

Study the Pattern of Consumer Behavior Towards the Hospital

By

Mili Vinaykant Jha

*Dissertation submitted for the partial fulfillment of the
MBA Hospital and Health Management*

Academic year, 2015-2017



The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer, Airport
Jaipur 302029, Rajasthan
Ph: 0141 3924700, Fax: 3924738
Website: www.iihmr.edu.in

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TO WHOMSOEVER MAY CONCERN

This is to certify that Mili Vinaykant Jha of MBA Hospital Management from The IIHMR University, Jaipur has undergone internship training at Wockhardt Hospital, Mumbai from February 1, 2017 to May 4, 2017.

The Candidate has successfully carried out the study designated to her during internship training and her approach to the study has been sincere, scientific and analytical.

The Internship is in fulfillment of the course requirements.

I wish her all success in all her future endeavors.



(Col.) Dr. Ashok Kaushik

Dean, Academics and Student Affairs
The IIHMR University, Jaipur



Dr. Mohan Bairwa

Assistant Professor
The IIHMR University, Jaipur

The certificate is awarded to

Mili Vinaykant Jha

In recognition of having successfully completed her
Internship in the department of

Name of Department-Marketing

And has successfully completed her Project on
Study the Pattern of Consumer Behavior

Date-4th May, 2017

Organization-Wockhardt Super Speciality Hospital, Mira Road

He/ She comes across as a committed, sincere & diligent person who has a
strong drive and zeal for learning

We wish him/her all the best for future endeavors

Training & Development

Zonal Head-Human Resources



THE IIHMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that the dissertation **Study the pattern of Consumer Behaviour towards the Hospital** and submitted by **Mili Vinaykant Jha** Enrollment No. **0305** under the supervision of **Dr. Mohan Bairwa** for award of MBA in Hospital and Health Management in Health and Hospitals of the University carried out during the period from **2015 to 2017** embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other institute or other similar institution of higher learning.



Signature

THE IIHMR UNIVERSITY, JAIPUR

CERTIFICATE BY SCHOLAR

This is to certify that all ethical issues have been considered while collecting data for my dissertation titled **Study the pattern of Consumer Behaviour towards the Hospital.**

A handwritten signature in blue ink, appearing to read 'Mili Jha', with a stylized flourish at the end.

Signature of student
Mili Vinaykant Jha

PREFACE

Dissertation is an integral part of MBA-HM curriculum. As a part of the course, the students of second year are required to undergo summer placement at organization they are placed at to get in depth exposure to various departments of the organization and understanding of health care delivery system and its functions.

The major objectives of the Dissertation/internship are as follows:

- i. To understand and learn day to day operational management of a Hospital/ Health Care organization and its service contents.
- ii. To identify issues/problems with certain operational areas.
- iii. To acquire more knowledge on roles and responsibilities of key players and stakeholders in the hospital.
- iv. To gain perspective in the functions of various departments by interaction with key stakeholders, policy makers, academicians, and researchers.
- v. To work on a Project assigned by the organization.

Acknowledgement

Dissertation at Wockhardt Hospital, Mira Road helped to provide me a both learning experience as well as a glimpse into the daily managerial level issues of this renowned hospital. I was fortunate enough to interact with the esteemed authorities and staff of the hospital, who have encouraged and guided me with their support and patience.

I offer my sincerest gratitude to **Mrs. Zahabiya Khorakiwala** for providing me an opportunity to carry out my internship at **Wockhardt Hospital, Mira Road**.

I want to express my gratitude and sincere thanks to my mentor **Dr. Clive Fernandes**, Group Clinical Director, **Mr. Amiya Kumar Sahoo**, Deputy General Manager-HR for their constant support and invaluable time-to-time guidance and constructive feedbacks me to develop ideas, think more critically and more value to my work

I also want to extend my thanks to **Dr. S.D. Gupta**, Director-IIHMR for incorporating right attitude towards learning and **Col. (Dr.) Ashok Kaushik**, Dean-Academic and Students Affairs IIHMR, for helping and supporting me to reach my goals and endeavors.

Finally, I acknowledge my indebtedness to the staff of the Hospital and our respected teachers of IIHMR especially **Dr. Mohan Bairwa** for providing his constant support by guiding me throughout my dissertation tenure.

