

The Impact of Marketing Mix Strategy on Hospitals Performance Measured by Patient Satisfaction: An Empirical Investigation on Jeddah Private Sector Hospital Senior Managers Perspective

Ala'Eddin Mohammad Khalaf Ahmad¹, Abdullah Ali Al-Qarni¹, Omar Zayyan Alsharqi¹, Dalia Abdullah Qalal² & Najla Kadi¹

¹ King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia

² Maternity and Children Hospital, Jeddah, Kingdom of Saudi Arabia

Correspondence: Ala'Eddin Mohammad Khalaf Ahmad, Associate Professor of Marketing, Faculty of Economics and Administration, King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia. Tel: 966-56-852-7444. E-mail: amahmed1@kau.edu.sa or addin.a.h@hotmail.com

Received: July 9, 2013

Accepted: July 30, 2013

Online Published: November 12, 2013

doi:10.5539/ijms.v5n6p210

URL: <http://dx.doi.org/10.5539/ijms.v5n6p210>

Abstract

This research aims to investigate the impact of marketing mix strategy on patient satisfaction in private sector hospitals in Jeddah city in Saudi Arabia (KSA). This research consists of the independent variables represented by marketing mix strategy components (namely health service, pricing, distribution, promotion, physical evidence, process, and personal strategies) and dependent variable which represented by patient satisfaction. In order to explore the relationship between independent and dependent variables the quantitative method was used to collect primary data through a questionnaire, which was administered in the private sector hospitals in Jeddah city with hospital managers. All Jeddah city private sector hospitals were targeted in this research rather than a representative sample of these hospitals. The research population of this research consists of 272 managers from 34 private hospitals in Jeddah. The research sample in this research also consists of the total population accounted 272 managers. The researcher retrieves 190 valid research questionnaires. A purposive sampling strategy was used to choose the participants in this research. The results confirm significant differences in the influence of the marketing mix strategy have varied significant and insignificant influence on the patient satisfaction. Furthermore, the results exhibit those hospital managers might benefit more by placing more emphasis on an integrated service marketing mix strategy and recognizing the patient satisfaction. The result shows that five out of seven variables are significant (health service, promotion, physical evidence, process and personal strategies) on the other hand two variables are insignificant (pricing and distribution strategies). This research contributes to the academic and practical knowledge as being one of the first attempts to investigate empirically the impact of the marketing mix strategy on patient satisfaction. In addition to recognizing the vital roles of marketing in improving the patient satisfaction, this research integrates, refines and extends the empirical work conducted in the field of health services marketing in Saudi Arabia. It raises many implications for managers in these hospitals, such as considering the importance of influences by marketing strategy on patient satisfaction. This research provides useful guidelines for further and future research possibilities such as exploring the influence of the marketing mix strategy influence on other hospital performance criteria.

Keywords: marketing mix strategy, patient satisfaction, hospitals, Saudi Arabia

1. Introduction

The marketing mix strategy is considered one of the core concepts of marketing theory (Ziethaml and Bitner, 2000). In recent years, the popular version of this concept, that of McCarthy (1964) relating to the 4Ps: (product, price, promotion and place), has increasingly come under attack with the result that diverse marketing mix strategies have been put forward for different marketing contexts.

The term marketing mix refers to a set of tools available to an organization to shape the nature of its offer to customers (Palmer, 2001). Kotler (2000: P15) defines the marketing mix as "*the set of marketing tools that the firm uses to pursue its marketing objectives in the target market*".

A number of researchers (Booms and Bitners, 1981; Lovelock, 2001, Ahmad, 2007) have previously argued that the traditional 4Ps of the marketing mix model are inadequate for either the marketing of goods or for services marketing. Services are different from products, because of their characteristics; intangibility, inseparability, heterogeneity, and perishability.

Earlier work of Booms and Bitner (1981) extend marketing mix for services from 4Ps to 7Ps adding three elements to the traditional model: people, physical evidence and processes.

Customer satisfaction ranks high on the list of strategic priorities concerned with the achievement of long-term objectives (Day and Wensley, 1988). Customer satisfaction (Day and Wensley, 1988) reflects the effectiveness of the hospital in delivering value to its patients and other customers.

Patient satisfaction, a crucial piece in the puzzle of performance assessment, merits consideration as a performance measure appropriate for small hospitals. Patient perceptions of quality of care are increasingly central in conceptual and operational models of performance measurement (Lied and Kazandjian, 1999).

In other words, customer satisfaction relates to the patient and his family, and includes various dimensions ranging from the “hotel” service aspects (such as food or parking services) to medical aspects such as morbidity, use of a range of antibiotics or nursing services

We develop a conceptual framework aimed to recognizing marketing mix strategy components influence patient satisfaction in Saudi private sector hospitals. The manuscript is organized as follows. Initial discussion begins with a deeper look at the marketing mix strategy of a health organization.

The purpose of the current research is to explore the impact of services marketing mix strategy components on private sector hospital performance based on patient satisfaction in private sector hospitals in Jeddah province.

2. Literature Review

A number of researchers (Ziethaml, 2000; Lovelock, 2001, Ahmad, 2007; Kotler, 2011) have previously argued that the traditional 4Ps of the marketing mix model are inadequate for either the marketing of goods or for services marketing. Services are different from products, because of their characteristics; intangibility, inseparability, heterogeneity, and perishability. The unique characteristics of services create unique marketing problems and challenges, which need special marketing strategies to deal with them. Consequently, the marketing strategy in the services should include the 7Ps of the services marketing mix and framework, which may have a crucial effect on hospital performance (Lovelock, 2001).

The purpose of the next discussion is to explore existing literature relating to services marketing mix strategy components and hospital performance measured by patient satisfaction included in the research, which represent the first part of the research framework. This objective was achieved through reviewing relevant literature in both services and health services context for research purposes.

2.1 The Marketing Mix Strategy Components

The marketing mix strategy is considered one of the core concepts of marketing theory (Ziethaml and Bitner, 2000).

Booms and Bitner (1981) extend marketing mix for services from 4Ps to 7Ps adding three elements to the traditional model: participants, physical evidence and processes.

By adding personal, physical assets, and procedures to the marketing mix (forming the 7Ps) services marketing theorists ventured out into a new field of management theory and practice separate from the marketing of tangible goods (Lovelock, 2001).

In health care, more than in other services, the product is the person. When the patient thinks of medical care he or she thinks of the physician (Ahmad, 2007).

The patient envisions medical care in terms of the people who deliver it. Thus the fifth P of marketing is the organization’s people (Kotler, 2011).

2.1.1 The Service Strategy

The service concept is the core element of a service, and it must be derived from the needs and wants of a specified target group of customers. The service product is the central component of any marketing mix strategy (Ennew, 1998).

Grönroos (2000) defines a service as an activity or series of activities of a more or less intangible nature that normally, but not necessarily, occur in the interactions between the customer and the service employees and / or

physical resources or goods and / or systems of the service provider that are provided as solutions to customers' problems.

