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

Behind the scenes of this health care metamorphosis, many forces - the rise of the patient as consumer, the introduction of innovative technologies, a new breed of entrepreneurial providers and non-providers and changed attitude of Governments paved the way for market – driven health care.

6.1 Indian Health Care Sector:

India has been working continuously to improve its health care system and considerable progress has been made in expanding public health care system and reducing burden of disease. Government has established a network of health care 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. Taluk hospitals and district hospitals are providing health care 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 at 1.3% per annum, which is high compared to most emerging economies. These significant changes in the demographic profile are throwing challenges on the performance of health indicators.

Nevertheless, its performance requires much improvement in comparison with other economies. India faces a formidable challenge in providing health care services to its people. There is still an unfinished agenda in India for addressing childhood, maternal morbidity, mortality and communicable diseases.

Government health services follow a traditional model of health funding and provision. The Government is both the financier and provider of public health care facilities. The state government spends 80% of the total expenditure on curative care and central government spends 70% of the total expenditure on preventive and promotive health care. Government stake in health care spending is comparatively low – less than 25% of the total health care spending. As a percentage of GDP Indices
public expenditure on health is about 1.2% compared to an average of 2.2% of GDP in other developing countries.

India is currently undergoing a socio-demographic shift—although the majority of India’s population falls into the lower class / lower middle segments, the fastest growing segments are the upper middle and upper class. These groups are placing growing demands on health care system because, their expectations are high. Government has become handicapped in financing the growing demands of health care. This has seriously affected the expansion of the government health care system and provided space for growth of hospitals in the private sector. The private health sectors is fast growing throughout the country. The private sector hospitals have come to provide managed care in large way and shares a major part of GDP (4.7%) compared to public sector (1.2%). In view of the economic liberalization health care is recognized 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 health care. With this deregulated economic environment a new entrepreneurial talent comprising of both providers and non providers entered into health care system by establishing corporate hospitals in the form of private limited and public
limited. The growth of corporate hospitals enhanced the focus of health care on health and wellness, not on illness.

6.2 Need of Marketing in Corporate Hospitals:

The study reveals the necessity of integrating hospital premises with marketing concepts and plans to enrich the performance and viability of corporate hospitals. A number of corporate hospitals emerged during late eighties and early nineties maximizing the need for marketing health care. The study explored ways and means to overcome the barriers of competition through an evaluation of elements of marketing mix of corporate hospitals. At this juncture, the study attempted to remove the abuses of various professionals on health care marketing. With this study the critics who make allegations, have no consolation for their abuses regarding the implementation of marketing principles into the hospital premises.

The study encounters various problems and prospects faced by corporate hospitals in promoting their services. The reasons for low patient turnover, unreasonable return on investment, and soaring cost of health care and low degree of marketing orientation have been explored through an objective evaluation. The study identifies the ways and means to strengthen corporate hospitals performance. The study tried to fill the gap in the levels of expectation as defined by corporate hospitals and the levels of performance.
6.3 Marketing orientation – Attitude of Corporate Hospitals:

Marketing concepts have been simply borrowed from larger organisations and applied to health care system. Health care marketing results in developing services of hospitals by analyzing health care needs of customers. Health care system and society can be brought together by communication. Hospitals have to adopt marketing principles with a philosophy of delighting customer in place of customer satisfaction. A massive investment in hospitals made them to implement marketing plans and strategies into the hospital premises.

A major portion of selected corporate hospitals, though having positive attitude towards marketing of health care, there are some misconceptions in the eye’s of corporate hospitals. Marketing is an activity to increase incumbents and doesn’t influence the productivity of hospitals. Corporate hospitals accept the relevance of marketing in helping the patient select best hospital. Referrals are the result of relationship marketing with nursing home doctors and others. Image of the hospital lies in the ability of doctors, quality of nursing care, quality of treatment and more a satisfied customer. Marketing is a tool to create awareness about the facilities available and specialties offered. To achieve the financial viability and increase reputation to some extent, marketing practices can be adopted in the hospitals. Marketing related advertising helps the user to know about competitive quality health care and at prices that they can afford. Corporate hospitals at the outset opines, marketing is not unethical just like any other
business an investment in crores need to made for erecting hospital set up. Marketing is a formidable weapon to forge competitive edge over competitors, when an outstanding medical staff is within the reach of the hospital.

Corporate hospitals are merging public relations with marketing and are of opinion that marketing is selling the services by adopting publicity, relationship management with local nursing homes, rural doctors, and others. The element of scientific approach is lacking in the marketing orientation of corporate hospitals. Increased competition, emerging number of corporate hospitals, informed consumers who demand quality service and need for return on investment had forced hospital to turn to marketing.

Corporate hospitals have to learn systematic planning of marketing activities to achieve better results. They need to concentrate on diverse group of activities such as designing the product mix, adopting approximate mixing strategy, selecting the place, which refers to the channel of distribution of service, procedure for developing public relations and establishing method for promotion of products. There is a need to combine a set of marketing tools to serve a particular segment of the population. How many marketing tools are required to make a good mix depends on a particular product/service. The study has considered five Ps product, Price, Place, Promotion and Public relations. A corporate hospital that develops an optimum marketing mix emerges as most successful player in the Health care market.
Corporate players at this juncture failed to develop an optimum marketing mix due to lack of managerial skills required for establishing marketing department and organizing marketing planning programmes. Corporate hospitals are developing medical talent through recruitment of super specialist doctors and procurement of sophisticated medical equipment, but fail to develop market talent. This develops a greater distance between market talent and medical talent. This resulted in failure of design of optimum marketing mix, necessary to out-perform competitors.

