Customers Perception and Buyers Characteristics towards Healthcare services

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Introduction

A perspective study in healthcare domain to understand consumers perception towards the services provided by them.

Satisfaction level of the consumers towards the rising cost of the healthcare services.

Selection criteria of the consumers while the healthcare needs.

Drug companies are the factors mainly responsible for increase in health care cost.

Consumers are getting enlightened towards the health care plans (Insurance Plans).

Literature Review

A study of Consumer's Preference for various Medical facilities while choosing a hospital.

Study revealed that the availability of good doctors, nearness to the hospital and the infrastructure of the hospital, recommendation from friends, relatives and affordability came out to be the mostly preferred reasons for selecting a particular hospital

Further so many researches were taken place and by which different factors were identified which were preferably focused by the patients while selecting any hospital. According to the patient the most important factors were found to be like appropriate instructions given to the patients by the physicians, health insurance, nearness to the hospital, awareness of the services that patients are supposed to take delivery, supportive surrounding.

(Channa & Kumar, December,2015)

Appraisal of Patient Satisfaction in Shija Hospital and Research Institute, Manipur.

Quality and satisfaction are inter-linked to each other in, the theory, practice, literature, etc. Probably, there is no opposite believes or views in this regard and thus these two areas got significant importance in research. Even different standards have been set to test the quality provided in a product or services and to test the degree of customer satisfaction level as well.

The inventions and innovations made in the field of medical sciences have considerably transformed the perception of quality expected by a large number of patients and attendants. The development of info-tech and its transformation into knowledge technology has played a positive role in increasing and aggravating the levels of expectations in customers. (Laishram & Sorokhaibam, November,2012)

Service Quality, Customer Value and Patient Satisfaction on Public Hospital

The service company that wants to grow and gain competitive advantages should be able to provide quality services at competitive prices, faster delivery, and good service to its customers.

To meet customer satisfaction in the service industry, quality of service is critical managed company with good. Service quality contributes significantly to the creation of differentiation, positioning and competitive strategy organizations.

Service quality is an important element of customer responses as in the case of pure service, such as health care, financial services, and education.

If the services received or perceived as expected, then the perceived service quality is good and satisfactory. If the services received or perceived exceed customer expectations, the quality of service perceived as an ideal quality. . (Surydana, 2017)

CUSTOMERS' PREFERENC FOR SELECTING PRIVATE HOSPITAL

The hospital characteristics that are associated with patients choosing rural hospitals and the study shows that patients were more likely to choose nearby hospitals, larger hospitals, and hospitals that offered more services and technologies.

In general, physicians are less important for poorer patients, whereas the scope of hospital service is more important for poorer patients.

Many people differentiate healthcare facilities based upon their expertise in treating a particular type of illness. Consumers tend to be open to using multiple hospitals based upon their perceptions of the clinical expertise of each.

The other big concern for many community members is the relative incidence of medical errors committed in each of the facilities under consideration. (Giridhari Singh & Shah, 2011)

Effect of customer's perception on performance of private hospitals in NAIROBI: A case study of KAREN HOSPITAL

This study was based on the theoretical concept that every human being considers the cost and the benefit of any offering before deciding to use the product or services, it also indicates that the customer weighs the value provided by the product or service and compares this to what other competing firms in the society are offering. The theory of competitive advantage depicts that an organization can become competitive in the market place by having unique resources, innovation, unique processes or unique knowledge and value proposition that other organizations do not have.

A study revealed that the quality of process and quality of infrastructure are positively related to patient satisfaction and they affect reputation of the hospital positively. However, the study found no effect of quality of object, quality of interaction and quality of atmosphere on satisfaction of patients and reputation of the hospital. However, it established that the physical facilities that the hospital has influence the perception of the service delivery by patients.(Maina)

Objectives

To understand the customer's perception towards Healthcare Services especially:

- Hospital facilities.
- Diagnostic Centre &Physician Consultation charges.
- Insurance Premium Plans.
- Rising cost of Drugs

Research Question

To know the perception of customers towards the rising cost of healthcare services?

Research Methodology

Study Design: Descriptive Study

Study Area: The study was conducted in Jaipur.

Target Population: It includes males & females both.

Sampling Technique: Purposive Sampling

Sample Size : Respondents 200

Male: 118

Female:82

Methods of Data Collection

Primary Data: Primary data was collected through surveys.

Data Collection Technique: Data which was collected by doing surveys and all it consists of all **Structured Questionnaire** which includes closed ended questions.

Respondents being an important stakeholder they had been **interviewed** to know about their perception towards the rising cost and towards the healthcare services opted by them.

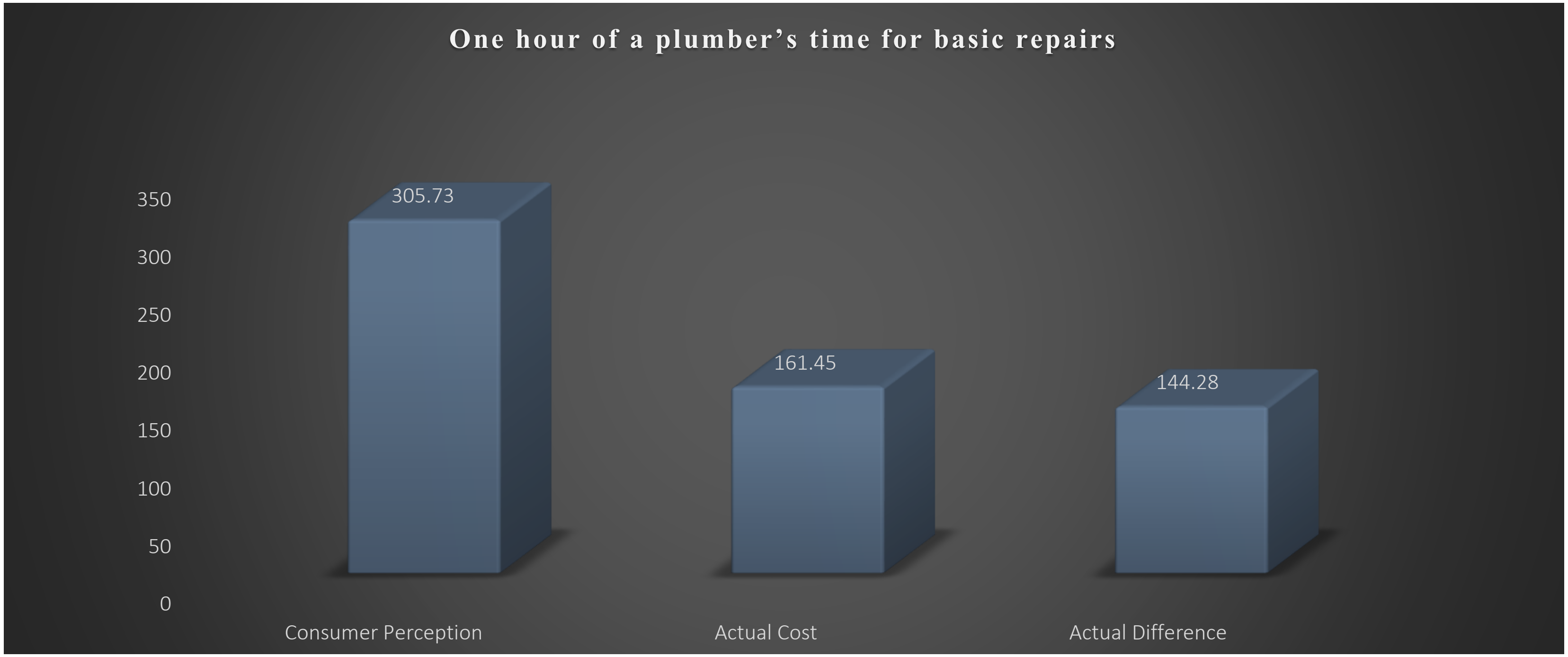
Study Duration: 3 months (8th Feb 2017 – 6th May 2017)

Data Analysis Procedure: Data analysis has been done through MS Excel.

DATA ANALYSIS

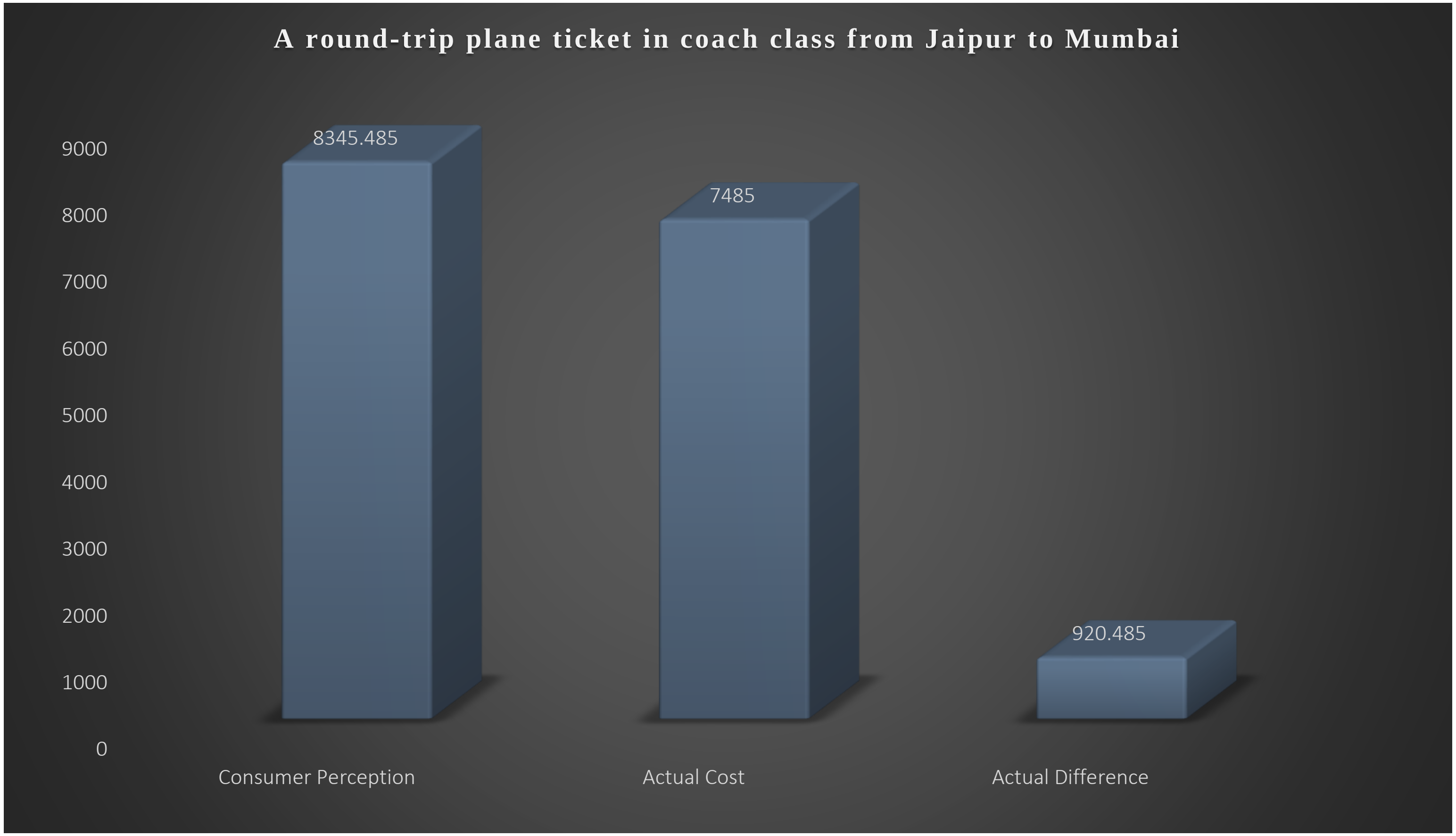
Q1.