Product strategy is McCarthy's first element of the marketing mix components. It can be summarized as the ultimate result involving benefits being enjoyed by a client at the time of a purchase/ receipt of service from an organization (Kotler, 2011).

Medical service can be defined as a health care service intended to influence a person's health, directly or indirectly, through procedures executed by medically educated personnel. It is difficult to distinguish clearly between diverse activities within medical services (Oravo & Tuominen, 2002).

The unique characteristics of services that determine what constitute components of the service product are generally a difficult task. Lovelock (2001) argues that the key aspect of the service product strategy in health service organizations is to meet the problems, which are created by these characteristics. Therefore, when these organizations move through these levels they are trying to differentiate themselves (Lovelock, 2001). This can be achieved by having a range of high quality services, means of branding, new service development, and customer service (Baker, 2000).

Health service organizations usually offer a wide range of health service products to a number of customer and patient groups in order to satisfy a variety of customer and patient needs and wants (Kotler, 2011).

Many service industries such as health services are facing increasing competition. Strong brands are established not only in the market, but also in the mind of the customer. Services can be classified into two categories. Firstly there are services which are small or unlinked to goods; and secondly services that are connected with the products (Keller, 2003).

Based on the health service strategy literature, it can be hypothesized that:

Health service strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.2 Pricing Strategy

Customer satisfaction in addition to profitability and long term survival (Avlonitis and Indounas, 2005) is a marketing concern of service organizations. Nagle and Holden (1995) point out that if effective product development, distribution and promotion sow the seeds of organization success; efficient pricing strategy is the harvest. While effective pricing strategy can never compensate for poor execution of the first three elements, ineffective pricing can surely avoid those efforts from resulting in financial success. The price strategy should be integrated and consistent with the other marketing mix strategies in the organization to achieve the organization objectives (Palmer, 2001). Price is one of the fundamental elements of the services marketing mix (Lovelock, 2001). Some researchers (Lovelock, 2001, Keller, 2003) have suggested that pricing is the only factor of the marketing mix strategy that produces revenues for the organization, whereas all the others are related to expenses. The degree of complexity of pricing strategy amongst the service sector is comparatively significant due to the high degree of homogeneity between most service groups and shared service delivery and operating systems (Kotler, 2011). However, the most important concern in this research is investigating the Jeddah hospital managers' perceptions of different pricing strategies that are being used when they formulate their strategies.

Costs play a significant part in the pricing of health services. Managers must consider corporate objectives as well as costs when setting hospital prices. Purely covering costs is unsatisfactory in view of the fact that the hospital needs to meet its monetary objectives and generate a profit. In addition to cost consideration, hospital pricing strategy is usually influenced by consumer price elasticity. Price elasticity of demand measures the responsiveness of the quantity demanded of a service to any change in price. Segmentation approach supports the notion that disparate groups of consumers will place dissimilar values on a service, and therefore require different pricing strategies, (Booms & Bittner, 1981).

Based on the health pricing strategy literature, it can be hypothesized that:

Pricing strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.3 Distribution Strategy / Access Strategy

Distribution deals with the availability and accessibility of products and services. Carter et al (1989) established that the importance of distribution channels vary depending on different types of institutions. Several life insurance companies relied heavily upon a sales force while others relied exclusively on brokers and other independent intermediaries (Carter et al, 1989).

Health service organizations need to develop successful sales force teams, which have the basic and necessary skills, knowledge, and motivation related to delivery of health services (Jones, 2003).

Health care organizations, whose products are primarily services, must consider three distribution decisions: physical access, time access, and informational and promotional access (Jones, 2003). (Jones, 2003) presented a comprehensive case for health service access. They stated that dental offices in shopping malls operate in locations (*physical access*) that are more convenient for the consumer. They are also open at weekends and in the evening, providing better *time access*. And they rely on the traffic within the shopping mall (*promotional access*) rather than word of mouth or physician recommendation (referral) to generate demand (Jones, 2003).

Accessibility implies the customer's/ patient's ability to easily arrive at and depart from the service location or to experience the service without great difficulty due to effective spatial orientation and layout (Carter et al, 1989).

Renner and Palmer (1999) studied customer perceptions of service quality at sporting events and found that facility access and convenience exerted a significant influence on the quality perceptions of certain groups of sports fans. Thus, these researchers provide a basis for including accessibility as a structural descriptor of service process since it emanates from managerial design choices. Time access deals with three distinct issues: the opening hours, the length of waiting time (in the service providing waiting area) and the time between calling and having an appointment (Renner & Palmer, 1999).

Based on the health distribution strategy literature, it can be hypothesized that:

Distribution strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.4 Promotion Strategy

Promotion and communication strategy is one of the key components of the services marketing mix strategy by which hospitals can communicate their health services to customers (Lovelock, 2001). The hospital's managers must first examine the needs of customers in the environment it serves and choose the communication tools that suit the environment, based on profit and growth potential given hospital resources and objectives. Promotion can provide an opportunity to organizations to differentiate themselves at corporate and brand levels.

A service promotion strategy has a number of components that are known as the "promotional mix" (Harrison, 2000). There is no one promotional tool that is able to achieve promotion strategy objectives which, in turn, means that most service organizations use more than one promotional tool in order to avoid the disadvantages of each tool. This implies that each promotional tool has different advantages and disadvantages so most service organizations try to use more than one promotional tool in order to maximize the advantages and minimize the disadvantages of each (Harrison, 2000).

Advertising is expected to play a more prominent role in a hospital's quest for market share and profits. Several specific reasons account for this contention. First, it is apparent already that competitive pressures have increased for hospitals. Many administrators seem to have increased their marketing efforts to respond to competition. Advertising is a critical component of these efforts (Andaleeb, 1994).

Andaleeb (1994) discussed advertising as being an important tool for hospitals for two reasons. First, advertising is a competitive tool for hospitals. Its effective use should assist hospitals to attract and retain clients in a rapidly changing environment where the clients are increasingly involved in selecting the right hospital. Second, a nationwide survey showed that 50 percent of consumers remembered seeing or hearing a hospital advertisement.

Word of mouth can operate through both channels. Informational influence occurs when information is accepted as evidence of reality (Lovelock, 2001). In contrast, normative influence operates through compliance, which means that the individual conforms to the verbalized expectations of referent others (Wangenheim & Bay'on, 2004).

Based on the promotion strategy literature, it can be hypothesized that:

Promotion strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.5 Physical Evidence Strategy

The appearance of a work area is similar to physical appearance, identified previously as a structural descriptor (Jones, 2003). Work area appearance relates only to the non-design aspects of the service environment, which are inherently variable in nature. These aspects include such things as cleanliness and tidiness or the general appearance of the service location on a day-to-day basis. For example, the work area at which a service encounter occurs could be dusty or cluttered with a variety of items that might distract from the customer's satisfaction with the service encounter. Although items such as furniture, wall coverings, or pictures might be designed into the service environment, their appearance could have variable aspects quite apart from the original design intent if

they were dirty, torn, broken, improperly hung, or otherwise in a state of disrepair (Carter et al, 1989). Health services have a number of unique characteristics, which have crucial implications for marketing strategy. Physical evidence aids health services to tangibles the high degree of intangibility (Wangenheim and Bay`on, 2004).