6.4 Marketing Mix of Corporate Hospitals – A Study:

Today marketing touches every corporate hospital. It establishes a link between the provider and user. Marketing involves a large number of activities - design of product mix, pricing, physical distribution, sales promotion and advertising, marketing research, public relations etc. Marketing combines several activities to serve and satisfy customer needs while meeting the larger goals of corporate hospital. The large scale hospital establishments with their sound finance can establish a well structured marketing system, where it is a nightmare for small establishments because of their diversified problems and limited resources. It is very sad to say that many corporate hospitals give little importance to the marketing mix. The study attempts to discuss the various elements of marketing mix under the heads product mix, price, place, promotion and public relations.
Product mix:

Services products are of intangible in nature, which make it essential for the provider to show their world class excellence while formulating the product mix. In the hospital set up the most important product that is to be marketed is health care. Health care services offered by corporate hospitals are line services, supportive services and auxiliary services for various areas of specializations available. Health care service can be offered efficiently and effectively by integrating line services, supportive services and auxiliary services. The study found that many corporate hospitals claim to be multi specialty hospitals without necessary infrastructural facilities required for providing line services and supportive services. They refer the patients to referral centres for diagnostics, where a huge investment is required for procuring diagnostic equipment. Some hospitals with infrastructural facilities are unable to provide line services due to non-availability of specialist doctors. This develops a poor image among the patients, which creates dissatisfaction with the service provided.

In the hospital set up, designing the product mix is a complex phenomenon and has financial implications to add product/Service to the product line. Hospital need to design by knowing what people want to buy from the hospital after considering resources available. What is needed is some commonsense. Branding, brand name, brand image, building that image is important even for hospitals.
Several Hospitals perceive competitiveness of hospitals in terms of variety of specialty services. Most of the hospitals do not have full time specialists. They depend on consultants visiting for few hours on specific days or whenever need arise.

**Service Strategy:**

Corporate Hospitals, which market one product, are rare today. Most of the hospitals are offering Multi specialty services i.e., more than one line service. The service portfolio preferred by corporate hospitals depends on various factors such as availability of medical professionals, diagnostic equipment, demand for services offered, financial viability etc. Though the hospitals are operating on multi-services, in general, hospitals are focusing on specialization strategy to build image of the hospital. Such a strategy allows hospitals to understand several factors.

1) Market trend and reaction of customers towards hospital performance.
2) Positioning of competitors and their services.
3) Offerings those are attractive to the customers.

In essence, specialization focus rests on a narrow competitive scope. Hospitals following specialization strategies can achieve competitive advantage. This specialization strategy is a viable option for corporate hospitals with limited resources. The study founded that corporate hospitals with lower investment are focusing on specialization strategy and are performing well.
Health checkups, Health cards, Hospitals own medical Insurance, Evening clinics, Well baby programmes, Fitness clubs, Same day surgery etc., form part of the service portfolio offered by selected Corporate hospitals. The above specialty products are offered by small hospitals to large hospitals. It is a boon, a gift to patients particularly in urban areas as they can receive medical attention within no time.

**Some specialty products offered by hospitals:**

Product planning and development is an important aspect of marketing. Organizations need to innovate new products to strengthen the product line. This holds good for services industry. Continuous service innovation encompasses the technical activities of service research and design, need and wants of consumers and the expected demand for the newer services.

A corporate hospital in order to excel, has to plan and innovate newer and creative services to attract the patients. Corporate hospitals need to concentrate on wellness not an illness. An equal emphasis on preventive and creative services is necessary to increase its Market Share.

The study encountered various specialty products offered by the hospitals. Both primary and secondary sources of data have been explored to look into the specialty product line offering of the hospitals. Some of them are:

**Health Cards:**

Corporate Hospitals larger in size are offering health cards of different types for individuals and entire family. A health card provides a
percentage reduction in price charged for services offered by them. The purpose of the cards reveals that they are not tailor made and unable to meet the needs and expectations of card holders.

Own Medical Insurance Schemes:

It is apparent that insurance is a sensible institutional response to the problem of uncertainty in the incidence of large health care expenses. There are hospitals, which have designed their own health insurance scheme. By offering own health insurance scheme hospitals can become both a payer for health care expenditure of insured patient and receiver of payment for services provided. Patient/Consumer insured can obtain health care for a small amount paid in the form of premium.

Corporate Hospitals can achieve economies of scale by increasing the insured customers/patients. Majority of selected corporate hospitals are not offering health insurance scheme on their own due to various reasons given below.

