-third of the total number of units in that category are selected by simple random sampling method.

There are nearly 500 hospitals such as sole proprietorship hospitals, partnership hospitals, private limited and public limited hospitals. Out of these 120 hospitals are selected as the study units in general category and 5 hospitals in super specialty hospitals. Thus the total number of respondents for this study is 125.

It is observed that (a) even though there are a number of medical practitioners who are under the category of sole-proprietorship, the selection of the sample was confined to the group which satisfy some pre specified requirements as a part of the design of the study. The sole-proprietors are required to have a minimum bed capacity of 10, attached to their hospitals, (b) with regard to the other categories, the criterion for inclusion in the target group are specified as follow. (i) Partnership hospitals should have a minimum of 20 beds, (ii) Private limited and public limited companies should have 50 beds or more and other minimal infrastructure facilities such as specialist services, clinical laboratories, x-ray, scanning etc.

With regard to the selection of client the target population is really vast and could not be well defined. For the purpose of this study, a sample of 150 individuals from job, 100 individuals from business, 75
individuals from agriculture and 50 individuals from professional
categories and also from the different income groups were selected only
by means of taking individuals for survey by personal contact. Thus the
total number of respondents are 375. Non random sampling method
was adopted for this purpose in view of the fact that the target
population is not exactly comprehensible. However, there is an element
of probability involved in the selection and meeting the individuals. The
sampling could be thought of as convenience sampling.

TOOLS FOR COLLECTION OF DATA

The collection of data was done by using personal individual
method in which the schedules of questions were distributed to the
respondents (hospitals and patients) and they were asked to furnish the
relevant data. The data collected are mostly of primary nature. It is
observed that many of the questions in the interview schedule were
directed towards obtaining the view of the respondents in different
degrees of agreement or disagreement by using suitable scaling
methods. Then the response have been converted into score of
quantitative nature

A pilot study was also conducted to ensure the validity of both the
schedules.
FRAMEWORK OF ANALYSIS

The data collected have been processed and transcribed into a transcription sheets

The statistical tools adopted are the descriptive statistics like Arithmetic Mean, chi-square, t-test, Analysis of Variance (ANOVA), Multiple Regression and Co-efficient of Variation (CV) has been used to test the equality of mean scores. Correlation Co-efficient have been calculated to measure the extent of relationship. Percentage analysis is also used along with diagrammatic representations.

LIMITATION OF THE STUDY

The limitations of the study are as follow.

1. The concept of marketing is new to hospital service in India and hence only very limited amount of resource material is available. The researcher relied much on primary data and foreign resource material for literature, so that there is little chance to compare this research findings.

2. The aspects like turnover, profitability and actual fee of hospitals have been omitted from the study.
CHAPTER SCHEME

The thesis contains seven chapters.

The first chapter deals with introduction and design of the study.

In the second chapter an overview of evolution of hospitals are made.

The third chapter deals with marketing of hospitals services in India, Tamilnadu and Salem district.

The profile of the study area are discussed in the fourth chapter.

The fifth chapter deals with the analysis and interpretation of data relating to marketing of hospital services for hospitals.

The sixth chapter makes the analysis and interpretation of data relating to marketing of hospital services for respondents (patients).

The final chapter depicts the findings, suggestions and conclusion of the study.
END NOTES


22. Robert E. Hite Cynthia Fraser and Joseph A. Bellizzi, "Professional Service Advertising; The Effects of Price Inclusion, Justification and Level of risk", 1990, pp. 43-44.