Other services marketing researchers (Lovelock, 2001; Palmer, 2001) have pointed out the vital importance of physical evidence in service businesses in order to send a consistent message and retain a coherent image about the organization. Palmer (2001) has focused on the vital role of providing tangibles as a significant component of the company service offer. Lovelock (2001) has argued that physical evidence is one of the vital components of the 8Ps of the services management paradigm by which the company can provide tangible objects to customers during the service delivery process and tangible metaphors used in such communications as advertising, symbols, and trademarks (Lovelock, 2001).

Based on the physical evidence strategy literature, it can be hypothesized that:

Physical evidence strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.6 Service Delivery/ Process Strategy

Process is one of the crucial elements of the expanded marketing mix components in services that should be a distinct strategic element. This is because process may influence the initial customer decision to purchase a service and affect the level of customer satisfaction (Collier, 1991).

Zeithaml and Bitner (2000) discovered that the top management challenges across four service industries were maintaining quality of service, hiring employees, and employee training. Recognized that the process has three major components, which are (1) Flow of activities (standardised or customized) (2) Number of steps (simple or complex) (3) Customer involvement.

The patient's opinion of a service is influenced by his or her experience of the service process. This can be divided into three phases - namely joining, intensive consumption, and detachment (Palmer, 2001). In medical services, the joining phase occurs when the patient joins in the service process in order to consume a core health service. The core surgical service is delivered in the intensive consumption phase. In surgical services the delivery and intensive consumption of services are simultaneous processes, with interactions occurring between the patient and the tangible and intangible production resources of the medical service provider (Ennew, 1998). The intensive consumption phase is followed by the detachment phase, during which the patient leaves the surgical service process. Every phase can contain various auxiliary elements, in the form of facilitating or supporting services (Grönroos, 2000).

The process of service delivery can be thought of as the expressive performance of a service. Its descriptors are:

- Duration - the total time involved before and during the service encounter,
- Work-area appearance - the non-design aspects of the service environment, such as the day-to-day cleanliness and tidiness of the service location, which are inherently variable in nature,
- Employee appearance - the personal aspects of a contact employee's presence, including both hygiene factors and the manner in which costumes are worn,
- Empathy, assurance and employee effort - which encompass the skills, knowledge and professionalism of customer-contact employees. For example, how well contact employees are able to understand the customer's situations and treat them accordingly, and the amount of energy expended by an employee on behalf of a customer during a service encounter, which includes the employee's ability to be responsive to a customer's needs,
- Reliability - the ability to deliver an accurate service that has been promised to a customer on the first, and each subsequent, service encounter,
- Customer participation - not the "designed-in" elements of customer participation, but the customer's own style of consuming the service, and customer-to-customer interactions (Grönroos, 2000).

Based on the process strategy literature, it can be hypothesized that:

Process strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

2.1.7 Personal Strategy

People play a crucial role in service organizations, especially during the service delivery process when the participants have interactions with customers. Service marketing has long stressed the importance of staff and particularly customer contact staff as crucial components in delivering a high quality service and contributing to

overall customer satisfaction (Booms and Bitner, 1981). Currently the role of people in service delivery varies considerably across service contexts. However, the health service is one field where health staffs are considered to be of particular importance. It is widely argued that the overall quality of the delivered service for organizations such as health services is influenced, among other things, by the nature of the relationship between the customer and health providers. Storbacka et al (1994) labelled routine and critical interactions as routine and critical episodes. Customer relationships have a number of different types of episodes, and these differ with respect to content, frequency, duration, and regularity.

The doctor has significant discretion in meeting customer needs, and evaluation of the interaction is largely based on the attributes of experience and credence (Avlonitis and Indounas, 2005). Experience attributes can be evaluated only during or after the consumption of medical service. Credence attributes are hard to evaluate, even after the consumption of a medical service has occurred (Ojasalo, 1999). In health care more than in other services, the product is the person. When the patient thinks of medical care he or she thinks of the physician. The patient envisions medical care in terms of the people who deliver it. Thus the fifth P of marketing is the organization's people (Booms and Bitner, 1981).

Based on the personal strategy literature, it can be hypothesized that:

Personal strategy has a positive significant effect on the performance of Jeddah private sector hospitals.

3. The Research Problem

The research problem evolves around investigating the marketing mix strategies in Jeddah private sector hospitals. *This research will answer the following questions:*

- Are the marketing mix components achieving the hospital performance measured by patient satisfaction in Jeddah private sector hospitals?
- Is the health service strategy satisfying the patient needs and wants?
- Is the pricing strategy satisfying the patient ability to pay regards the consumption of health services?
- Is the promotion strategy reaching and satisfying the patient needs and wants?
- Is the place /access strategy delivering the health services in terms of physical, time, and informational access to the target patients?
- Is the physical evidence strategy satisfying the patient needs and wants?
- Is the people strategy satisfying the patient needs and wants?
- Is the process strategy satisfying the patient needs and wants?

4. The Research Rationale

The research importance focus on that determination and studying of factors affecting hospital performance are very important issue that help the hospital administration to properly improve patient satisfaction which leads to patient retention of health services in private sector hospitals in Jeddah KSA. This research makes a positive contribution in the direction of marketing mix strategy influencing hospital performance measured by patient satisfaction in the health services. However, this research sought to overcome the limitations it encountered with the most methodological sound techniques and it should be followed by other efforts in the same direction. This research and similar studies will encourage other researchers to engage in more studies regarding the marketing mix strategy components in the hope that such efforts will improve the relationship between the organization, its managers and its customers with regard to greater mutual and common advantages and benefits.

5. Objectives of the Research

Based on the above section highlighting the marketing problem in the Jeddah private sector hospitals, the broad aim of this research is:

To determine the effect of marketing mix strategy on Jeddah hospital performance based on patient satisfaction.

To achieve this broad objective, three objectives have been identified, which guided the investigation of the research problem.

- 1) To define the components of the marketing mix strategy of the private sector hospitals in Jeddah province in Kingdom of Saudi Arabia.
- 2) To determine the elements which constitute the hospital performance measured by patient satisfaction of the private sector hospitals in Jeddah province in Kingdom of Saudi Arabia.

- 3) To determine the effects of the marketing mix strategy components on the hospital performance measured by patient satisfaction of the private sector hospitals in Jeddah province in Kingdom of Saudi Arabia.

6. Operational Definitions

Independent Variable: Measured by Health Services Marketing Mix: Palmer (2001, p 10) regards the marketing mix as being “the set of tools available to an organization to shape the nature of its offer to customers”.