- Lack of awareness towards health care insurance and its benefits
- Fear of diseconomies of scale
- Loaded administrative work and administrative costs
- Medical insurance has not gained popularity in India due to fact that people are risk-averse.
- Non-availability of tax benefits for hospitals health insurance schemes under deductions of chapter VI – A of Income Tax Act of India.
Health Checkup:

Health Checkup is intended to scan individuals bio-history and interpret “Signals” of ailment, providing an opportunity for the proverbial “Stitch in time” and offering peace and reassurance for individuals. Individual life style could adversely affect his/her health in future. Recurring headaches, Coughs, Constipation, Fever etc., are some nagging problems which need attention of individuals for health checkup. Every major ailment manifests itself in a minor ailment.

Health checkups today are more comprehensive and are provided by many hospitals with different brand names and with different prices. It is one of the important preventive programmes where hospitals need to concentrate to make every citizen under go health checkup once in a year. This reduces the cost of illness both for individual and society. Hospitals are benefited by increased volume of health checkups.

Same day Surgery:

Same day surgery has been introduced by large corporate hospitals in order to reduce hospitalization costs. Massive investments in state of art technology facilitated 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. Depending on convenience, the patient will be admit for surgery and will be discharged the same day.
The study from secondary sources identified a few large hospitals offering same day surgery which is more convenient and economical to the patient. As the response for the same day surgery' was increasing, other hospitals may move in this direction to attract patients who require surgery.

**Accident and Trauma Card:**

Industrialization and Urbanization have increased accidents worldwide. Trauma from industrial, domestic and road traffic accidents is the major cause of death. One side, we need to concentrate on reducing accidents by creating awareness and on the other side, we have to provide medical coverage when an accident occurs. Many deaths can be prevented if the treatment is initiated in the first hour following the accident.

Trauma requires emergency medical care, but most of the victims are not financially sound to meet the expenses and even psychologically they are not prepared for it. Hence in order to balance the health care and affordability few hospitals have introduced an innovative card known as Accident and Trauma card. Most of these cards are linked to insurance schemes. Even there are hospitals which cover an outpatient injury.

Corporate Hospitals that have not introduced so far can design Accident and Trauma card and can offer for the public to build image for the hospital and provide such service to all to increase affordability of payment in emergency situations. Corporate hospitals need to incorporate value addition to such products by offering extra features so that, they appear more lucrative than before.
Evening Specialty Clinics:

To provide comprehensive, specialized treatment at a time convenient to all patients, some hospitals are offering Evening Specialty Clinics. These are convenient to the office goers who have to waste an entire productive day in case, they need to consult a specialist doctor.

Evening Specialty Clinics are offered for various specialties. Hospitals must go for such clinics to provide medical service at a time and place convenient to the patient. Many people feel it convenient to approach such hospitals for health care.

Price:

Price is the payment that the commodity or service commands. It's an exchange value for goods and services in terms of money. Price determines the profitability of the firm. But higher price always doesn't lead to maximization of profits. This may be due to the law of demand that states demand is inversely proportional to price, i.e., volume of sales will decline with increase in price and in turn reduce the profit. Hence organizations need to fix an optimum price to obtain trade-off between sales and profit.

Corporate hospitals in India are operating on a commercial basis in a market place, but don't respond to classic marketing principles of supply, demand, price and quality. Corporate hospitals are heavily burdened with good intentions of developing quality of health care. This is leading to high societal cost for health care and is considered right by many. Quality in the
provision of medical services is multi-dimensional. High quality services are easily accessible, satisfy consumers and produce good outcomes. During late eighties and early nineties quality competition increased in the health care industry due to technological innovation.

Hospitals huge investments in technology based equipment increased non-price competition and in turn increased the price of health care. But this pushed the corporate hospitals into financial crises due to decline in sales. Many studies have shown that the corporate hospitals are facing financial crunch due to lack of skills and awareness of scientific methods of pricing. The corporate hospitals have not developed absolute floor for pricing.

The present study initiated efforts to evaluate the present system of pricing, roles involved in pricing, economic and non-economic factors considered in fixing price etc., to arrive at meaningful conclusions and thereby derive concrete suggestions for improvising the pricing system of corporate hospitals.

**Fixing the Price:**

It is worth mentioning that, while fixing the price for a service offered by corporate hospitals, they are not exercising scientific method of pricing. Because many hospitals perceive that pricing doesn't require such a complicated exercise as it demands qualified specialist personnel, time and money. In most of the hospitals prices are fixed arbitrarily, without any consideration of the components of cost.
Majority of corporate hospitals are adhering to market price i.e., a price commonly adopted by other hospitals. A deviation from market price leads to premium price or affordable price, which the corporate hospitals practice. One is the higher price than market price, which is charged based on the prestige of services provided by corporate hospitals, while other is lower price to satisfy the users. Premium price may also be called as psychological – cum prestige price which build an elite image combined with the profile of a hospital where every thing was world class – the specialists, quality of health care, technological adaptation and many more. Affordable price is psychologically satisfying price which is lower than prevailing charges at industry level.

Cost plus pricing is not being practiced by most of the selected hospitals because pricing hospital services is not so simple. Cost estimation for various services offered and procedures adopted is a difficult task. Though fixed costs are constant for each procedure, the variable costs estimation makes the pricing more complicated exercise. These include equipment and administrative cost for each procedure, department overheads, cost of supplies, cost of nursing care needed etc. In addition to the above separability of cost is also a difficult task.