According to you what is the average estimated cost for the following Products/Services:



According to the consumer's perception the avg. cost was around Rs 305.73 and the actual Avg. cost was Rs 161.45.

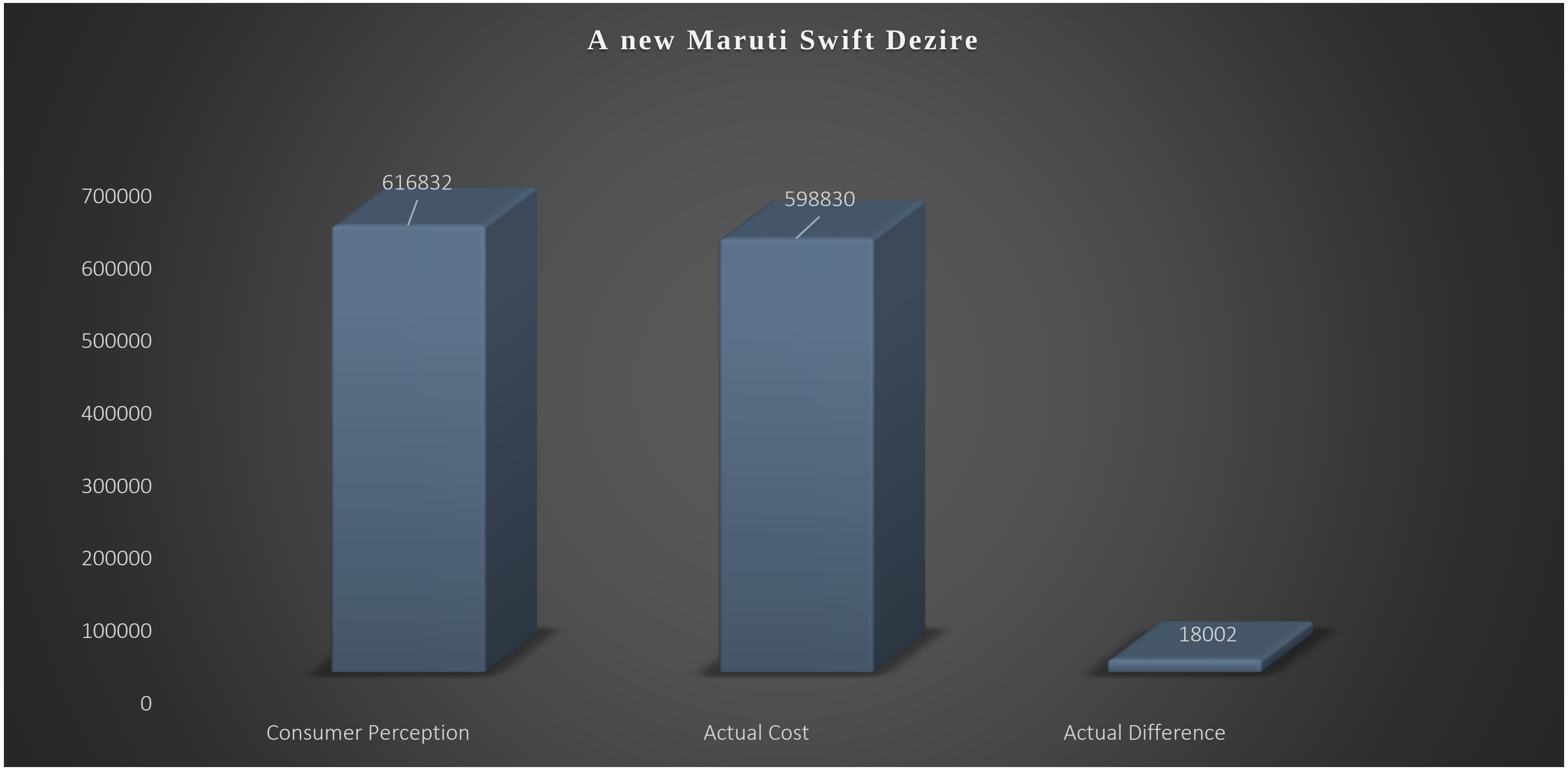
The Actual Difference between the Consumer Perception Cost and the Actual Cost was Rs 144.28.



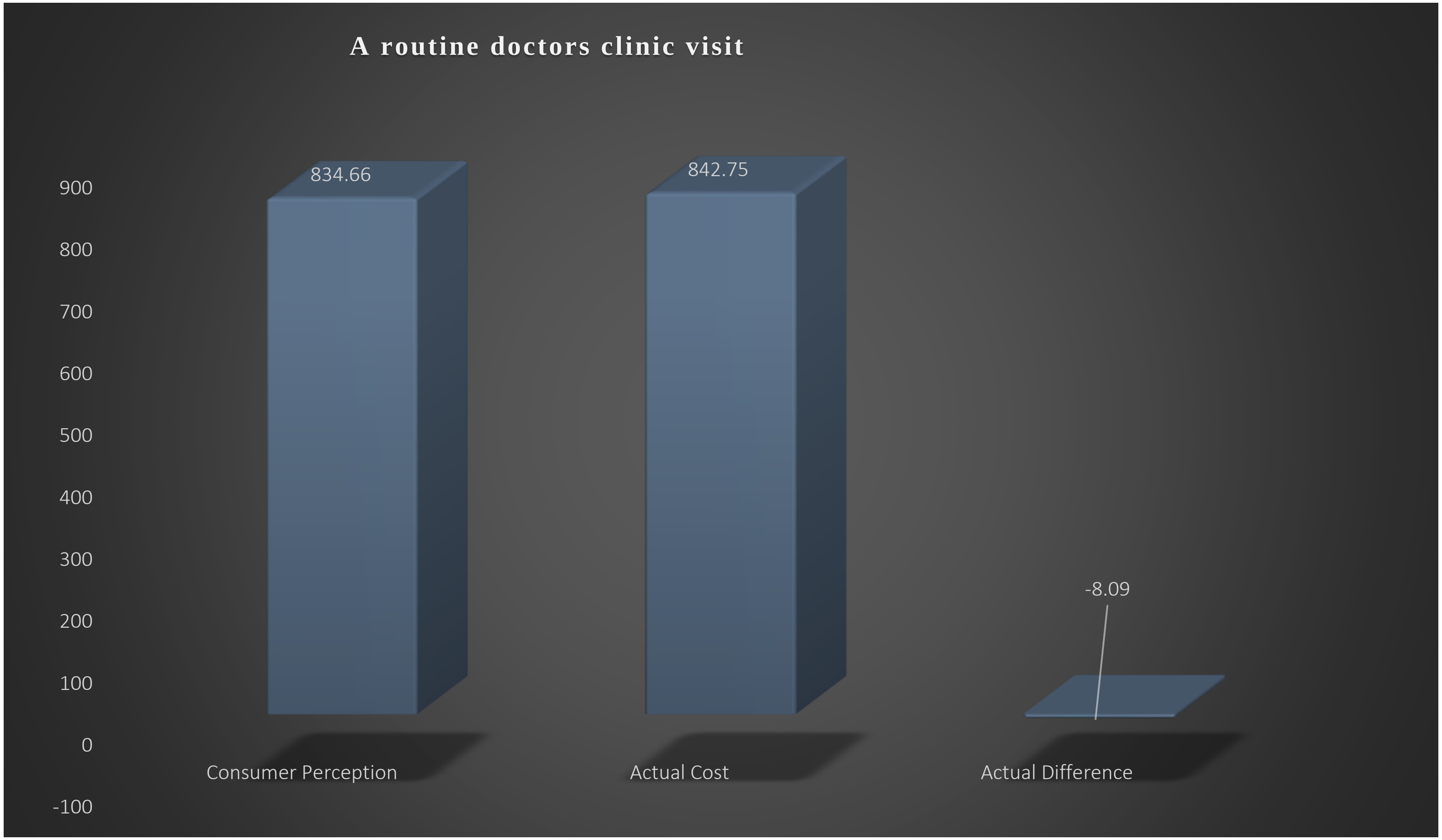
According to the consumer's perception the avg. cost was around Rs 8345.485 and the actual Avg. cost was Rs 7485.00.