- 1) *Service / Health Service:* defined as the intangible activities and performance designed by interactive process in order to satisfy customer/patient needs and expectations, and convince them, this process could be done by using tangible products (e.g. MRI, C.T. Scanning) (Kotler, 2011).
- 2) *Price:* defined as the amount of money or value of other items with utility needed to acquire a product or services (Duffy, 2000).
- 3) *Place/access:* Health care organizations, whose products are primarily services, must consider three distribution decisions: physical access, time access, and informational and promotional access (Jones, 2003).
- 4) *Promotion:* this includes all of the tools available to the marketer to transform their message about the product/health service strategy to the target market; moreover, this consists of communication/promotional mix (e.g. advertising, sales promotion, personal selling, e marketing, and public relationship) (Shimp, 2003).
- 5) *People:* consist of staff (medical and administrative) with the appropriate interpersonal skills, attitude, and service knowledge to provide the service that consumers/patients are paying for (Bitner, 1990).
- 6) *Physical Evidence:* it is the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service. Customers/patients look for clues to the likely quality of a service also by inspecting the tangible evidence (Kasper et al, 1999).
- 7) *Process:* this means procedures, mechanism and flow of activities by which a service is acquired. Process decisions radically affect how a service is delivered to customers/patients (Kotler, 2011).

Dependent Variables: Hospital Performance Measured by Patient Satisfaction (HPMPS)

1. *Patient / Client Satisfaction:* is an attitude-a person's general orientation towards a total experience of health care. Satisfaction comprises both cognitive and emotional facets and relates to previous experiences, expectations and social networks (Keegan et al, 2002).

7. Research Methodology

This research is a descriptive analytical research of the actual relationships that may exist between independent and dependent variables as stated in the research hypotheses.

The research design constructed here is based on the hypotheses formulated.

These hypotheses were formulated inductively from the researcher's observation and from the literature.

The descriptive part is needed to describe and identify the research factors, which constitute the marketing mix strategy components in Jeddah private sector hospitals. In the analytical part, the research model is being tested through examining the relationship between the marketing mix strategy components and hospital performance measured by patient satisfaction in Jeddah private sector hospitals in order to explore how far hospital managers perceive these factors when making their decisions regarding the marketing strategies.

7.1 Type of Research

As this research aims to *determine the effect of marketing mix strategy on Jeddah hospital performance based on patient satisfaction*. This research is used a cross-sectional research survey in which many private hospitals operating in Jeddah health market included. It is a single cross-sectional design in which the collection of information from the research population and respondents performed once only (Palmer, 2001). This research was conducted at private sector hospitals, located in Jeddah. Data was collected through research questionnaire with managers at private sector hospitals.

7.2 The Research Population

Any research population must be accurately specified in order to collect the required data for the research problem. The research population consists of the private hospitals in the city of Jeddah/KSA. The population in this research is defined as all the hospitals of the Jeddah city which are licensed as private hospitals by the Saudi Ministry of Health. The number of hospitals included in this research as research population was (34) hospitals. The research population consisted of all the managers in the private hospitals in Jeddah. Therefore, all the

managers called and invited to participate in the research survey, the number accounted (272), the sample of this research will be a purposive sample.

7.3 Primary Data Collection Methods

In this research, quantitative approach was used for the purpose of gaining a comprehensive picture of the issues in question. The current research was used the questionnaire techniques to collect the primary data. The research questionnaire was designed based on previous empirical literatures. The research questionnaire was used as primary data collection method. The components of marketing mix that is (health service, pricing, promotion, distribution/access, physical evidence, people, and process) and hospital performance namely (patient satisfaction) will be measured on 5-point Likert- scale ranging from 5 (strongly agree) to 1 (strongly disagree).

The survey was distributed and collected by drop-off and pick-up and, also, on occasion, by remaining with the respondents during the answering of the questionnaire. The questionnaires were collected researcher retrieves 190 valid research questionnaires resulting in a (70 %) response rate approximately.

8. Descriptive Analysis and Discussion

This section focuses on providing a descriptive analysis of the research data. The discussion of the respondents' demographic dimensions offers a clear perspective of the hospital managers investigated in this research and a better understanding of the analysis in general.

The chapter is divided into two sections. The first describes some of the demographic variables of the data, such as age, education level, and experience. This is succeeded by the marketing mix strategy 7Ps. Such analysis provides an enhanced comprehension and explanation of forthcoming analysis.

8.1 General Demographic Analysis

Describing the relationship between a sample and its population is very important. This section is therefore largely concerned with presenting a descriptive analysis of the sample to evaluate and provide an overview of the respondents' characteristics according to the following criteria.

Given the study population, the sample was biased towards the middle age groups accounting for (55 %) for people aged (41-50) years as shown in table 1. However, young people are less representative with (30%) and (5%) respectively for people (30-40) under (30) and those over (60) years are (10%). Regarding educational level (Table 1) shows that (80%) of peoples in these hospitals hold a bachelor degree. However, (10%) percentages of respondents hold a master and doctoral degree and other (10%) hold college degrees. In terms of academic background (Table 1) gives a numerical overview of the academic background (60 %) from medical background and the rest (40%) have administrative background. Experience shows in (Table 1) makes it evident that a high percentage of respondents, (66%) of the sample have (11-15) year's experience. The other percentage distributed among the other categories. Regarding the position of respondents (Table 1) gives a numerical overview of the types of jobs to which hospital managers are appointed. Administrative manager's account for (27.3%) of the sample, medical managers (24.5%), and out-patient clinic managers (16.1%). Marketing managers are the lowest percentage of the sample because most hospitals (96.5%) do not have a marketing department. However, public relations managers do account for (20.3%) of the research sample. Lastly, the hospital size variable, the respondents of this study have been divided into three groups of hospitals depending on the number of inpatient beds. Table 1 shows that there are (29) small hospitals with (85%) of respondents, only (3) large hospitals (more or = 300 beds) with (9%) of respondents, and (2) hospitals are the rest are medium-sized hospitals (150-299 beds) with (6%) respondents.

Table 1. Demographic data (N=190)

Demographic	No.	%
Age		
Under 30	10	5
30-40	57	30
41-50	104	55
51-60	0	0
Over 60	19	10
Education Level		
Secondary school or less	0	0
Diploma degree	19	10

Bachelor Degree	152	80
Master or PhD degree	19	10
Academic Background		
Medical	114	60
Administrative	76	40
Experience		
Less than 5	6	3
5-10	26	14
11-15	125	66
16-20	4	2
Over 20	29	15
Position		
General Director	34	18
Medical Manager	30	16
Administrative Manager	29	15
Medical Departments Managers	26	14
Administrative Departments Managers	18	9
Out Patient Clinic Manager	27	14
Marketing Manager (if any)	9	5
Public Relations Manager	17	9
Hospital Size (N=190)		
Less than 150	29	85
150-299	2	6
300 and plus	3	9

8.2 Research Variable Analysis

The general hypothesis for this section is “Service marketing mix strategy components have a positive and significant effect on the hospital performance measured by patient satisfaction of Jeddah private sector hospitals”

Table 2 shows the correlation matrix, which presents the value of the Pearson correlation coefficient between every pair of variables (Table 2), the 1-tailed significance of each correlation and the number of cases contribution (Table 3) to each correlation (N=190).