Most of the hospitals are following a variable fee structure on the category of bed they occupy. Charges for any procedure go higher and higher as one goes higher in the category of bed. Even this is not same with every hospital. Such arbitrary system of pricing with out no
standardization of prices existed in today’s corporate hospitals due to various reasons.

- If the fee is greater than true competitive price, hospitals will have incentive to provide quality care and attract customers.
- Contrary to the above if the fee is below competitive price hospitals have incentive to under provide care and can still attract cost conscious patients.

This logic cannot be understood by consumers of health care because they do not have the knowledge to judge what is appropriate and what is not. At this juncture, it is worth to caution the corporate hospitals about the rise of powerful grounds that are creating awareness to consumers. They need to adopt a scientific way of computing prices of service and to keep control on cost and expenses down. The adaptation of economic credentialing will help the hospitals to utilize resources optimally and keep prices much lower than the competitors.

**Published fee – Informed Consumers:**

The best way to create positive attitude among consumers about hospital services is possible by developing knowledgeable consumers. The more consumers know about price, quality and medical alternatives, the more effective the hospital market. Consumers are generally confused and not knowledgeable relative to health car prices. Hospitals need to develop a system of published fee to create awareness to consumers about fee. This
helps the customers to assess the prices in relation to his paying capacity and decide whether to retain with the hospital for treatment or not.

But today's corporate hospitals have created insidious form of pricing mechanism. The result is loss of trust and negative attitude among consumers. Adversarial relationship between corporate hospitals and user has prospered. So corporate hospitals must develop a system of transparency and develop informed consumers.

Differential pricing of Hospitals:

Services move through life cycles more rapidly than do products. Services are produced and consumed simultaneously resulting in difficult to differentiate. Customers can't know the difference of service produced by two or more producers. Hence they select a provider based on lowest price or availability. Even this holds good for health care services.

The study identified corporate hospitals differentiating their services through price. Differential pricing has been adopted by almost all the hospitals selected. But there exist some differences in adopting basis for differential pricing. In the hospital set up differential pricing is lower price than actually designed and is implemented to create favorable impression on the hospitals.

Differential pricing is based on income of patient, referral source, Age and Government nomination. Hospitals are adopting to differential pricing based on all the factors with some variations in the degree of influence.
Subsidized Prices:

Government of India has liberalized the import of medical equipment by offering free import duty, but laid a condition that hospitals which import medical equipment need to provide health care at free of cost or subsidized price for the poor. The government wants to ensure that all individuals regardless of income have access to health care. Implementing this involves developing a policy to lower prices paid by poorer section of the society to those paid by the non poor by optimal pricing policy.

Corporate hospitals selected are offering subsidized prices for different sections of society. But there is no fool-proof system of subsidizing the poor. The extent of subsidy depends on the interactive and bargaining capacity of the user. The extent of subsidy varies by type of service and differs from hospital to hospital. Consultation, room and bed charges are less subsidized while diagnostic services are highly subsidized. Surgery, laboratory and nursing care are moderately subsidized.

Corporate hospitals need to develop equity concerns toward society by developing a fool proof system of subsidizing price for poor. This helps hospitals exhibit their social responsibility and demand more privileges from the government.

Price of services – A comparative analysis:

In the hospital set up, price elasticity of demand is very low. This indicates that individuals are willing to pay more for services expecting that it will mobilize substantial resources. If the price elasticity of demand
is small and demand is inelastic, price increases raise revenues because the positive price effect is larger than the negative demand effect. When the price elasticity is large and demand is elastic, increase in price reduces revenue because the negative demand effect overweighs positive price effect. If the price elasticity of demand is unitary – no change occurs in the revenue.

Hospitals can use forecasted expected revenues by evaluating the impact of price on demand. A comparative approach may help the hospitals in deciding the best price for the services. The empirical study has shown that majority of the hospitals are adhering to at par prices without any consolation of quality of services, demand for the services, elasticity of demand, competitor evaluation prices etc. The study has shown a few hospitals adopting a higher price by differentiating their services over the other hospitals. Even there are some hospitals offering lower prices to attract and retain poor consumers who are sensitive to price.

There is a common opinion among the public that prices of corporate hospitals are higher in comparison with nursing homes. Many of the selected corporate hospitals accepted it, but are failing to substantiate the reason for higher price than nursing homes.

**Place (Distribution):**

Place an important component of marketing mix finds customers to fit the service rather than fitting the service to the customer needs. The primary goals of distribution of services are
• Identifying locations where service can be delivered
• Demonstrating the service delivery process from customers point of view and define customers involvement.
• Defining various components, roles and interactions involved in service delivery to ensure customer satisfaction.
• Identifying critical areas where service delivery break downs occur.
• Developing plans to ensure efficiency in the delivery process.

Corporate hospitals to endure success, they should locate at a place convenient to the customer as well as to cover large catchment area. As the hospital service requires the physical presence of the customer, the focus should be on the size of the catchment area. The hospitals need to know how far consumers can travel to use the service. This requires an assessment of connectivity of the place of hospital to other areas.