Lastly, I could never finish my report without the help of other working staffs who helped me throughout the journey.

Sincerely,

Mili Jha

MBA-HM (2015-2017)

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Abbreviations –

OPD – Out Patient Department

IPD – Inpatient Department

CSSD – Central sterile supply department

DTC-Direct to Consumer

TAT – Turnaround time

GSR – Goods Service Receipt

ADR – Adverse Drug Reaction

NDPS – Narcotic drug and psychotropic substances

LASA – Look Alike Sound Alike

VED – Vital, Essential, Desirable

ROL – Reorder Levels

DTC – Drugs and therapeutics committee

PPE – Personal Protective Equipment

PPM – Planned Preventive Maintenance

CMS – Chief Medical Services

ICN – Infection Control Nurse

CNS – Chief Nursing Superintendent

OT – Operation Theatre

ICU – Intensive Care Unit

ER – Emergency Room

CSSD – Central Sterile Supply Department

BHU – Body Holding Unit (Mortuary)

FSD-Food Service Department

E-MRD-Medical Report Department

AHU – Air handling Unit

HEPA Filter – High Efficiency Particulate Air filter

MGPS – Medical Gas Plant System

STP – Sewage Treatment Plant

ETP – Effluent Treatment Plant

WTP – Water Treatment Plant

AMC – Annual Maintenance Contract

CMC – Continuous Maintenance Contract

CAMC – Comprehensive Annual Maintenance Contract

RO plant – Reverse Osmosis Plant

Introduction

Consumer behaviour is the study of individuals, groups, or organizations and the processes that helps during selection. Various elements like psychology, sociology, social anthropology, marketing, and behavioral economics affects Consumer behavior blend. As we are now gradually shifting from calling people “patients” (passive) to calling them “consumers”, which is an important step toward a consumer-driven healthcare system. There is substantial evidence building that consumers want an increasing role in making decisions about their healthcare. Consumers make the choice of a hospital based on various clinical and non-clinical factors; that include the quality of experience with the physician, physician’s goodwill, ability to pay, knowledge about the physician’s reputation, proximity to home, nature of ailment, and duration of treatment. The decision to go for specialized care also goes through several such filters. With shift towards a more informed patient, the trust parameter takes a new meaning. The healthcare consumer is transforming. The system, inclusive of physicians, practices and policies, needs to follow suit. It is important to understand the process by which consumers evaluate and choose health care providers and treatments. The study suggests that information seeking may well have reached the levels of a typified consumer. However, selection behavior for a physician is still restrained and rationally driven by consumer’s own experience or recommendations from family and friends. Satisfaction with the health care system, overall, is seen to be steady. Patient satisfaction is one of the important goals of any health system. It needs to take into consideration responsiveness at both clinical and non-clinical outcomes which influence the overall satisfaction. Patient satisfaction depends on many factors such as previous experience with the physician, the physician’s behavior, time devoted and information shared. With shift towards a more informed patient, the trust parameter takes a new meaning. The way in which physicians interact with consumers needs a revamp. Providing information and supporting their participation in decision making of course requires greater communicative competence on the part of clinicians. This may result in longer or more consultations.

This project is based on the aspect of consumer behavior with respect to selection preference of any Hospital. The project revolves specifically around the consumer’s behavior when it comes to selecting a Hospital in the time of Emergency and for major surgeries. The factors that influence the consumer to make his/her decision while

selecting a Hospital are also discussed. As this is a research project, survey method conducted a research. A small survey was conducted which included a structured Questionnaire guideline. Local people from Mira-Bhayandar were interviewed, given data was collected and documented. This survey was done to understand consumer's demand in the today's world and aid those demands.