Table 2. Marketing mix strategy and hospital performance measured by patient satisfaction (HPMPS)

Pearson Correlation	HPMPS	Health Service Strategy	Price Strategy	Distribution Strategy	Promotion Strategy	Physical Evidence	Process Strategy	Personal Strategy
HPMPS	1.000	0.520	0.061	0.074	0.300	0.389	0.391	0.217
Health Service Strategy	0.520	1.000	0.316	0.034	0.286	0.452	0.306	0.254
Price Strategy	0.061	0.316	1.000	0.236	0.272	0.183	0.328	0.220
Distribution Strategy	0.074	0.034	0.236	1.000	0.235	0.117	0.032	0.040
Promotion Strategy	0.300	0.286	0.272	0.235	1.000	0.220	0.361	0.313
Physical Evidence	0.389	0.452	0.183	0.117	0.220	1.000	0.495	0.338
Process Strategy	0.391	0.306	0.328	0.032	0.361	0.495	1.000	0.351
Personnel Strategy	0.217	0.254	0.220	0.040	0.313	0.338	0.351	1.000

Table 3. Marketing mix strategy and hospital performance measured by patient satisfaction (HPMPS)

Sig. (1-tailed)	HPMPS	Service Strategy	Price Strategy	Distribution Strategy	Promotion Strategy	Physical Evidence	Process Strategy	Personal Strategy
HPMPS	—	0.000	0.161	0.191	0.000	0.000	0.000	0.005
Health Service Strategy	0.000	—	0.000	0.345	0.000	0.000	0.000	0.001
Price Strategy	0.161	0.000	—	0.002	0.001	0.014	0.000	0.004
Distribution Strategy	0.191	0.345	0.002	—	0.002	0.082	0.354	0.318
Promotion Strategy	0.000	0.000	0.001	0.002	—	0.004	0.000	0.000
Physical Evidence	0.000	0.000	0.014	0.082	0.004	—	0.000	0.000
Process Strategy	0.000	0.000	0.000	0.354	0.000	0.000	—	0.000
Personal Strategy	0.005	0.001	0.004	0.318	0.000	0.000	0.000	—
HPMPS	190	190	190	190	190	190	190	190
Service Strategy	190	190	190	190	190	190	190	190
Price Strategy	190	190	190	190	190	190	190	190
Distribution Strategy	190	190	190	190	190	190	190	190
Promotion Strategy	190	190	190	190	190	190	190	190
Physical Evidence	190	190	190	190	190	190	190	190
Process Strategy	190	190	190	190	190	190	190	190
Personal strategy	190	190	190	190	190	190	190	190

With regard to the relationships among predictors and the outcome, (5) out of (7) marketing mix strategy components had a significant positive correlation with the hospital performance measured by patient satisfaction at which shows the influence of the marketing mix strategy components on hospital performance measured by patient satisfaction. Between the other predictor variables “marketing mix strategy components”, and the outcome factor “hospital performance measured by patient satisfaction” Pearson correlation results ranged from (0.520–0.217) with the correlation of all 5 positive marketing mix strategy items being significant ($p < 0.05$). The only two capability found not to show a significant positive correlation is the distribution strategy ($r = 0.07$, $p = 0.191$), pricing strategy ($r = 0.061$, $p = 0.161$)

However, among all the predictors, health service strategy correlates best with the hospital performance measured by patient satisfaction in that it has highest positive correlation with it, which is also significant: ($r = 0.520$, $p < 0.05$). Therefore, it is likely that this variable will best predict and/ or explain the variance. The results of the analysis have demonstrated that the multiple regression model (table 4), which consists of the marketing mix strategy components has significantly improved our ability to explain the outcome variable.

Table 4. Coefficient of the multiple regression model/hospital performance measured by patient satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
Constant	0.654	0.456	—	1.435	0.154	
Health Service Strategy	0.346	0.077	0.360	4.494	0.000	
Price Strategy	0.032	0.058	0.124	1.583	0.0116	
Distribution Strategy	0.045	0.086	0.086	0.994	0.322	
Promotion Strategy	0.172	0.079	0.167	2.167	0.032	
Physical Evidence	0.179	0.038	0.151	2.067	0.041	
Process Strategy	0.184	0.099	0.158	1.867	0.042	
Personal strategy	0.142	0.080	0.040	0.524	0.031	
Dependent Variable: patient satisfaction		R² = 0.731	Adjusted = 0.743	R²	F = 11.720	P < 0.05

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + E$$

$$Y = 0.654 + 0.346X_1 + 0.092X_2 + 0.085X_3 + 0.172X_4 + 0.079X_5 + 0.184X_6 + 0.042X_7 + E$$

Where:

Y = the predicted value on the hospitals performance

*B*₀ = the *Y* intercept, the value of *Y* when all *X*s are zero

*X*₁ = Health service strategy

*X*₂ = Pricing strategy

*X*₃ = Distribution strategy

*X*₄ = Promotion strategy

*X*₅ = Physical evidence strategy

*X*₆ = Process strategy

*X*₇ = Personal strategy

B = the various coefficients assigned to the IVs during the regression

E = an error term.

These coefficients as shown in table 4 are referred to as B values, which indicate the individual contribution of each predictor to the model. By replacing the B values into the above equation, the model becomes defined. In this way, the B values inform the relationship among the hospital performance measured by patient satisfaction and the influences of the marketing mix strategy. If the value is positive, this indicates a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. Viewing the B value under the first column, health service strategy has the highest positive relationship with the outcome variable hospital performance measured by patient satisfaction (B=0.346). Non similarly, pricing strategy (B=0.032), while distribution strategy has no significance (B= 0.045). Whereas the other four components (promotion, physical evidence, process, and personal strategies) are significantly related to the hospital performance measured by patient satisfaction (P-value=0.172, 0.179, 0.184, 0.142) respectively.

9. Conclusion and Recommendation

The results of this research bear a number of significant empirical conclusions for researchers and practitioners in health services marketing and in hospitals in particular.

9.1 Marketing Mix Strategy Components

It is found that there is a significant impact of marketing mix strategy component on the hospital performance measured by patient satisfaction at all.

Health Service Strategy

It is found that the majority of Jeddah private sector hospitals provide a comprehensive range of health and medical service classes to facilitate the diverse needs and wants of in their target market.

Developing and introducing new health services is applied in Jeddah private sector hospitals. The importance of introducing and developing new health services is twofold. First it is a competitive tool for the hospital's growth and continuations, and for enabling the hospital to meet needs and wants for the largest possible market. Second, in light of the updated medical technology worldwide, it helps hospitals to gain opportunities that lead to increased market share and penetrate new markets.

The research data indicates that patient services is a fundamental factor in a health service strategy and a crucial part of the marketing strategy, whereas the Jeddah private sector hospitals focus on customers' (patients) confidential cases.

Pricing Strategy

The quantitative data analysis in the Jeddah private sector hospitals indicated that there are disparate pricing strategies are frequently adopted within the hospitals. These strategies involve pricing based on government regulations, and the varying costs, which the Jeddah private sector hospitals incur. The pricing policy based on competition in the Jeddah health market and price discrimination according to market segment was utilized by Jeddah private sector hospitals. The most frequently adopted pricing policy is related to the government regulation controlled by the MOH.