Apart from the above, Hospitals need to identify the availability of doctors, paramedical and administrative staff who play a vital role in service delivery process. The present study identified hospitals as urban concentrated to facilitate access to connectivity to other places, doctors and other paramedical professional. Even hospitals have developed a tendency of locating hospitals in urban areas expecting a good market for health care services.
Components of service delivery – A study of Corporate Hospitals:

Service delivery undergoes a sequential flow of activities and interactions between the customer, frontline employees, support employees and company assets. These form a distribution channel in the delivery of service.

In the hospital set up distribution channel comprises of people – receptionists, doctors, paramedical personnel and other supportive staff etc., equipment, insurance companies and industrial corporate. The selection of the above components for distribution of hospital services depends on the service process adopted for the delivery of service. Apart from the above links in the hospital distribution system, a wave of technological advancement brought mobile clinics, satellite clinics and online treatment through internet. Home health care facility is another advancement in the delivery of services to serve the elite people in the society.

The study of corporate hospitals revealed, qualified medical professional as important middlemen in the delivery of health care services followed by receptionists, nurses, paramedical staff and administrative professionals. Doctors are important middlemen in the hospital service delivery system because they are knowledgeable persons who decide the procedure for the treatment of ailment. Doctors need to possess expertise in diagnosing the problems faced by the patient/customer, failing which the entire health care system collapses. Reception is an important aspect of an
hospital because customer first come in contact with reception. The people at reception must warmly welcome the patient/customer into hospital premises and provide guidance in approaching concerned doctors. Paramedical and nursing staff assume importance in the distribution channel because they assist doctors in providing service efficiently and effectively in the process of satisfying customers. Administrative personnel are those who facilitate hospital system work efficiently by administering various aspects such as billing, admissions etc., and form part of distribution channel.

In order to delight the customer corporate hospitals need to integrate all these components into the distribution system. To make distribution system of hospitals effective these components must be balanced. If any link of the distribution system is weak, the result is poor service delivery.

**Satellite clinics and mobile clinics:**

Even though Indian continent is leading the world in providing software services, satellite clinics have not materialized so far. A very few hospitals have started satellite clinics to provide the health care services to a remote customer. Hospitals that have enough resources can move towards providing health care via satellite.

Mobile clinics are “hospitals on wheels” intended to serve the patients at the place of their residence during emergency situations. These mobile clinics are prominent in delivering accident and trauma care. Indian hospitals have not made a move in this direction. The study
identified a very few hospitals that had taken initiative in providing mobile clinics.

**Tie up with insurance companies – Need of the hour:**

The empirical study in this direction identified a small portion of selected hospitals that have realized the importance of third party financing in the delivery of health care services. Health insurance increases family welfare by reducing the financial risk of unexpected illness by spreading the cost of health care across healthy and sick individuals. (Individuals and their families purchase medical care from the corporate hospitals that have been tied up can use these insurance benefits).

Tie up with insurance companies is a viable means of increasing turnover of the hospital. Contracts must be signed with insurance companies to develop a system of health care and financing mechanism. Hospitals wishing to tie up with insurance companies must develop an institutional infrastructure to enroll patients and to collect claims. Its high time for hospitals to tie up with insurance companies.

**Tie up with Corporates:**

The efforts of selected hospitals in establishing tie ups with corporate are nominal. Hospitals that develop tie ups with corporate need to provide in patient and out patient services to the employees of the firm. Employees working in such firms in case of afflicted need to undergo a medical treatment in the hospital that has tied up.
Hospitals can enhance their image and reputation by such contractual agreements with industries. This helps the hospitals utilize the people, facilities and equipment of the hospitals in a more efficient and economic way.

Promotion:

Promotion is one of the tool of marketing mix intended to communicate information about products/services offered by producers with a view to influence the present and prospective consumers purchase decision. Hospitals promotion mix includes advertising, publicity, attracting referral sources, personal selling, public relations and educational programmes. The hospitals need to combine the elements of promotion mix to produce a marketing programme. In designing the promotion mix hospitals need to design communication objectives, decide on target audience and allocate budget. After this has been established, the objectives, target audience and budget are to be divided among different elements of promotion mix. This is the process of matching the objectives and target audience with the capabilities of communication channels.

An attempt is made to know the hospital preferences over various promotional devices – advertising, publicity, referrals, public relations and educational programmes. Advertising stands first in the hospital preferences of promotional mix followed by referrals, public relations, publicity and educational programmes.
Advertising:

Advertising is paid form of non-personal communication through paid media by an identified sponsor. The various media preferred in today's marketing environment are television, radio, newspapers, magazines, hoardings and internet. Television advertising can reach very broad audiences, but it is not very selective except in the variation of audiences across channels. It is unlikely to go for Television advertising if the target audience is tightly defined. Now-a-days radio has been displaced by television, hence most of the audience are interested in viewing television programmes than listening to radio. News papers and magazines offer selective focus, as they themselves are targeted at specific audience. Internet advertising is only suitable if the target audience is techno-savvy. Hoardings are display boards that draw the attention of people who navigate the road. Corporate hospitals need to select various media based on the target audience.