The Actual Difference between the Consumer Perception Cost and the Actual Cost was

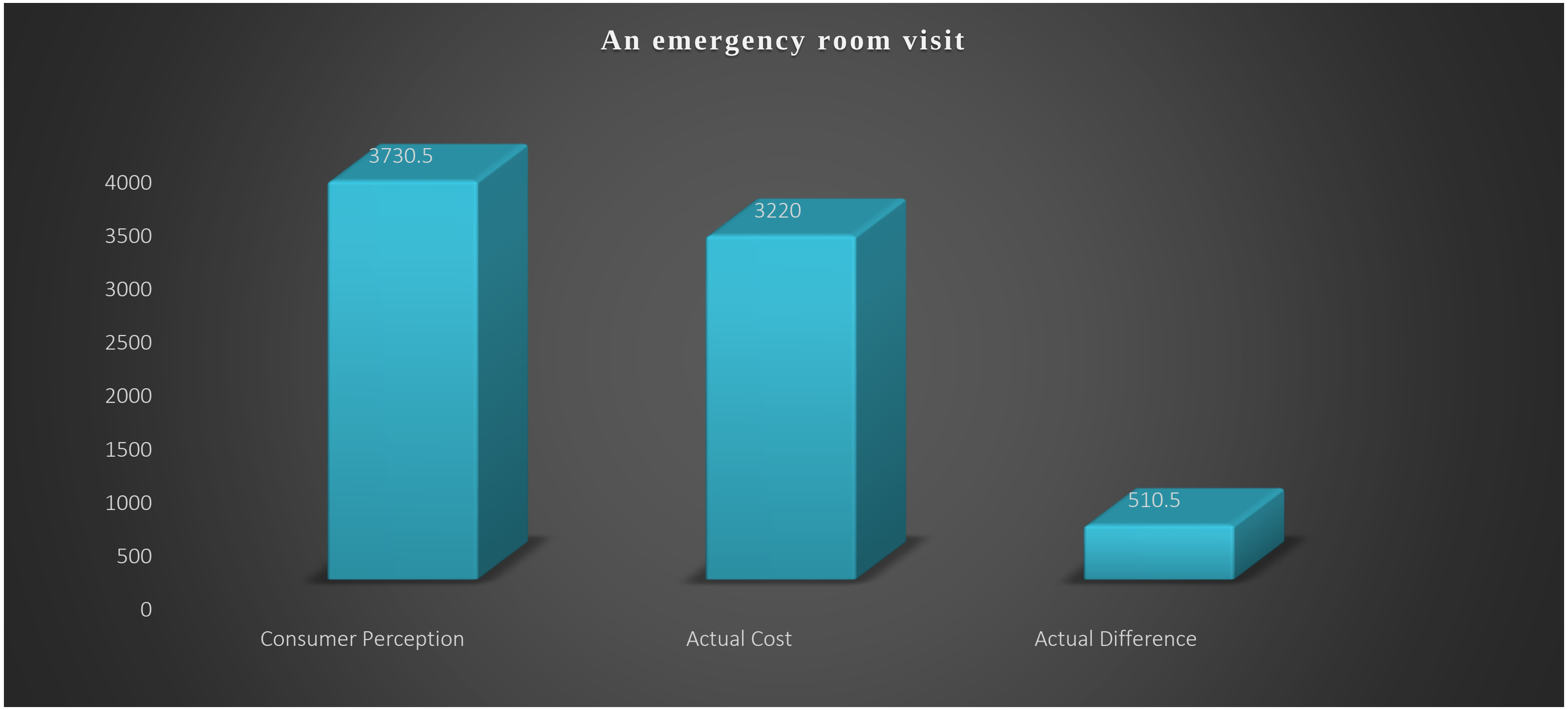
Rs 920.485.



According to the consumer's perception the avg. cost was around Rs 616832 and the actual Avg. cost was Rs 598830
The Actual Difference between the Consumer Perception Cost and the Actual Cost was Rs 18002.

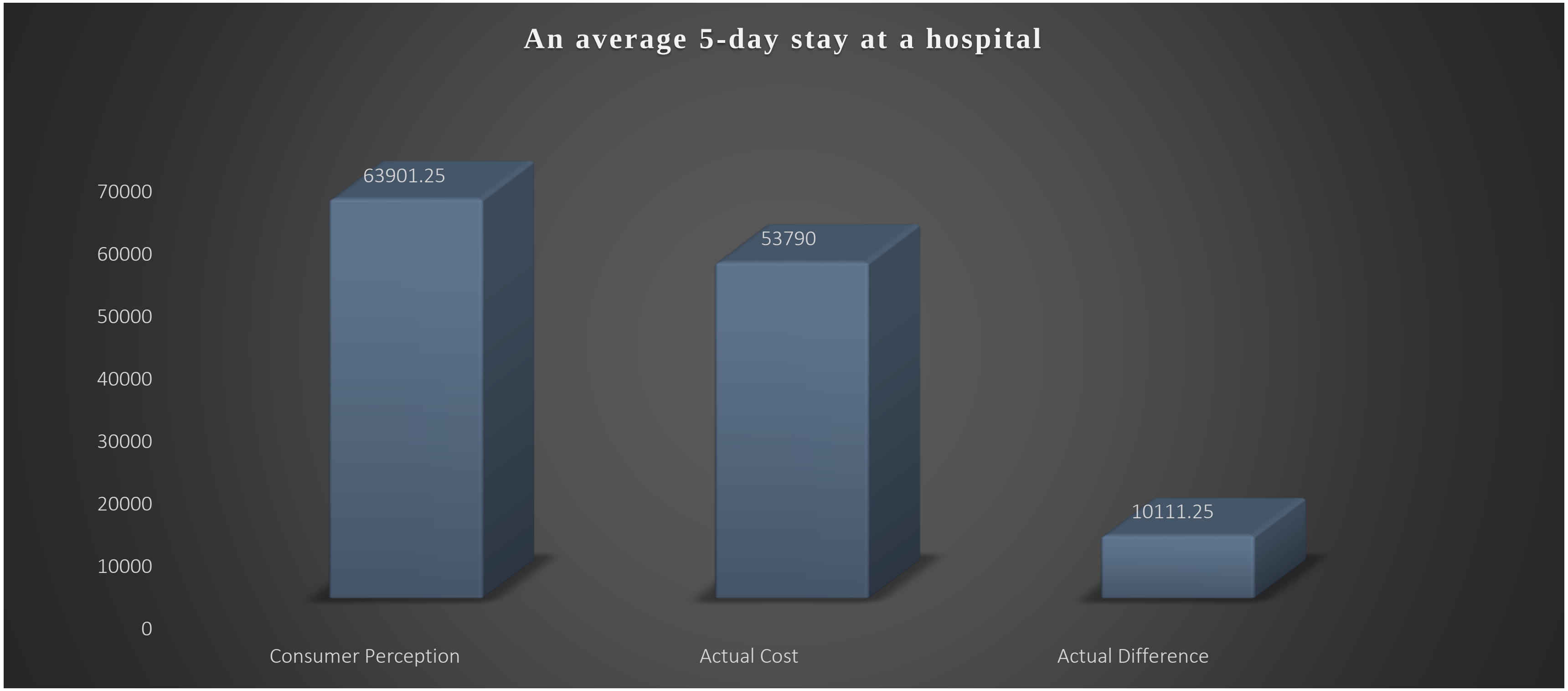


According to the consumer's perception the avg. cost was around Rs 834.66 and the actual Avg. cost was Rs 842.75.
The Actual Difference between the Consumer Perception Cost and the Actual Cost was Rs -8.09.



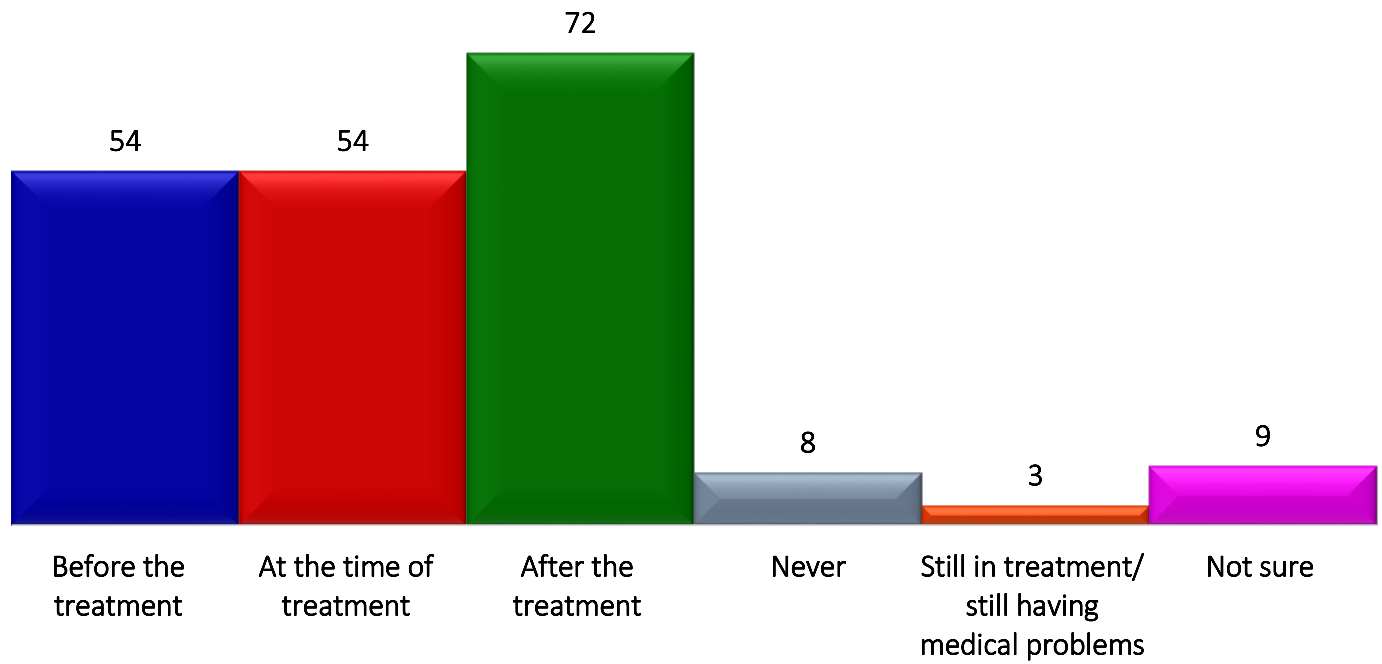
According to the consumer's perception the avg. cost was around Rs 3730.5 and the actual Avg. cost was Rs 3220

The Actual Difference between the Consumer Perception Cost and the Actual Cost was Rs 510.5