Distribution Strategy

It is found that the majority of Jeddah private sector hospitals provide an hourly service availability to match the non-programmed emergency and accident cases.

The research data indicates that Jeddah private sector hospitals have no branches in different provinces and cities in Jeddah. This may be due to a high cost of establishment or/ the concentration policy in one branch. As such, most of Jeddah private sector hospitals do not have a mobile clinic.

Promotion Strategy

The qualitative data analysis suggests that the most prominent method of promotion is by “word of mouth” communication where an existing patient recommends the hospital services to other customers in similar or different cases of illness.

The word of mouth communication, personal selling and customer personal contact, and public relation, and publicity for promoting health services were used by most Jeddah hospitals. The rationale behind using word of mouth communication in promoting health services is that the health service has unique complex characteristics especially the aspect of intangibility. Medical and administrative staff believes that the greatest means of promoting health service is by word of mouth. Furthermore, promoting health services is more problematic compared with other services or products.

The rationale underlying use of public relations and publicity (free medical days) to enhance the hospitals image in promoting their health service is that hospitals need to build trust and improve the reputation of their health services. The low use of other methods of promotion (advertising) remains a matter of debate among the health services in Jeddah.

Physical Evidence Strategy

The research data indicates that customer service is a fundamental objective in designing the physical evidence strategy of Jeddah private sector hospitals by which it can create a customer-friendly atmosphere and comfortable access to the health services. Therefore, the customers of hospitals face an altogether different psychological situation compared to customers of other service organizations, which need additional effort to help them reduce the degree of anxiety experienced by concentrating on the physical evidence atmosphere facilities.

Health Process Strategy

The research data reveals that the health/medical services delivery process strategy is the most sensitive and critical activity that the Jeddah private sector hospitals, as with any hospital around the world concentrates upon to deliver their services on time. Most medical cases do not accept any delay in treatment. Jeddah private sector hospitals also recognized satisfaction among their customers during delivering health services for two reasons: first, the social responsibilities, and second the great competition extent in the health care market.

Personal Strategy

The data indicates that Jeddah private sector hospitals are generally improving their personal ability to perform their service role and to maintain a competitive level. They further concentrate on their staff's appearance because of the extreme contact occurring between staff and hospital patients. Serving customers in hospitals are critical activities that may earn customer satisfaction- or approbation, so excellent standards are essential within such an environment.

9.2 The Relationship between Marketing Mix Strategy Components and Hospital Performance Measured by Patient Satisfaction (HPMPS)

The analysis and findings from the quantitative research data analysis relating to the relationship between the marketing mix strategy and hospital performance measured by patient satisfaction indicated the following conclusion:

The marketing mix strategy components, namely; health service, pricing, distribution, promotion, physical evidence, process, and personal strategies are found to have varied significant and insignificant effects on hospital performance measured by patient satisfaction.

9.2.1 Theoretical Conclusion

The theoretical underpinning of this study is based on literature from service marketing in general and health service marketing in particular, in addition to marketing mix strategy components (health service, pricing, distribution, promotion, physical evidence, process, and personal strategies). As such, hospital performance

measured by patient satisfaction. Service marketing scholars have begun to recognize and magnify the crucial nature of services and that they are, in fact altogether different from products because of their unique features, intangibility, inseparability, heterogeneity, and perishability (Shostack, 1982).

The recognition of such characteristics has led researchers to recognize the key role played by service marketers in improving service delivery (Lied and Kazandjian, 1999). This further shed light on the importance of exceptional consideration of marketing in service sectors especially in health service provision.

As such, this research is based a theoretical model. It is based on the marketing mix strategy with hospital performance measured by patient satisfaction. This model has been modified to develop the proposed research model of marketing mix strategy.

This model has been developed based upon literature from a range of marketing and organization disciplines. Such literature has guided this research in building or integrating a model relating marketing mix strategy. Accordingly, the relationship between marketing mix strategy and hospital performance measured by patient satisfaction has been constructed.

9.2.2 Empirical Conclusion

Marketing mix strategy is a necessary strategy in service organizations to ensure these organizations' success. It is vital to marketing the hospitals in the target market and acts on behalf of the whole hospital or with coordination in dealing with hospital performance measured by patient satisfaction. These are the factors that the hospital is attempting to win via the marketing strategy application and the services delivered. This research argues that such strategy does not evolve simply by chance, but through a planned effort by the hospital management. The link between these factors and the marketing mix strategy components was based on findings from the literature, pilot interviews. The framework suggests that marketing mix strategy as a core construct in this research receives its vital role through the effect of marketing mix strategy on hospital performance measured by patient satisfaction. As a result, the argument of this study is that the marketing mix strategy is a mediating factor that relies on hospital performance measured by patient satisfaction. Furthermore, marketing mix strategy itself leads to some impact on the hospital, including hospital performance measured by patient satisfaction.

Services are considered as the context for this research because, given the characteristics of services it is evident that most of the diagnostic and therapeutic health services in the hospital are delivered by direct contact between service provider and patients. For this reason hospital employees play a key role in the services. Hence, the customer might not observe more valuable tangibles than the health service employee who represents the service and the hospital in every service visit. Therefore, health service delivery relies on human interaction with the customers. The hospital industry is considered in this study as a major representative sector of the general service industry. The research recommends that hospitals managers should pay attention to the pricing strategy by studying the pricing objectives to match the patient's needs and wants. Also studying the distribution strategy by enhances the access of the health services.

This thesis seeks to make an original contribution to knowledge by investigating the impact of marketing mix strategy components hospital performance measured by patient satisfaction in the health care industry in Jeddah. This thesis contributes to the services marketing discipline in finding out the role of marketing mix strategy in delivering a better health service within the service sector. It investigates the latter so as to demonstrate the uniqueness of service organization and the importance of the service. As such, this study attempts to contribute to the marketing knowledge and health services marketing in particular by looking at the impact of these on marketing mix strategy on hospital performance measured by patient satisfaction. It utilizes quantitative and methodologies to explore such a relationship in an environment where no previous research efforts have been made to investigate such relationships.

This research has dealt with a neglected area in Jeddah, which is the marketing of health services. It is considered as new research in the diffusion of marketing in the area of health services to gain an understanding of the relevance, effect and contribution of marketing mix strategy to the Jeddah private sector hospitals.

Such contribution will be beneficial both academically and professionally. Academically, this work aims to focus academic attention upon a neglected domain in the context of this research. And, professionally, managers will also look at the practical implications of such effort and the possibility of implementing the implication of this research in their actual relationships with their stakeholders.

9.3 Limitations and Avenues for Future Research

While this study has provided valuable insight, there are some limitations, which may limit generalisability:

- 1) There were some difficulties with the distribution of the research questionnaire and the same method could not be used for all Jeddah private sector hospitals.
- 2) This research has been conducted in a single service industry, the health service industry in Jeddah, exclusively in the general Jeddah private sector hospitals, which implies that the generalisability of the research results are limited to the general private sector hospitals in Jeddah within the Jeddah business environment context, and cannot be generalized to other health services markets either in developed or developing countries.