The study identified the television advertising as most preferred media by corporate hospitals followed by newspapers and magazines, Hoardings, radio and Internet. Hospital selection of media for advertising should be preceded by research – identification of target audience, assessment of communication reach, viability of the hospital etc., otherwise advertisings are doomed to fail. Hospitals have to conduct this simple research before they spend enormous amount of money on advertising.
Communication Messages – Guidelines for success:

Services are supposed to be abstract due to intangibility, inseparability, heterogeneity and perishability inherent in service products. In hospital advertising, important thing to remember is design of advertising messages. Advertising health services is different from advertising products because of types and amounts of information demanded by health care consumers vary greatly. The reasons are;

- Consumers of health care services are less likely to purchase without information due to high perceived risk.
- Consumers of services prefer personal over impersonal sources of information.
- Consumers of health service give more credibility to independent sources of information, rather than those perceived to be controlled by the firm.

Hospitals must carefully plan and design-advertising messages to develop trust in the hospital. They need to communicate promises that are possible only. Almost an equal emphasis is given by hospitals over selection of various messages – hospitals image, products offered, availability of doctors and sophisticated facilities and equipment.

Publicity:

Publicity is another form of marketing communication created by the firm and generated by media to provide information to the public. Unlike advertising, publicity uses unpaid media to disseminate
information. The content of publicity may not be as designed or the coverage may be uncontrolled. Every enterprise has direct bearing on social, economic and political life of the community. News media look upon various enterprises for coverage of news. Even the firms have desire for news coverage by media. Good publicity produces good relations and sustained public support for the firm. Bad publicity is mostly the result of lack of information and stained relations with media. It is in the interest of the firm to supply the information and develop an understanding with the media.

The study evaluated the efforts of hospitals in handling publicity and their willingness to share the news with media. A less number of hospitals are willing to release news for coverage. The news is mainly related to hospital events and public interest topics. Hospitals have not fully realized the role of public service messages and community health programmes in the hospital publicity. There are only few hospitals that are motivating the medical staff to write columns or articles for newspapers and magazines.

Hospitals must realize that lack of publicity will adversely affect the image and even business. On the other side publicity can make or break hospital reputation and its very existence. Hence establishing and maintaining good news media relations is one of the most important functions of hospital. Every hospital regardless of its size, location and...
whether or not it has public relations department or marketing department needs to develop and enforce an official policy to deal with news media.

Public Relations:

Public relations is an important component of promotional mix and touches almost every department of the hospital. Public relations programme is apparent in the hospital set up and helps to create a favorable image in the minds of claimants of the hospital. It is needless to say that, a well planned public relations will pay handsome dividends in the long run. The focus of public relations in the hospitals must be distinguished in terms of variety of public – community, the hospital personnel, physicians, media professionals, government agencies, guests, visitors, referral sources, suppliers and others who are interested in the hospitals.

The main function of public relations is developing and promoting an understanding and appreciation of the hospital by the public. Public relations must build a strong, positive relationship with the media to diffuse criticism, patients and their families by providing caring and sympathetic care, hospital personnel to develop high morale and productivity, referral sources to increase referral cases and physicians to attract therapeutic community. The major responsibilities of public relations are – interpretative, advisory, marketing and communication. Public relations whether it exists or not as a separate department it is necessary for a hospital to make appropriate actions and develop programmes to build public relations.
The present study identified the existence of public relations department in more than 50% of hospitals selected for the study. The various promotional tools adopted for public relations by corporate hospitals are:

- News letters
- Health fairs
- Free medical camps
- Educational programmes
- Brochures and pamphlets
- Community programmes
- Direct contact with outside physicians etc.

**News Letters:**

Hospitals release new letters to create awareness and provide information on various aspects to investors, well wishers of the hospitals, community leaders, institutions and businesses. The newsletters cover various features – hospital achievements, services and facilities, articles on medical topics, important medical staff and their expertise etc.

Majority of hospitals studied were releasing news letter with main emphasis on achievements of hospitals and services offered.

**Health Fairs:**

Health fairs are organized by very few hospitals selected. Hospitals may co-ordinate with each other to organize health fairs. Hospitals may distribute literature on health awareness, promotion materials etc.
Free medical Camps:

A considerable percentage of selected corporate hospitals are organizing free medical camps now and then to develop positive image among the public and inturn to enhance public relations.

Hospitals are conducting free medical camps especially in the rural areas and are distributing medicines free of cost. Hospitals can show their social responsibility by conducting free medical camps and inturn can derive good public relations with the community, community leaders and press.

Referral Sources:

The study with reference to above revealed that, referrals form a major percentage of corporate hospitals patient incumbents. The reason may be patients in general approach physicians at primary level care or secondary level care for suggestions and information about specialty services. Physicians refer the patients to corporate hospitals where specialty services are available.

Attracting referral sources stands important in increasing volume of sales. All the selected corporate hospitals are relying on outside physician, to increase referral cases. Corporate hospitals are adopting all ways and means to develop good relations with referral sources. Corporate hospitals can strengthen public relations with referral sources by giving them assurance of comprehensive feed back about their patients on a regular basis along with a word of thank.
Word of mouth publicity:

Advertising and other forms of promotion may be used to leverage word of mouth publicity. Hospitals can persuade satisfied customers to tell other customers. Even word of mouth publicity can be used directly in media advertising in the form of testimonials from satisfied consumer. Hospitals can create programmes to reward customers who introduce their relatives, friends and colleagues to the hospital.