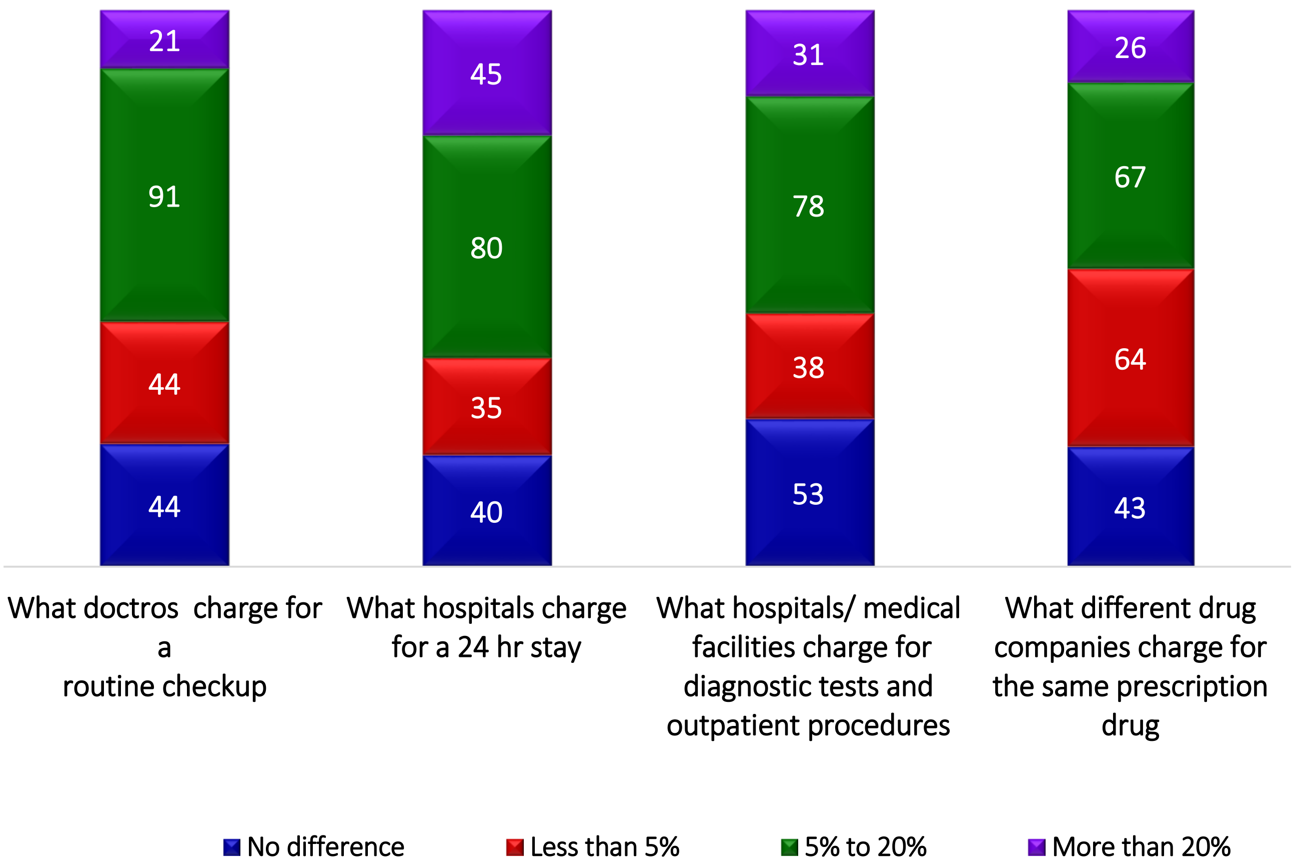
According to the consumer’s perception the avg. cost was around Rs 63901.25 and the actual Avg. cost was Rs 53790.00.
The Actual Difference between the Consumer Perception Cost and the Actual Cost was Rs 10111.25

Q2. When did you learn what the total cost of the treatment would be, including the amount that the insurance company would pay?

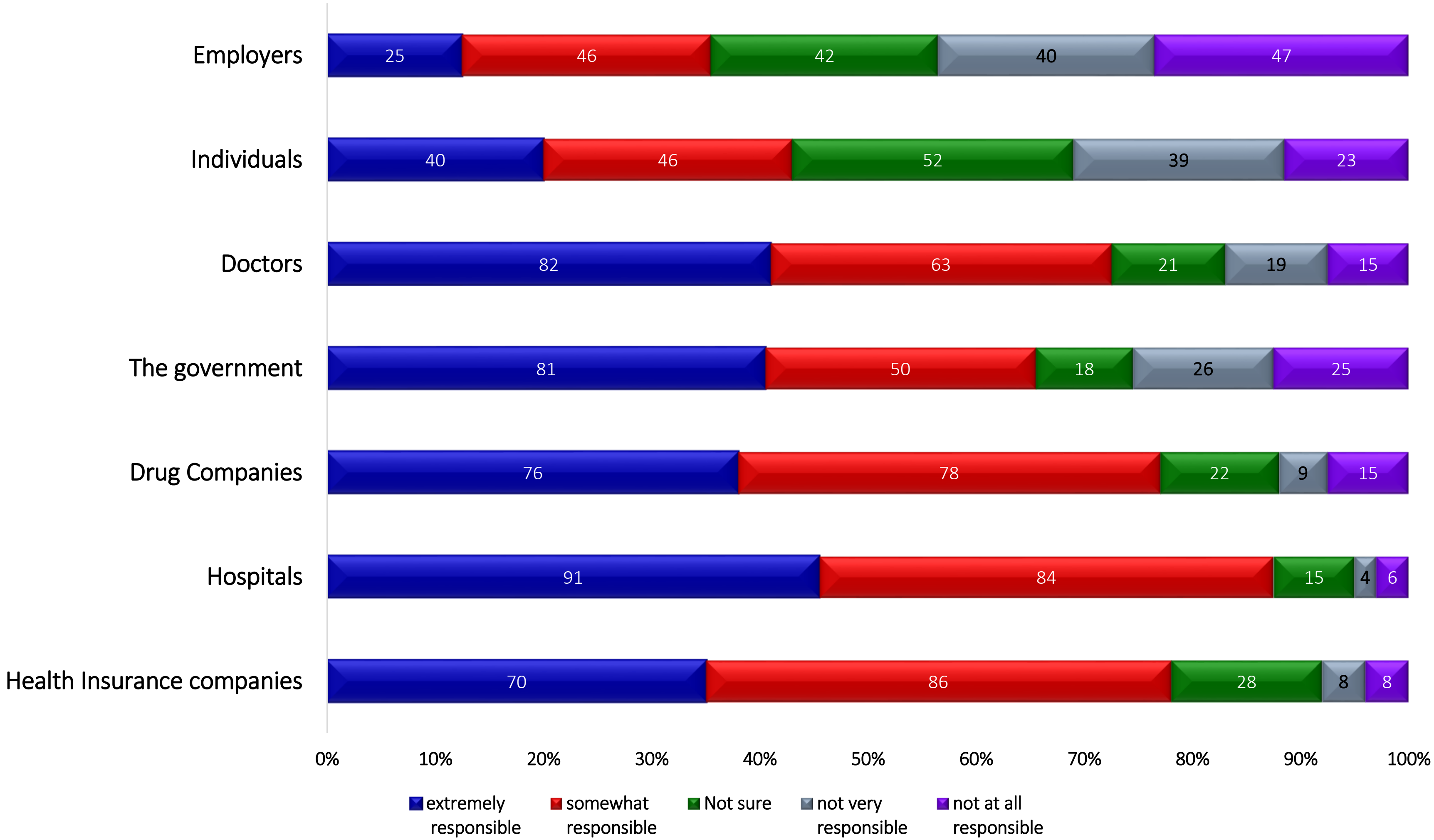


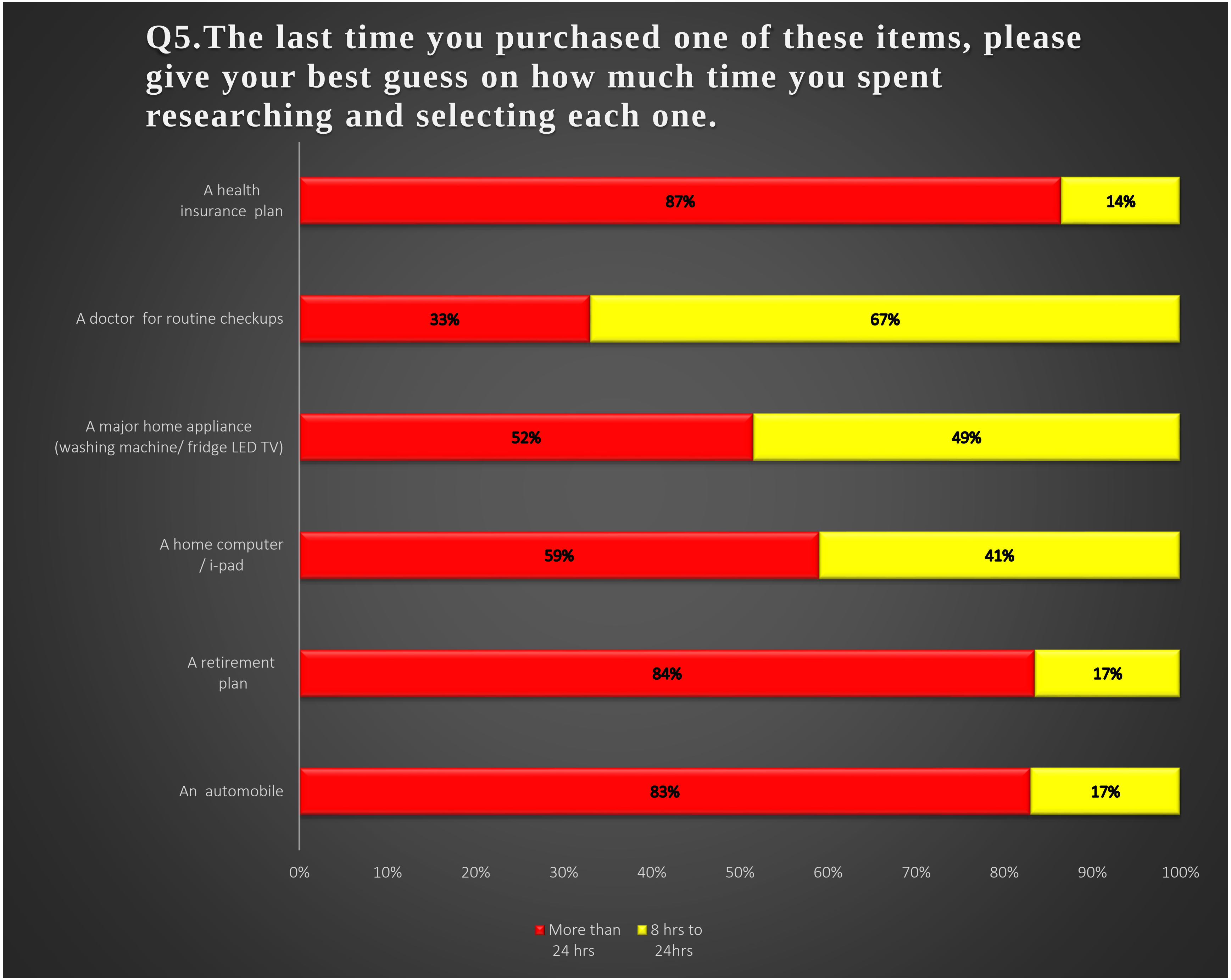
Around 72 respondents feels that, they got to know the total cost of the treatment related to health issues was <u>after the treatment</u>.
Around 54 respondents feels that, they got to know the cost of treatment <u>at the time of treatment</u>.
Around 54 respondents feels that, they got to know the cost of treatment <u>before the treatment</u>.

Q3. On average, in your area, how much difference in cost do you think there is in context to following?