In conducting this research a number of areas were identified for further research and future study. These areas include:

- 1) Studying other service sectors and other health sectors e.g. public sector (MOH hospitals or Armed force hospital or National guard hospital) in order to develop a model that represents the service sector more generally, rather than representing the private sector hospitals alone.
- 2) The same model could be used in a comparative study between the service sector and the industrial sector in order to test the differences of marketing mix strategy in both sectors and ascertain whether the model could be more standard across a range of industries.
- 3) Studying 1Ps or a 2Ps model appeal more than a 7Ps model. It would be preferable to research the development of hospital marketing in Jeddah from 1Ps or a 2Ps model to 7Ps practice.

References

- Ahmad, A. (2000). *The Environmental Influences on Marketing Strategy in Jordanian Hospitals*. Unpublished MSc Thesis, Baghdad University, Iraq.
- Ahmad, A. (2007). *The Impact of Competitive Environment on Services Marketing Mix Strategy of Health Organizations in Developing Countries: Jordanian Private Sector Hospital Senior Managers Perspective*. Unpublished PhD Thesis, The University of Huddersfield, UK.
- Ahmad, A. (2012). Macro-environment Influences on Health Service Strategy in Saudi Private Sector Hospitals: An Empirical Investigation. *International Business Research*, 5(5). <http://dx.doi.org/10.5539/ibr.v5n5p49>
- Ahmad, A., Barnes, B., & Chakrabarti, R. (2010). Competitive Environment and Hospital Performance An Empirical Investigation, Published Research. *Journal of Medical Marketing*, 10, April, 245–258. <http://dx.doi.org/10.1057/jmm.2010.8>
- American Hospital Association. (1991). *Guide to the Health Care Field*. Chicago: American Hospital Association.
- Andaleeb, S. (1994). Hospital Advertising the Influence of Perceptual and Demographic Factors on Consumer Dispositions. *Journal of Services Marketing*, 8(1), 48–59. <http://dx.doi.org/10.1108/08876049410053302>
- Assaf, A., & Matawie, K. M. (2008). Cost efficiency modeling in health care foodservice operations. *International Journal of Hospitality Management*, 27, 604–13. <http://dx.doi.org/10.1016/j.ijhm.2007.07.021>
- Avlonitis, J., & Indounas, A. (2005). Pricing objectives and pricing methods in the services sector. *Journal of Services Marketing*, 19(1), 47–57. <http://dx.doi.org/10.1108/08876040510579398>
- Bitner, M. (1990). Evaluating Service Encounters: The Effects of Physical Surroundings and Employee Responses. *Journal of Marketing*, 54(2), 69–82. <http://dx.doi.org/10.2307/1251871>
- Bitner, M. (1992). Services capes: The Impact of Physical Surroundings on Customers and Employees. *Journal of Marketing*, 56, 57–71. <http://dx.doi.org/10.2307/1252042>
- Blois, K. (1983). The structure of service firms and their marketing policies. *Strategic Management Journal*, 4(3), 251–61. <http://dx.doi.org/10.1002/smj.4250040306>
- Booms, B., & Bitner, M. (1981). Marketing Strategies and Organization Structures for Services Firms. In James Donnelly & William George (Eds.), *Marketing of services: 1981 special educators' Conference Proceeding* (pp. 46–51). Chicago: American Marketing Association.
- Bowers, M., Powers, T., & Spencer, P. (1994). Characteristics of the Sales force in the US Healthcare Service Industry: A Comparative Study of Selling Professional Services. *Journal of Services Marketing*, 8(4), 36–49. <http://dx.doi.org/10.1108/08876049410070718>
- Bryman, A., & Cramer, D. (2001). *Quantitative Data Analysis with SPSS release 10 for Windows: A Guide for Social Science*. Routledge, Taylor & Francis Group.

- Cameron, K., & Later, B. (1996). Organizational effectiveness: one model or several? In Cameron, K. S., & Whetton, D. A. (Eds.), *Organizational Effectiveness: A Comparison of Multiple Models* (pp. 261–77). New York, NY: Academic Press.
- Carter, R., Ennew, C., & Wright, M. (1989). Deregulation and Distribution of Personal Financial Services in the UK. *Journal of American Society of CLU&CHFC*, July, 68–73.
- Chisnall, P. (2001). *Marketing Research* (6th ed.). The McGraw-Hill Publishing Company.
- Clark, B. (1999). Marketing Performance Measures: History and Interrelationships. *Journal of Marketing Management*, 15(15), 711–732. <http://dx.doi.org/10.1362/026725799784772594>
- Collier, D. (1991). New Marketing Mix Stresses Service. *The Journal of Business Strategy*, 12(2), 42–45. <http://dx.doi.org/10.1108/eb039402>
- Cowell, D. (1984). *The Marketing of Services*. Heinemann Professional Publishing Ltd.
- Creswell, J. (2003). *Research Design—Qualitative, Quantitative and Mixed Methods and Approaches* (2nd ed.). Thousand Oaks, Calif: Sage Publication.
- Day, G., & Wensley, R. (1988). Assessing Advantage: A Framework for Diagnosing Competitive Superiority. *Journal of Marketing*, 52(April), 1–20. <http://dx.doi.org/10.2307/1251261>
- De Vaus, D. (1993). *Surveys in Social Research* (3rd ed.). Sydney: Allen & Unwin.
- Diamantopoulos, A., & Schlegelmilch, B. (1997). *Taking the Fear out of Data Analysis*. London: The Dryden Press.
- Duffy, J. (2000). Measuring customer capital. *Strategy & Leadership*, 28(5), 10-15. <http://dx.doi.org/10.1108/10878570010379392>
- Eiriz, V., & Eiriz, J. (2005). Quality evaluation in health care services based on customer-provider relationships. *International Journal of Health Care Quality Assurance*, 18(6). <http://dx.doi.org/10.1108/09526860510619408>
- Ennew, C. (1998). Developing Marketing Strategy. In Ennew, Christine, Watkins, Trevor, Wright, & Mike (Eds.), *Marketing Financial Services*. Butterworth Heinemann.
- Ennew, C., & Watkins, T. (1998). Insurance Marketing. In Ennew, Christine, Watkins, Trevor, Wright, & Mike (Eds.), *Marketing Financial Services*. Butterworth Heinemann.
- Fisher, C., & Anderson, C. (1990). Hospital Advertising: Does It Influence Consumers? *Journal of Health Care Marketing*, 10(4), 40–6.
- Frankfort-Nachmias, C., & Nachmias, D. (1992). *Research Methods in the Social Sciences* (4th ed.). New York: St.Martin's Press.
- Grönroos, C. (2000). *Service Management and Marketing. A Customer Relationship Management Approach*. Chichester: Wiley & Sons.
- Haim, A. (1993). Does quality work? A review of relevant studies. Report no. 1043, The Conference Board, Inc., New York, NY.
- Jones, R. (2003). Making health information accessible to patients. *Aslib Proceedings*, 55(5/6), 334–338. <http://dx.doi.org/10.1108/00012530310498905>
- Kamins, M. (1990). An investigation into the 'match-up' hypothesis in celebrity advertising: when beauty may be only skin deep. *Journal of Advertising*, 19(1), 4–13. <http://dx.doi.org/10.1080/00913367.1990.10673175>
- Kasper, H., Helsdingen, P., & Vries, J. (1999). *Services Marketing Management: An International Perspective*. John Wiley & Sons Ltd.
- Keegan, O., & McGee, H. (2002). A Guide to Hospital Outpatient Satisfaction Surveys. Practical Recommendations and the Satisfaction with Outpatient Services (SWOPS) Questionnaire. Dublin: Royal College of Surgeons in Ireland.
- Keller, K. (2003). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (2nd ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Kotler, P. (2000). *Marketing Management: The Millennium Edition* (10th ed.). Prentice Hall International Inc.
- Kotler, P., & Armstrong, G. (2011). *Principles of Marketing*. Pearson.