6.5 Patient exit interviews – An opportunity to find pit falls:

Hospitals can organize patient exit interviews to know about the strength and weaknesses of the service system. Patients form different opinions on the hospital based on their contacts with the hospital personnel, equipment and facilities. Ordinarily patients don’t exert their dissatisfaction in front of hospital authorities because, discharge is a pleasant occasion. There is no doubt a dissatisfied patient will inform ten people and develop a bad image for the hospital. Hospitals can conduct patient exit interviews to know the reasons for dissatisfaction and assure him that it will not happen in the next visit. This nullifies negative impression developed by patient. No corporate hospital selected is organizing planned exit interviews. Hospitals need to realize the importance of exit interviews in building up a strong patient relationship with no extra effort and cost.
6.6 Marketing department - To be or not to be:

In majority of the selected hospital there is no separate designated department for marketing. Marketing activities are organized by head of the hospital. In some hospitals it is function of public relation officer or administrative officer. Small and medium sized hospitals don’t find it economical to have a separate department. A few large hospitals are having marketing department. The study identified hospitals performing various marketing activities without having a formal marketing department. The empirical study recognizes that marketing department to be or not to be doesn’t matter as long as hospitals recognize the importance of marketing.

6.7 Marketing orientation and Marketing department:

The study of hypothesis “Marketing orientation of the hospital depends on having or not having marketing department” revealed no relationship between marketing orientation and the presence or absence of marketing department. Presence of marketing department doesn’t make hospital more marketing oriented. But hospital marketing department is necessary to perform various activities with a bit of professionalism. Hence hospitals that can afford resources can go for organized marketing department.
6.8 Marketing goals and marketing activities across the organizational type – Private Limited Vs public limited.

Examination of marketing goals of the corporate hospitals reported a high level of agreement on preferences of marketing goals by private limited and public limited hospitals. Among the three goals there is no discrepancy between private limited and public limited hospitals. Both private limited and public limited hospitals ranked increasing market share as their primary goal followed by increasing return on investment and to increase inpatients. It is interesting to know that agreement on reducing cost of health care and increase in out patient is quite similar.

This makes us understand that hospitals are primarily concentrating on increasing market share and return on investment by increasing inpatients. Optimum utilization of facilities and equipment – patient rooms, diagnostic equipment, operation theatre, Intensive care unit etc., is possible by increasing inpatients. The degree of acceptance of marketing activities by private limited and public limited hospitals appears to be quite similar with minor variations. In accordance with the primary marketing goal – increasing market share. Hospitals both private limited and public limited accepted provision of product/service as their prima-facie activity. We can understand that hospitals are concentrating on increasing the product line to increase more and more customers. Pricing strategy is assumed important in public limited hospitals where as public relations in private limited hospitals next to product/service offering. In the Preferential ranking of
marketing activities, image development and Marketing planning stands last in both private limited and public limited hospitals. This may be due to not having department in many hospitals.

6.9 Marketing Orientation – various dimensions of selected corporate hospitals.

Various dimensions of marketing orientation of hospitals are volume of investment, bed size, service portfolio, bed occupancy rate, attitude towards marketing and perceived level of competition. Hospitals tend to be more marketing oriented if larger the volume of investment, higher the bed size, larger the service portfolio, lower the bed occupancy rate, positive the attitude towards marketing and more the perceived level of competition.

Form of ownership, number of branches, return on investment and diagnostic facilities and equipment have no influence on marketing orientation as per the study.

6.10 Investment Vs price:

In the health care industry hospitals compete with one another by offering superior services through the acquisition of sophisticated modern equipment and experienced medical expertise. The increased investment in the advanced state – of – the – art equipment and the higher remuneration paid to the medical professionals send the hospital cost spiraling. But heavy competition prevailing between corporate hospitals leading them to both price competition and non-price competition. In such situations
investment and price are independent of each other. Pricing is determined on the basis of competitive analysis rather than investment. Another reason may be marginal cost approach in pricing. This method is adopted by hospitals after the recovery of investment made on equipment and other infrastructural facilities.

6.11 Tie up with insurance companies Vs sales:

Health insurance will make health care affordable to a large number of people. Currently, in India only 2 million people (0.2% of population) are covered under medi-claim where as in developed nations like USA about 75% of population are covered under insurance schemes. Experience mostly in the USA has shown relationship between hospital tie up with insurance companies and sales. More the tie-ups with insurance companies higher the sales. But corporate hospitals selected discarded the relationship between tie up with insurance companies and sales.

However, liberalization has paved the way for private insurance operators into the Indian insurance sector. These companies in future will strive and thrive to cover more number of people under medi-claim. Hence hospitals sales growth may depend on extent of tie-up with insurance companies in future.
6.12 Summary of Conclusions:

- Corporate hospital entrepreneurs are experienced professionally qualified and motivated individuals beside medical professionals. But are lacking managerial and technical skills to manage and market their health care services effectively.

- Several corporate hospitals expressed concern over the "intense competition in the market" and how, as a result, they are "not doing well financially". They attempted to give a picture of low return on investment.