Literature Review

According to (Wu-2011)^[1]-In the current health care industry, Patients/Consumer's attitude and behavior towards the Hospital has come an important issue as it creates an impact on the Hospital Brand image. He conducted a study to understand the relationship between hospital brand image, service quality, patient satisfaction, and loyalty. Survey was done in the Large private hospitals of Taiwan and data was collected. The results showed that the hospital brand image has both direct and indirect effects on patient loyalty which means that a positive hospital brand image surges patient loyalty right way and it also promotes patient satisfaction through the enhancing of perceived service quality, which in turn increases the 're-visit intention' of patients. Hospital brand image serves immensely in various factors like enhancing service quality, patient satisfaction, and patient loyalty. The result states that the path from quality services and patient satisfaction is the key factors to promote positive image of the Hospital Brand. This study also revealed that fact that Hospital managers should be determine to create and maintain the quality of services, patient satisfaction, and loyalty to maintain the Brand image.

According to Dharmesh Motwani Vijay Shrimali-2014 ^[2]-Service Marketing mix i.e. 7 Ps (Product, People, Place, Price, Physical Evidence, Process, Promotion) is the most important tool for the current Hospital world and it is also the most innovative idea in the Business. The value of marketing mix, hospital management teams are increasing with the course of time, marketing oriented. Basically, service marketing mix elements orbits around customer's behavior pattern. For Hospitals, price transparency, suitable location, friendly approach of medical associates towards the patients, palpability and process through technology plays a major role in differentiating services from competitors.

According to Chuan- Biau Chen ^[3]-In recent years, Competition amongst private Hospitals have become more intense. Hospital managers are now facing bigger challenges. Thus, emphasis on traditional as well as relationship marketing in hospitals. Hospital managers have increasingly invested more time in thinking how to create good brand image, increase their core competitive strengths, and attract more consumers to their hospital. The survey was conducted in Chiayi Taiwan, this study discusses the

factors determining the consumers approach while selecting any Hospital. This study expects to understand consumer preferences about consumer's promotion methods that is which promotional methods will create more loyalty among them, and thoughts on hospital marketing programs for consumers from different backgrounds. Based upon the outcomes of the study, three explicit were obtained, the top six marketing-related ways influencing consumers' selection process were: free medical checkup, reference given by friends and relatives, free clinic treatments, up to date emailing of OPD schedules to possible customers, news exposure on social media, and health education on public health and hygiene, high occurrence of referral by friends and relatives; TV exposure; free medical consultation; free clinic treatments; and providing education in public health and hygiene and third point were Gender and age are factors that significantly impact on consumer choice related to promotional activities.

According to Consuegra, D.M., Molina, A., & Esteban, A. (2007) -The purpose of this paper was to study the effects of customer satisfaction both directly and indirectly (through loyalty) on price acceptance also price fairness is considered as a precursor of customer satisfaction and loyalty. The study was approached through multiple-item indicators from the previous studies to measure. A brief theoretical discussion was held related to the relationship between price fairness, customer satisfaction, price acceptance and loyalty. The outcomes of the study showed that empirical support, suggesting perceived price fairness influences satisfaction in the consumers and loyalty. The analysis also showed that customer satisfaction and loyalty were also the reason behind price acceptance. However, there were certain limits to this study. The study found that accept consumer satisfaction and loyalty no other reasons influenced the price acceptance. Implications of the research results suggested that alleged price fairness in hospital service industries can be viewed as a threshold factor to maintain satisfied and loyal customers. Also, managers should ponder that price acceptance be subject to on the level of satisfaction and loyalty.

According to Dharmesh, Motwani, Dr. Devendra Shrimali, [\[5\]](#) – Hospitals have important role in health care services. Earlier, this sector the hospitals were recognized as charitable institutions, especially for the weaker sections of the society who could not pay; now the hospitals are introduced with a agenda to serve all sections of the society. As in the 21st century complexities of life are enhancing and so the demands of the customers is becoming more convenience seeking from the service industry and hospital sectors. Increasing competition is inspiring hospital

administrators to integrate better services in the hospitals. Besides now patients are also comparing facilities and amenities of numerous other hospitals when availing medical facilities. This study was an effort to understand the factors that influence patient's choice of hospital selection. The study was led on consumer behavior aimed to classify the factors affecting patients' decision while selecting process of a hospital. Descriptive research design was used for the purpose and a structured questionnaire was prepared based on 142 public & 337 private hospital. Stratified purposive sampling method was used, patients were chosen from Udaipur division, Rajasthan. The outcomes of the investigation showed four important factors that affects the patient's decision during the selection process, Experienced Doctors, 24X7 Emergency services, previous experience with the Hospital and trained nursing associates.