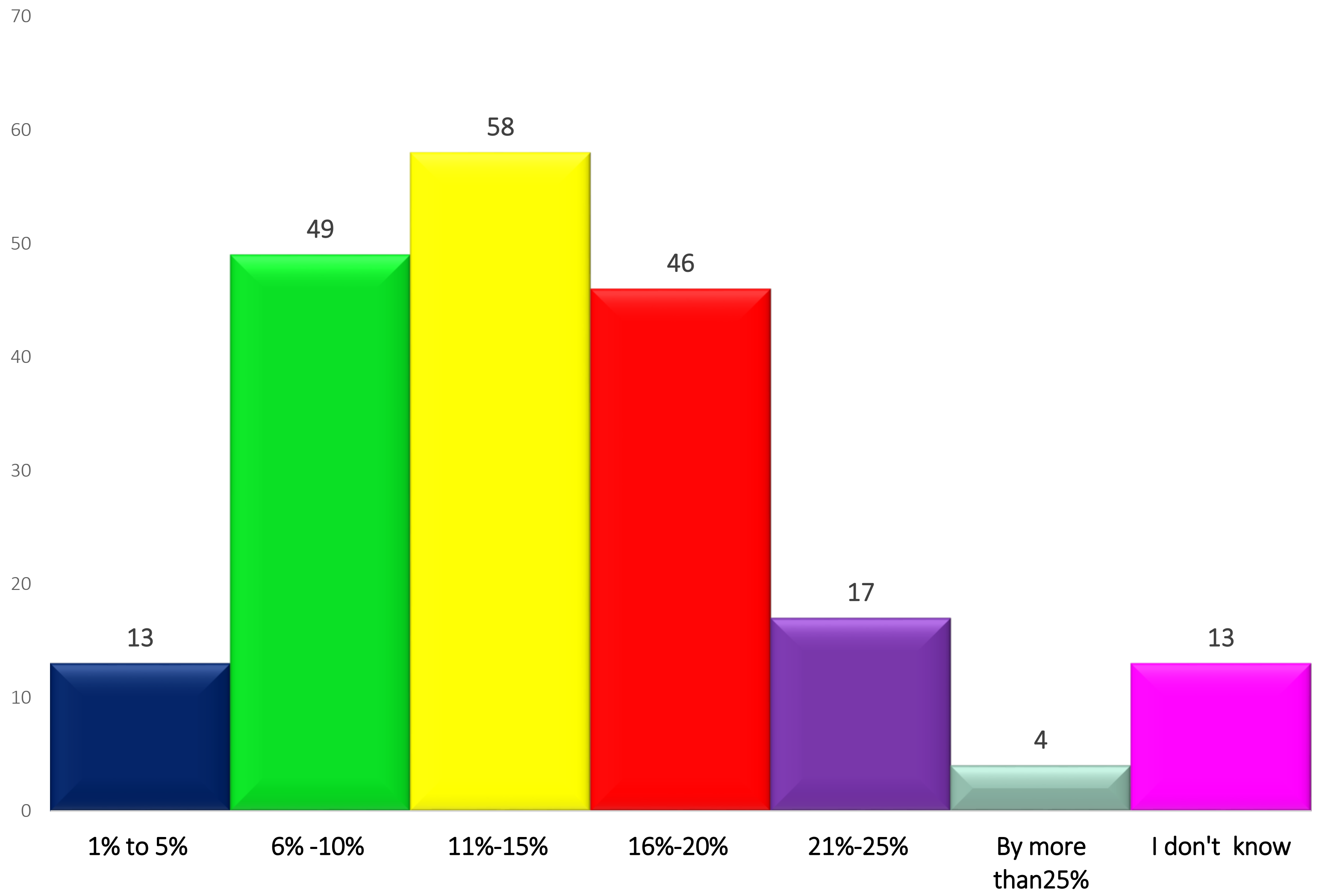
Q4. For each person or organization, please tell me if you think they should be responsible or for controlling the rising costs of health care.



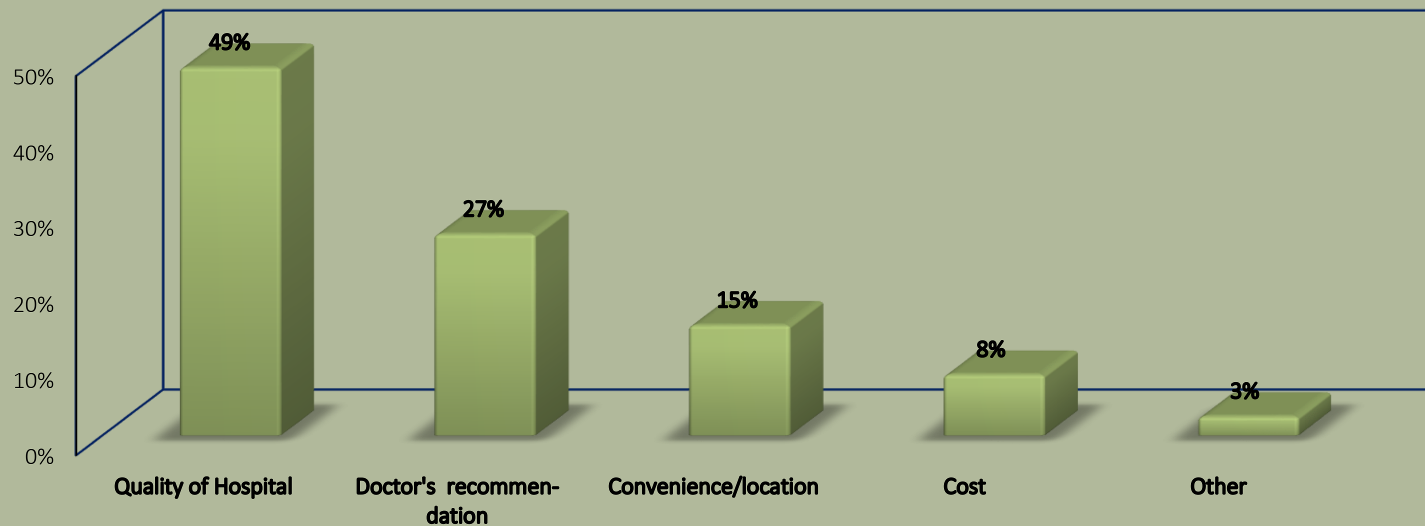


Q5.The last time you purchased one of these items, please give your best guess on how much time you spent researching and selecting each one.
A health insurance plan
87%
14%
A doctor for routine checkups
33%
67%
A major home appliance (washing machine/ fridge LED TV)
52%
49%
A home computer / i-pad
59%
41%
A retirement plan
84%
17%
An automobile
83%
17%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
More than 24 hrs
8 hrs to 24hrs

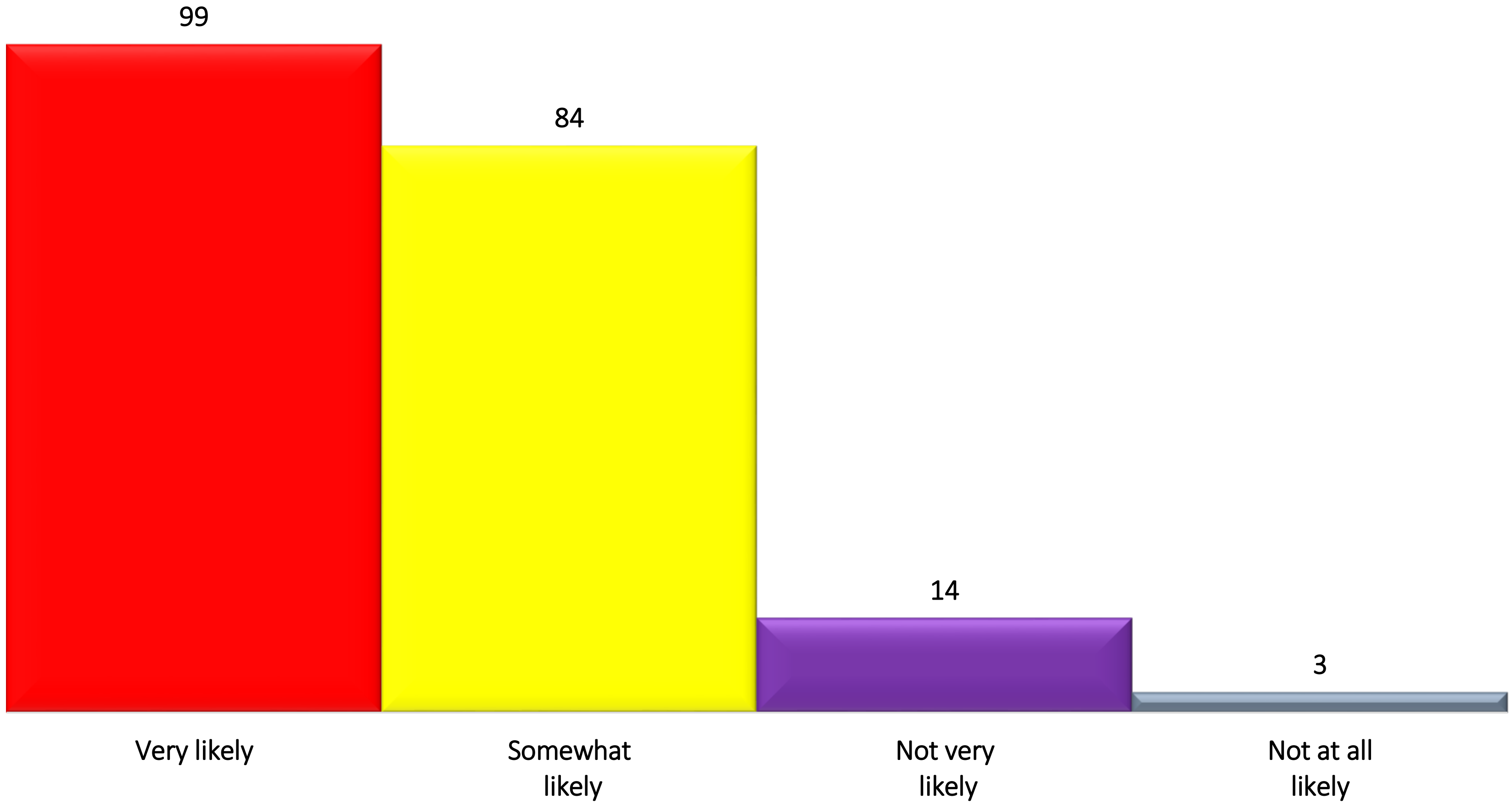
Q6. By about how much do you think the overall cost of health care is rising each year? Please give your best guess.