- Many of the corporate hospitals restricted their line services to some specialized areas. They failed to offer full range of services to the customers. This subsidized the competition in favour of large hospitals offering full range of services.

- The study envisaged lack of medical and diagnostic equipment to meet the rising demand of health care and are linking with diagnostic centres. Of course, this may not be true with large corporate hospitals which are financially sound enough to procure the latest medical equipment.

- Even though many corporate hospitals are having positive attitude towards hospital marketing, there is no separate designated marketing department in majority of the hospitals. This may be somewhat true with respect to financial strength of the hospital.
• Corporate hospitals larger in number failed in developing a comprehensive marketing programme to strengthen the customer base and ensure affordable health care to the customers. They have designed adhoc marketing plans just to sustain in the health care industry. They have not recognized marketing as a formal function, even though they are practicing various marketing activities such as advertising, developing referral network, public relations programme etc. Marketing function has not been effectively integrated into a cohesive long-term strategy.

• Marketing as an operational strategy received less attention, hence, corporate hospitals failed in developing optimum marketing mix. Lack of professionalism, mis-understanding about marketing and increased concentration on the development of medical talent superceded sound marketing practices resulting in poorer marketing mix.

• The pricing mechanism prevalent in the corporate hospitals is very difficult to understand. Hospitals are adopting adhoc method of pricing based on economic condition of the patient. But there is no foolproof system to evaluate the economic status of the patient. Many times hospitals are fixing price through an interaction with the customer. Absence of published fee schedule with many of the hospitals supports the above. Hospitals have adopted insidious form of pricing strategy.
Corporate hospitals seen from the marketing perspective failed to devise an elaborate and well-defined promotional strategy. The reasons could be

- Strong referral system established over years with physicians of nursing homes, government hospitals etc.
- Lack of marketing professionals.
- Investment for upgradation of medical technology over the years.
- Top priority assigned by the corporate hospitals for publicity of service portfolio and medical professionals who provide service.

Medical insurance has not received much attention in the Indian environment. Except a few large corporate hospitals, many have not made efforts in developing the tie-ups with insurance companies. Even many of the tie ups are currently at a nascent stage.

Corporate hospitals are mainly urban concentrated and failed to fill the gap in the access of health care disparities between urban and rural areas. Some large hospitals have established branches in different locations of the same city or in other cities, but not in semi urban or rural areas.

An analysis of secondary data concludes that health plans designed by corporate hospitals appears to be costly, but not
comprehensive in providing health care. Hence they failed to draw the attention of public.

6.13 Suggestions:

- Corporate hospitals need to be more marketing oriented. Such hospitals can understand trends of the health care industry, so that they can increase investment, bed size, bed occupancy rate and add newer services.

- A marketing department with well defined goals need to be created in the hospital set up to design marketing planning and to succeed in the competitive markets. Marketing department needs to be headed by qualified experienced marketing professional. A fair chance may be given to the head marketing department to interact closely with all divisions of the hospital. By establishing marketing department, a hospital can capitalize on these trends rather than be victimized by them.

- Hospitals to experience better occupancy rate and net revenues need to understand patient population, availability of physicians and offerings of their competition. Hospital marketing can no longer be limited to advertising and public relations.

- The most damaging feature of corporate hospitals is they are caught in a “be better” trap surfaces when they build strategies upon a heritage of comparison programmes. These initiatives often accelerate the loss of competitive edge over competitors.
In the absence of true strategies that uniquely fulfil customer needs, they cannot produce competitive edge. Corporate hospitals need to realize that doing things differently is more powerful in the market place than doing things better. Finding your customers and creating what they will want, before competitors do is now imperative.

- Cost effective services need to be provided by developing control on inter-relationship among the factors of planning, occupancy, medical decision and expenditures. This requires considerable human relations skills and the reduction of length of stay of inpatients in the hospitals.

- Corporate hospitals need to develop a well-designed system to obtain immediate feed back about the performance of facilities and people. A follow up of patient satisfaction need to be assessed by developing and administering a structured questionnaire at the exit point of service. This makes hospitals realise weakness and loop holes in the system leading to customer dissatisfaction.

- Corporate hospitals need to make efforts to transfer sting of paying the bill from the patient to some faceless entity. Indian insurance bill paved the way for entry of private players into the insurance sector. A large number of players have already initiated their efforts to catch the market. Hospital tie-ups with
insurance companies whether or not will lead the fate in the future. Hence hospitals need to create integrated system combining services and financing mechanism.

- Hospitals may promote their services for patients abroad. World-class treatment coupled with low cost compared to advanced countries would contribute to market growth.

- Health care service delivery is an interactive process between hospital personnel and customer. Corporate hospitals advertising in particular must concentrate not only on encouraging customer to buy, but also on encouraging hospital personnel to interact in a friendly and reassuring manner.

- Health plan packages may be provided by hospitals to family and corporate. They need to design comprehensive health plan packages but not expensive. Health plan packages need to offer various services for the family and corporate employees. These health plan packages may increase the turnover of the hospital.

- Hospitals may develop a brochure which provide information relating to history of the hospital, description of services, availability of equipment and facilities, doctors, visiting consultants, prices of the diagnostic procedures and surgeries, billing procedures etc., to avoid misconception among the patients about the hospital and its functioning.