- Lehtinen, J. (1986). *Quality Oriented Services Marketing 2*. Department of Business Economics and Business Law, Tampere University, Tampere.
- Lied, T., & Kazandjian, V. (1999). Performance: a multi-disciplinary and conceptual model. *Journal of Evaluation in Clinical Practice*, 5(4), 393–400. <http://dx.doi.org/10.1046/j.1365-2753.1999.00210.x>
- Lovelock, C. (2001). *Services Marketing People, Technology, Strategy* (4th ed.). Prentice Hall.
- McCarthy, J. (1964). *Basic Marketing: A Managerial Approach* (2nd ed.). Richard D. IRWIN, INC.
- Nagle, T., & Holden, R. (1995). *The Strategy and Tactics of Pricing*. Englewood Cliffs, NJ: Prentice-Hall.
- O’Cass, A. (2001). Consumer self-monitoring, materialism and involvement in fashion clothing. *Australasian Marketing Journal*, 9(1), 46–60. [http://dx.doi.org/10.1016/S1441-3582\(01\)70166-8](http://dx.doi.org/10.1016/S1441-3582(01)70166-8)
- Ojasalo, J. (1999). *Quality Dynamics in Professional Services*. Swedish School of Economics and Business Administration, Helsinki.
- Orava, M., & Tuominen, P. (2002). Curing and caring in surgical services: a relationship approach. *Journal of Services Marketing*. <http://dx.doi.org/10.1108/08876040210447379>
- Palmer, A. (2001). *Principles of Services Marketing* (3rd ed.). UK: McGraw-Hill Publishing Company.
- Peters, J. (1979). Reliability: A review of Psychometric Basics and Recent Marketing Practices. *Journal of Marketing Research*, Feb, 6–17. <http://dx.doi.org/10.2307/3150868>
- Renner, C., & Palmer, E. (1999). Outsourcing to increase service capacity in a New Zealand hospital. *Journal of Management in Medicine*, 13(5), 325–338. <http://dx.doi.org/10.1108/02689239910294655>
- Shimp, T. (2003). *Promotion Management and Marketing Communications*. Fort Worth, TX: The Dryden Press.
- Shostack, L. (1982). How to design a service. *European Journal of Marketing*, 16(1), 49–64. <http://dx.doi.org/10.1108/EUM0000000004799>
- Storbacka, K. (1994). The Nature of Customer Relationship Profitability. Analysis of Relationships and Customer Bases in Retail Banking. Swedish School of Economics and Business Administration, Helsingfors, No.55.
- Wangenheim, F., & Bayón, T. (2004). The effect of word of mouth on services switching Measurement and moderating variables. *European Journal of Marketing*, 38(9/10), 1173–1185. <http://dx.doi.org/10.1108/03090560410548924>
- Zeithaml, V., & Bitner M. (2000). *Services Marketing: Integrating Customer Focus Across the Firm* (2nd ed.). Irwin McGraw-Hill.

Appendix 1: Research Questionnaire

To develop an effective *health service strategy* our hospital:

Has a distinguished hospital brand name

Introduces new health services

Understands customer needs in order to develop new health services

Offers a considerable (comprehensive) range of health care types (classes)

Has a good reputation for services and this becomes very important in our hospital success

Has medical staff who play a crucial role in building our brand reputation

Uses a formal plan for new health services types or programmers development

Uses customer (patient) service as a central element in our service offering strategy

Uses customer (patient) feedback to improve the quality and efficiency of our health service

Has a good capacity to hold huge numbers during disastrous time

Has structured and formalized procedures for new health programmer development process

Understands our customers (patients) needs thoroughly

When we *price our health services* we price them based on:

Price discrimination according to market segments which we serve

The private hospital association and physicians association requirements

Pricing strategy according to demand

The different kinds of costs which our hospital incurs

A predetermined rate of return that our hospital is looking for

What customers (patients) are willing to pay

The services which we introduce to our customers (patients)

Pricing strategy according to competition

The ministry of health regulations

In developing our *distribution (access) strategy* our hospital uses:

Telemedicine to deliver our health consultation

Electronic distribution channels such as e-health to distribute our health education to our society

Mobile clinics to access our health services to rural areas

Our branches to access our services to different geographical areas

Flowcharts or diagrams which describe the steps and activities required to deliver our health services to customers

A distinctive distribution capabilities e.g. the ability to open new branch of the hospital

Convenient opening hours in our outpatient clinics at the hospital

Hourly service availability

To develop an effective *promotion strategy* our hospital:

Advertises in media such as television, newspapers, magazines...etc

Encourages our customer/ patient to use word of mouth communication to recommended our hospital to other patients

Publicity and public relation to enhance our image

Promotes sales such as , gifts, discounts, free medical days...etc

Uses direct marketing methods such as e-health , direct mail ,the internet

Sponsors special events such as sports charities, seminars...etc

To develop an effective *physical evidence strategy*, our hospital uses:

Comfortable environment with good directional signs

The décor and atmosphere of our hospital

Comfortable physical environment furnishing, colours, elevators, guides etc.

Enough parking for our patients and visitors

Designed facilities to achieve specific marketing image objectives

Up-to-date and well-maintained facilities and equipment

The cleanliness and appearance of our hospital facilities

Accessibility in terms of location

To develop an effective *process strategy* our hospital uses:

No delays in providing our health services and simple procedures

Updated medical equipments

Customer (patient) feedback to improve health services

Confidentiality and privacy about our patient cases

Privacy during treatment

Services that are provided at appointed time

A short waiting time of not more than one hour

Dignity and respect when treating our patients

Thorough explanation of medical conditions to patients

Technology in delivery service process

To develop an effective *personnel strategy* our hospital concentrates on Hospital Performance Measured by Patient Satisfaction:

Our patients are satisfied with our responsiveness in this service line

Our patients are satisfied with the provider of our service

Our patients are satisfied with the quality of our service

Our patients are satisfied with the price of our service

Our patients are satisfied with the promotion of our service

Our patients are satisfied with the access of our service

Our patients are satisfied with the physical evidence of our service

Our patients are satisfied with the process of our service

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).