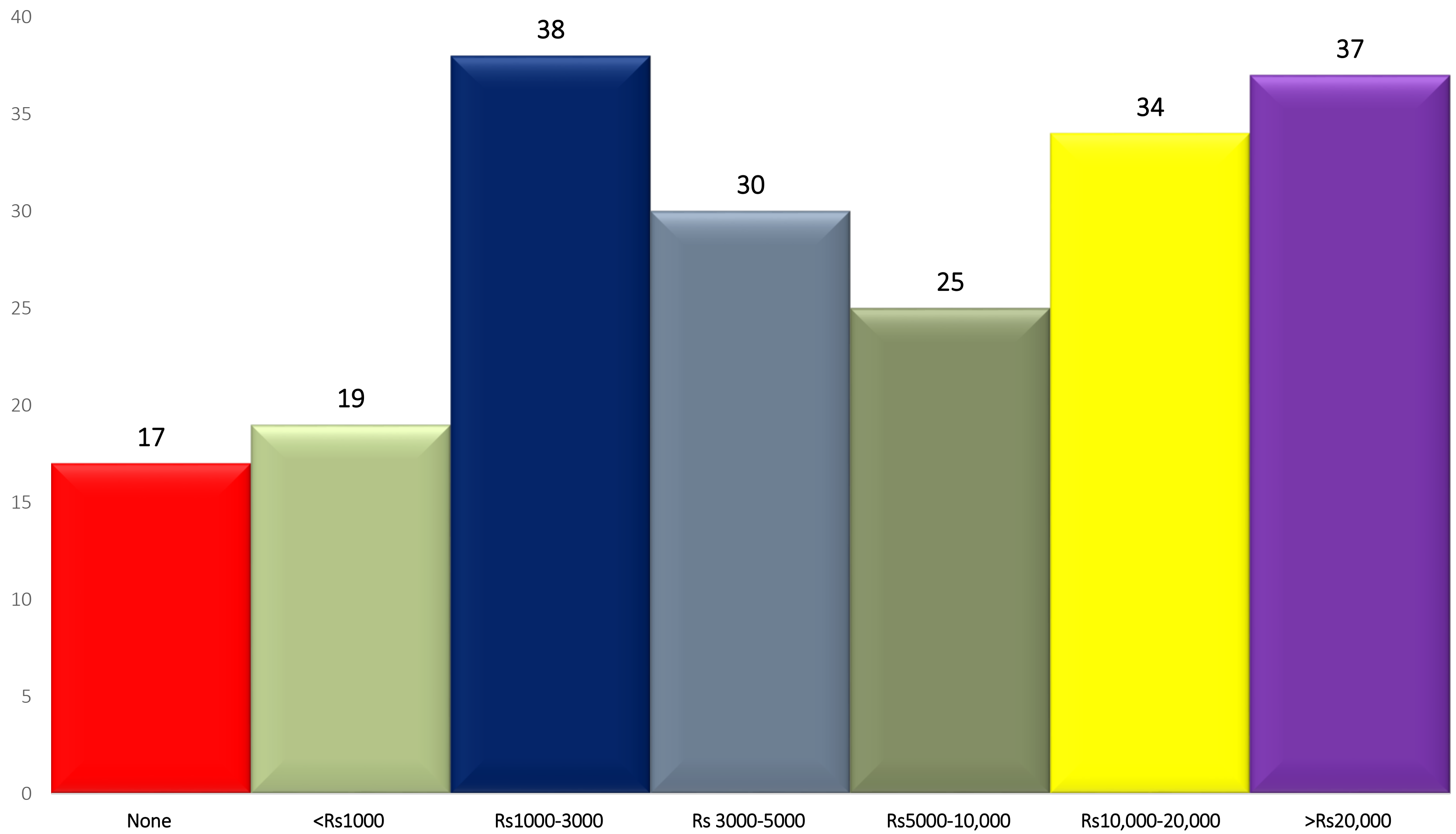
Q7. If you had more control over the cost of your health care and you had a choice of hospitals, what would be THE MOST important factor in deciding which hospital to go to?

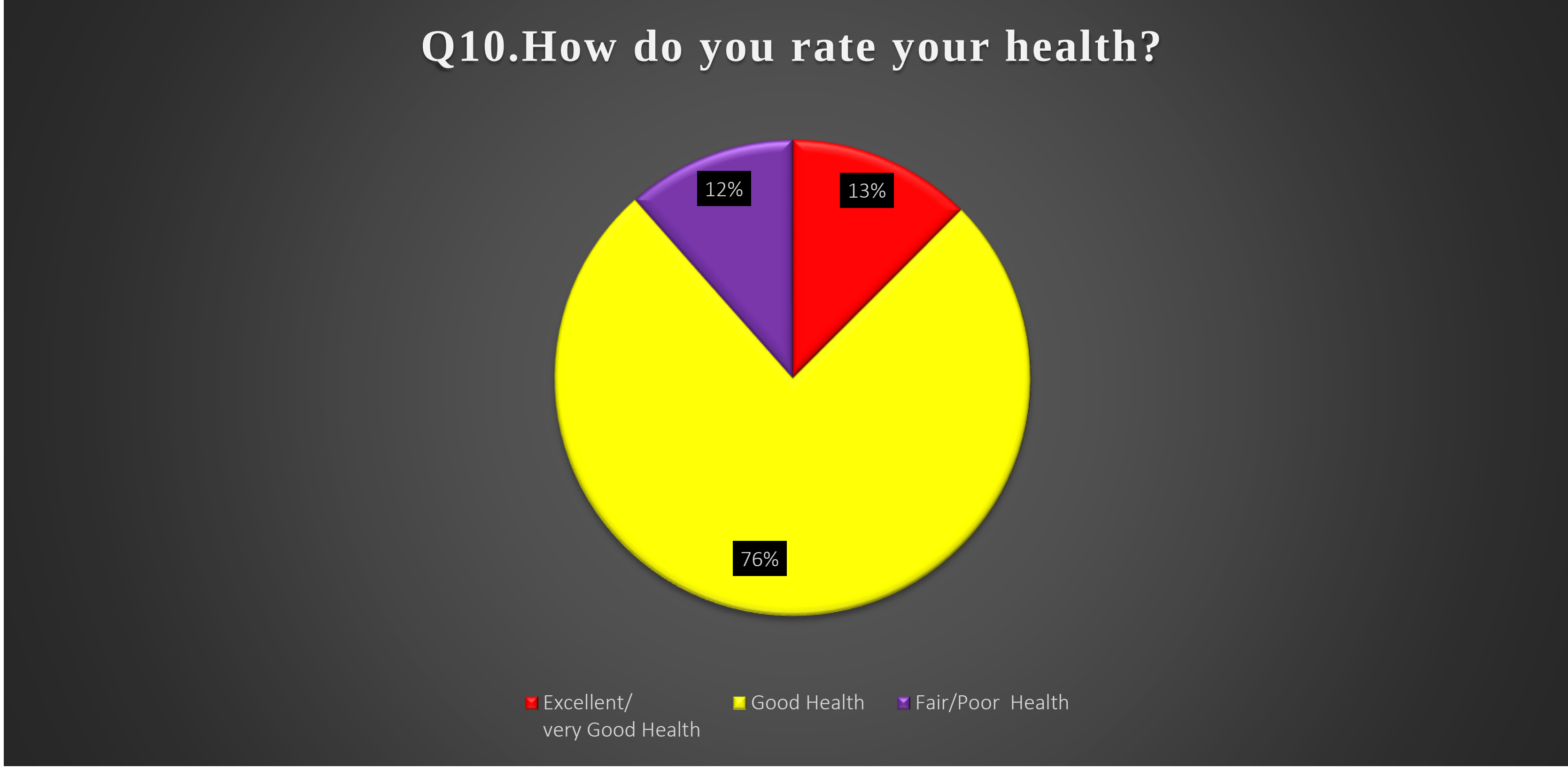


Q8. In the next year, how likely are you to save money for future health care needs?



Q9. How much money do you have set aside TODAY for future health care needs?

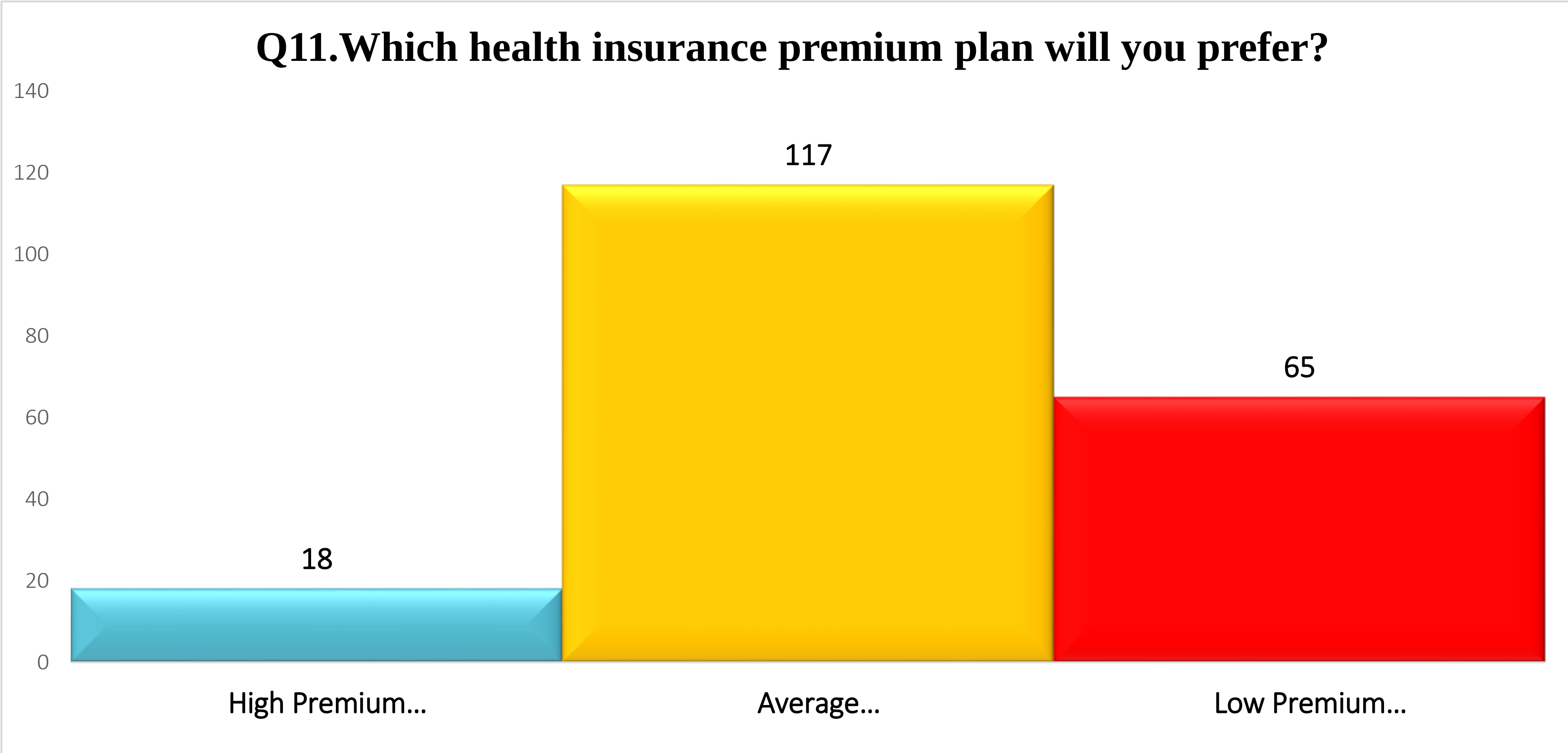




76% of respondents has said they rate their health as Good Health.