According to Rajkumar Giridhari Singh ^[6] -Private Hospitals have emerged and are now playing an important role in the world of Healthcare due to the rapid growth in the population and lack of services and quality of care in the Government Hospitals. Private Hospitals are creating demands in their consumers by providing certain amenities and facilities. Patients now have number of choices in respect to the selection of Hospital, they suitably choose according to their comfort level, whether is the Doctors, Location, Infrastructure availability, price fairness and referral from friends or family doctors, etc. This study aims to find out customer's preference for the selection of any private hospital for their treatment. The study aimed to identify the proportion of consumers willing to seek the certain Hospital in references to the similar attributes for the treatment. It also helps in identifying the important factors that plays a significant role in customer preference for a private hospital. Data was collected from three biggest multi-specialty private hospitals of Manipur (India) in a scheduled time. Cochran's Q test was used to identify whether the proportion of patients willing to seek a certain hospital was same across all the attributes for treatment. The results can be used for the reference by the Hospital Administrators in their Hospital.

According to Grote, K.D., Newman, J.R.S. and Sutaria, S.S. (November 2007) ^[7] the biggest influences in any area/field and the incidence of medical errors has a relation with the facilities perceived Quality. With the focus groups with Gallup's healthcare clients, the consumers do not necessarily prefer the same hospital for all types of conditions/expertise-- many people judge healthcare facilities based upon various factors

in treating certain type of illness. Consumers now prefer exploring multiple hospitals based upon their observations of the clinical. However, the major concern of the consumers is the medical error which might occur while treatment. In all areas quality-related aspects ranked highest when it comes criterion healthcare related decisions. Nevertheless, the most complicated part is getting healthcare consumers just enough consistent information to make decisions. Focus group participants were asked during survey how healthcare quality is judged, the entire room got silent. Although Quality measures are given highest priority, but the consumers have only an imprecise idea of where to find dependable measures or how to utilize them. Family primary care physicians may solve this problem for consumers seeking help- 46% of respondents admits that a doctor's referral or doctor's order has influence on their choice of hospital. Bottom Line in the new era of several healthcare related web sites consumers do not have access to correct resource they require to make corrective decisions. Thus, there remains a strong, unsatisfied demand for information on quality of care and incidence of medical errors.

Dranove, D., White, W.D. and Wu, L. (1993) ^[8] -conducted a study to examines the evidence of market segmentation on the grounds of patients' insurance status, demographic characteristics, and medical condition in nominated local markets in California in the years 1983 and 1989. Substantial difference was observed in the patients admitted to the Healthcare set up based their Health insurance plan coverage, Medicaid, and racial orientation. The outcomes of the investigations showed that the patients with Medicaid's were likely to go to the Hospitals with lower costs and fewer services while people with private insurances go the larger Hospitals with more amenities and quality service offering.

Research Question-

Which is the most preferred Tertiary care hospital in Mira-Bhayandar area?

Objective-

The study was done to identify the factors affecting patients' decision in selection of hospital.

Research Methodology-

1. Research Setting:

Wockhardt Super-Specialty Hospital-350 bedded set up, Mira Road.

2. Market survey was done at-

- a) Bank of Baroda- Geetanagar, Bhayandar (East)
- b) Kanakia Police Station, Kanakia
- c) Maxus Mall, Bhayandar
- d) Shanti Park, Mira Road.
- e) Thakur Mall, Dahisar
- f) Sheetal Nagar, Mira Road

3. Analysis-The data collected was studied with the help of Advance Excel

4. Duration of study-February 6,2017 to March 5, 2017

5. Sampling Technique-Simple random sampling technique

6. Research Design-Primary data was collected with the help of close ended questionnaire.

7. Data Collection-Target population involved 130 local people from Mira-Bhayandar residents. Study participants were interviewed and data was documented. Mira road and Bhayandar was selected since the Hospital is in Mira Road and Bhayandar area comes under 10 kilometers' range. Data was collected of those people who were live in Mira-Bhayandar for more than 6 months.