13% of respondents has said they rate their health as Excellent health.

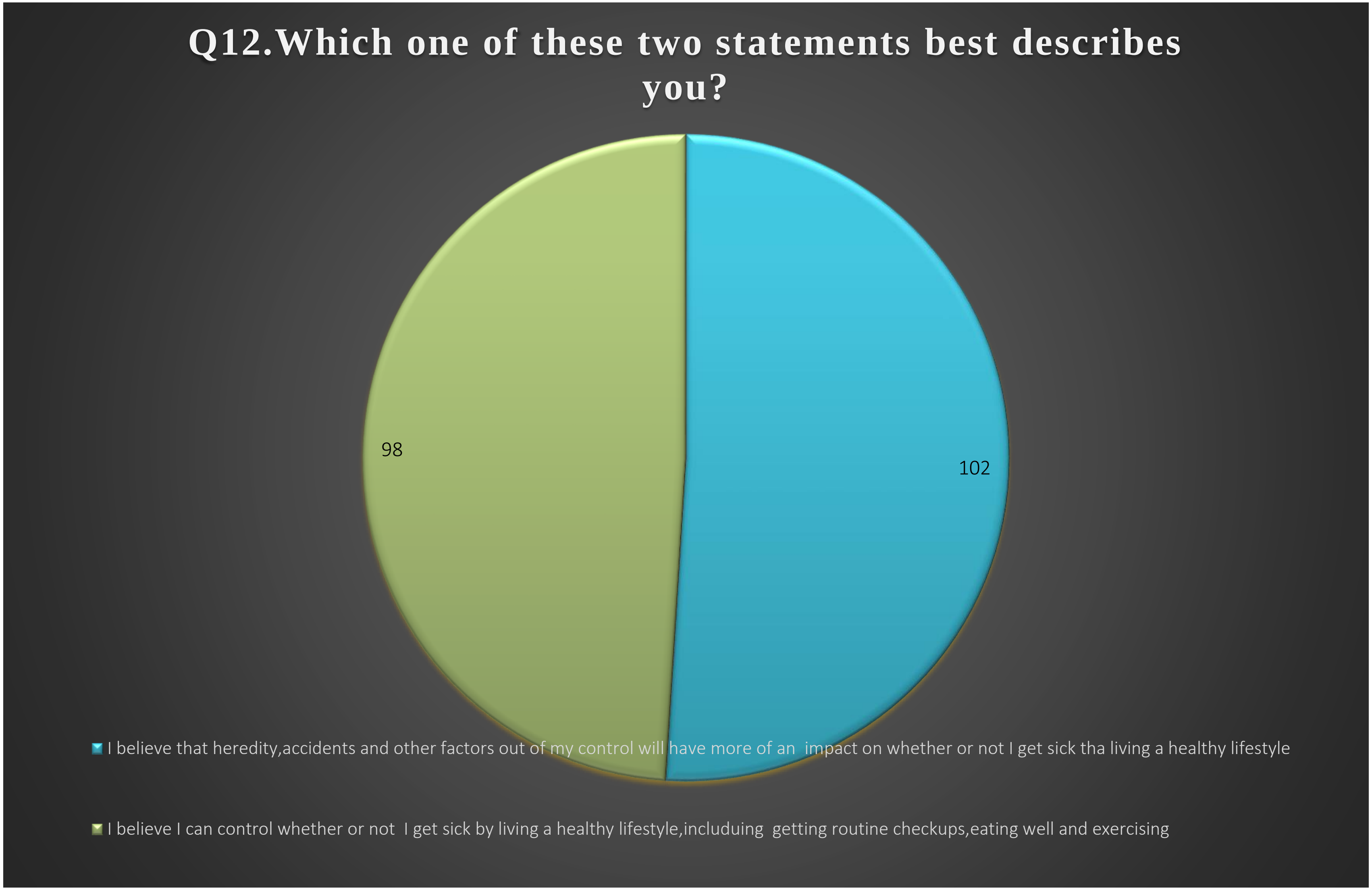
12% of respondents has said they rate their health as Fair/poor health.

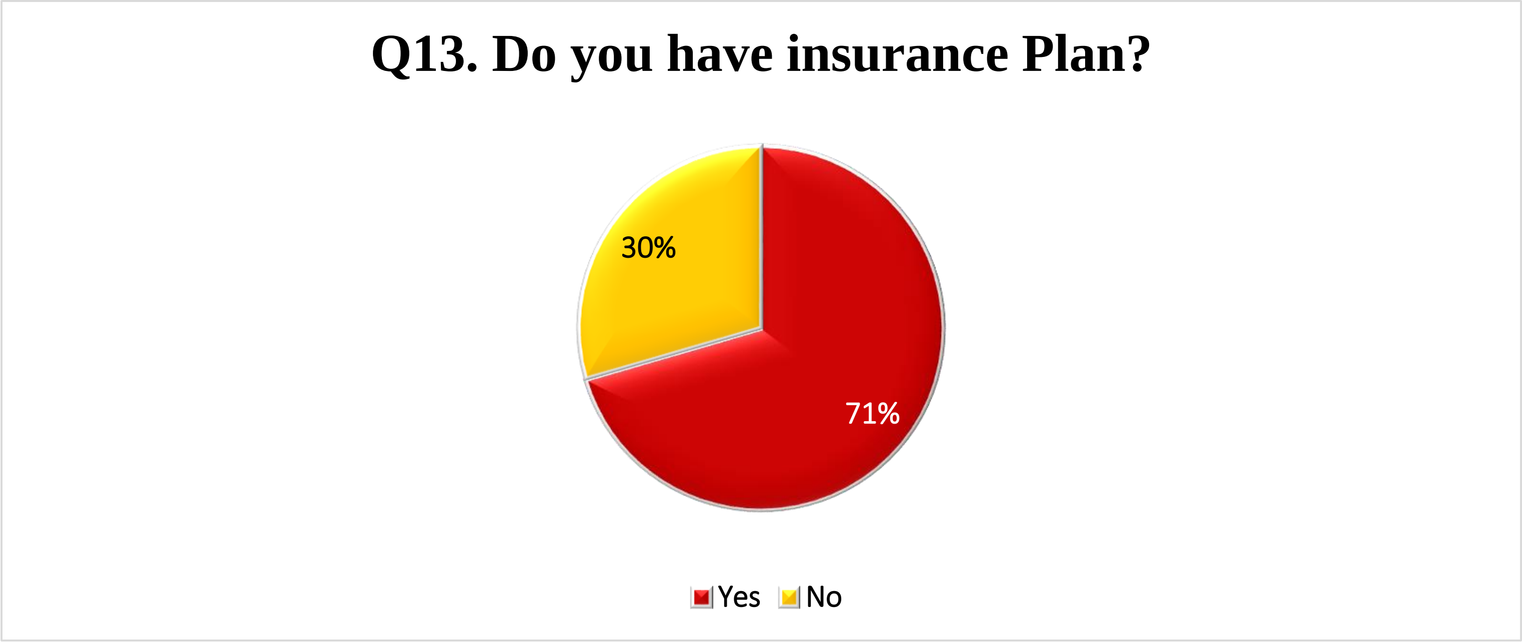


According to 117 respondents they said, they will prefer an average premium plan on the basis of their income.

According to 65 respondents they said, they will prefer a low premium plan on the basis of their income and because of other basic needs.

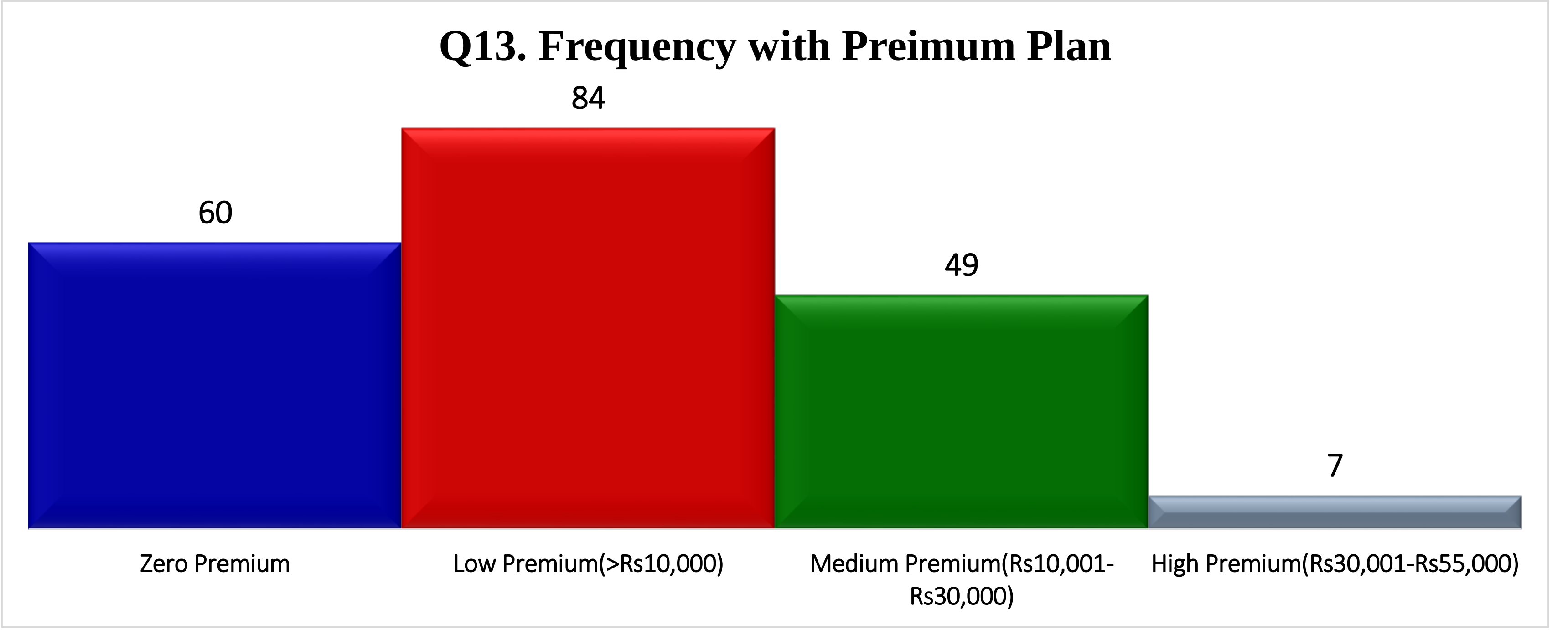
According to 18 respondents they said, they will prefer a high premium plan because of their high income scale and age issue.


Q12.Which one of these two statements best describes you?
98
102
I believe that heredity,accidents and other factors out of my control will have more of an impact on whether or not I get sick tha living a healthy lifestyle
I believe I can control whether or not I get sick by living a healthy lifestyle,includuing getting routine checkups,eating well and exercising



71% of respondents says that they have health insurance plan.

30% of respondents says that they don’t have health insurance plan.

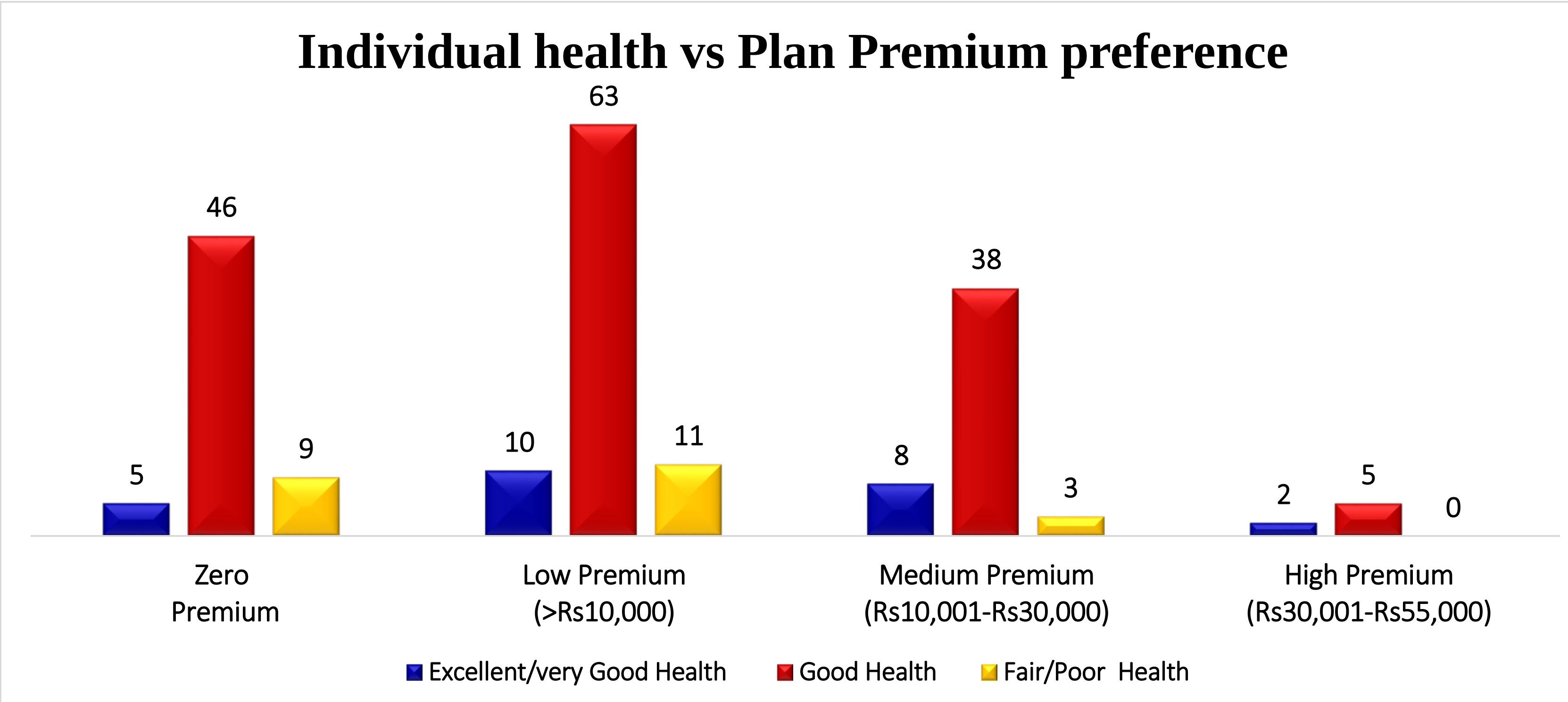


Around 60 number of respondents pay zero premium.

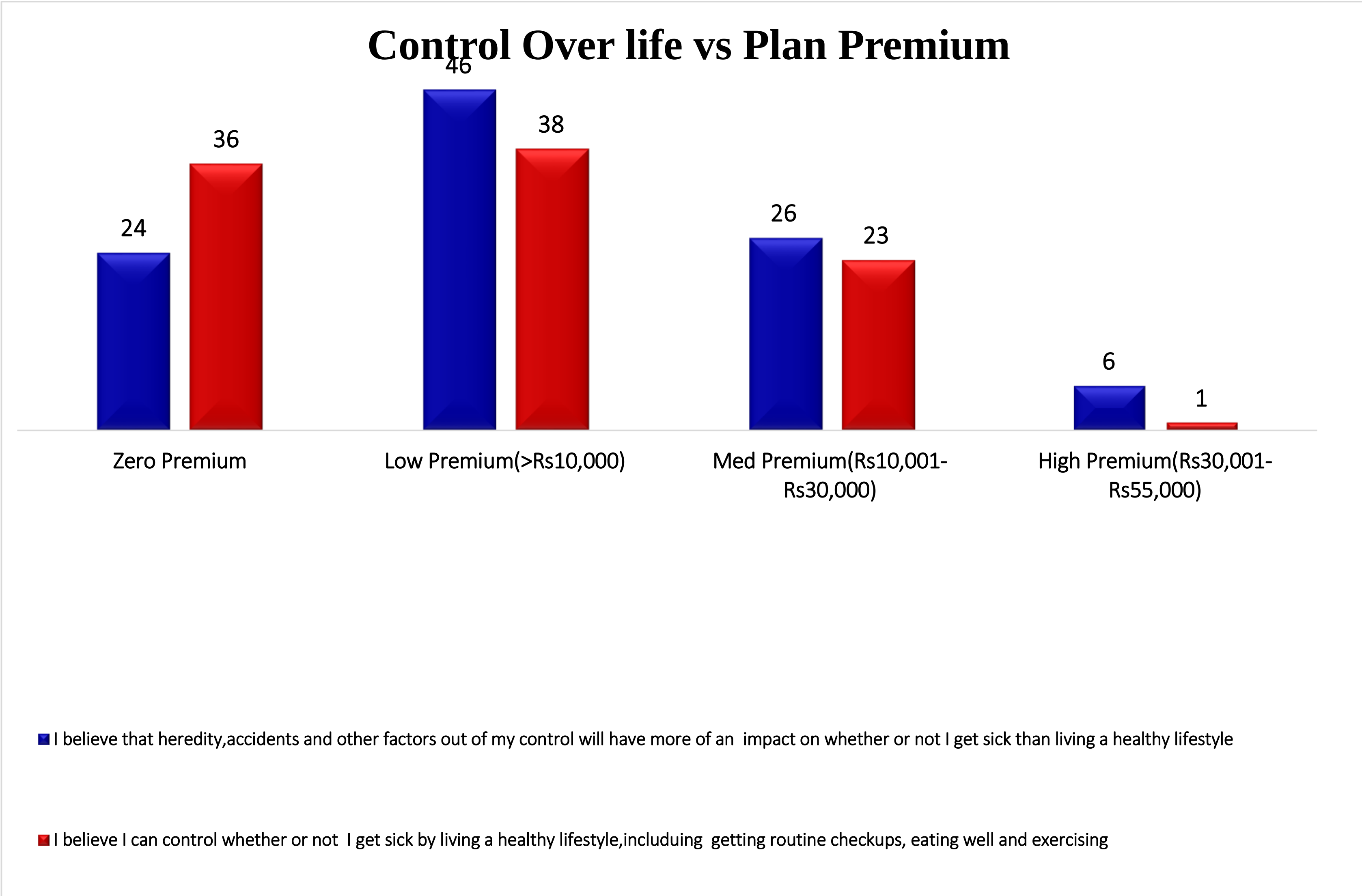
Around 84 number of respondents pay low annual premium which is less than Rs 10,000.

Around 49 number of respondents prefer medium annual premium plan which is in the range of Rs 10,001-Rs30,000.

Around 7 number of respondents prefer high annual premium plan which is in the range of Rs 30,001-Rs55,000.



Individual health vs Plan Premium preference
46
63
38
5
9
10
11
8
3
2
5
0
Zero
Premium
Low Premium
(>Rs10,000)
Medium Premium
(Rs10,001-Rs30,000)
High Premium
(Rs30,001-Rs55,000)
Excellent/very Good Health
Good Health
Fair/Poor Health


Control Over life vs Plan Premium
24
36
46
38
26
23
6
1
Zero Premium
Low Premium(>Rs10,000)
Med Premium(Rs10,001-Rs30,000)
High Premium(Rs30,001-Rs55,000)
I believe that heredity,accidents and other factors out of my control will have more of an impact on whether or not I get sick than living a healthy lifestyle
I believe I can control whether or not I get sick by living a healthy lifestyle,includuing getting routine checkups, eating well and exercising

Key findings

Consumers perception towards the other commodities was very high while at the time of comparison with the actual cost.

Large no. of people had got to know about the cost of health services provided by the hospital after taking a treatment.

Around 45% of respondents felt that there is a rise in cost of health services provided by the hospital, medical facilities and in the charges of physician in their area by 5%-20%.

According to the respondents, hospitals, drug companies, doctor’s, health insurance companies are extremely and somewhat responsible for the rising cost and if they will try they can cut throat it.

87% & 84% of respondents take more than 24hrs of time to decide whether which insurance plan they need to take in place of other commodities if they had to buy, they will take less time.

Around 49% of respondents feel that there is a rise in the cost of health care services by 6% - 15%.

Around 49% of respondents, will choose a hospital on the basis of their quality provided by the hospital if they will get a chance to select a hospital for the treatment.

More than 75% of respondents are interested to save money for future healthcare needs.

Around 117 respondents want to take an average premium health insurance plan.

Around 76% of people has rated their health as “Good”.

70% of people were having their health insurance.

Suggestions

Good news for health insurance companies to cover the market.

Great chance for the companies like health care at home, home delivery pharmacy to excel in market.

Great chance and caliber of government initiative to work for the project of Jan aushadhi program for consumer benefits.

As competition is getting increased whole era of healthcare market is governed by service oriented-marketing, improvement in services and more customer satisfaction process can be introduced

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