Analysis and Results:

Figure no.1-Out of 130 sample size,36% people choose Wockhardt Hospital as the best Hospital in the region for management of Emergency like- trauma, accident cases and the second-best hospital is Thunga i.e. 24% people choose it.

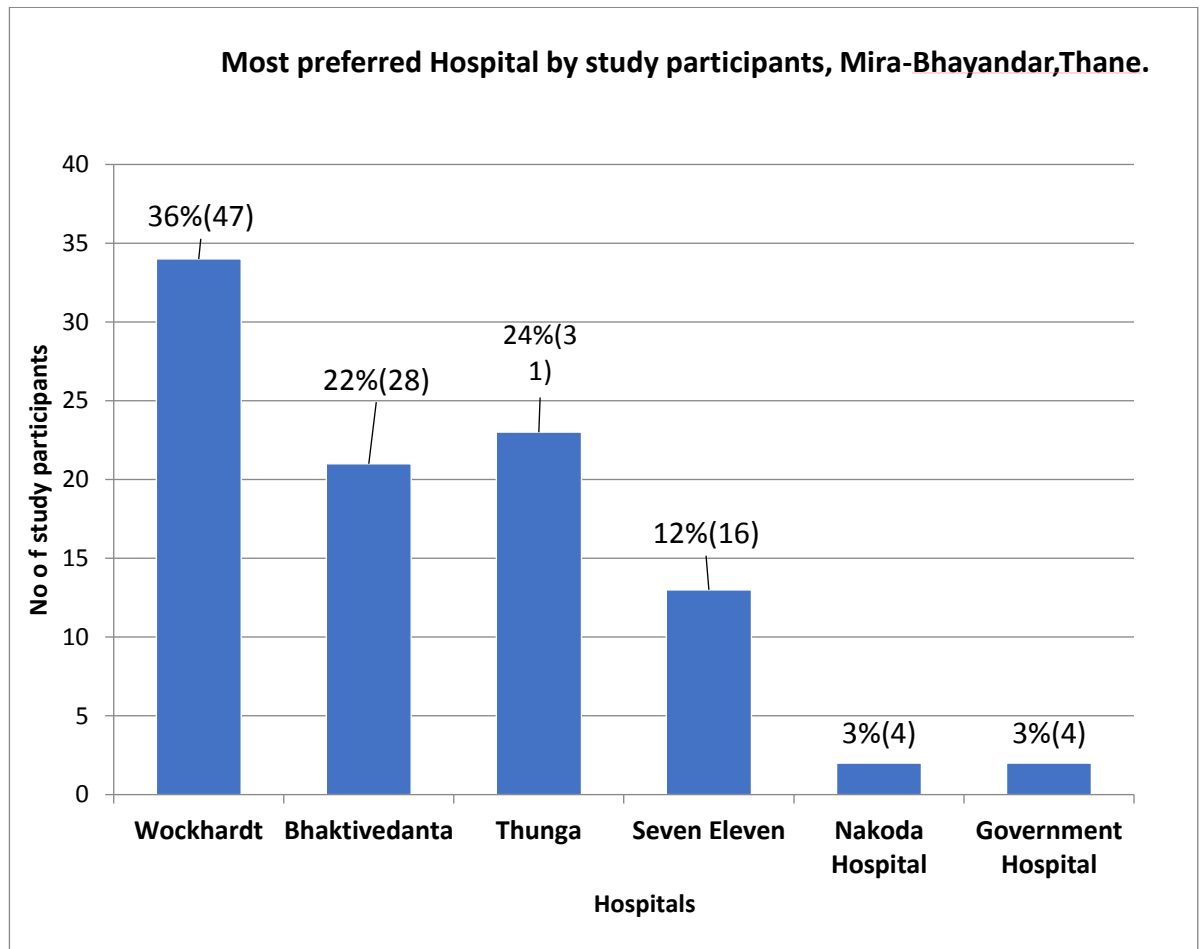


Figure 1Most preferred Hospital by study participants

Figure no. 2-Location Wise Preference-Out of 130 people, 36 people choose Wockhardt Hospital as their first preferred Hospital in Emergency and for major surgeries.18 people out of 36 are from Mira Road,16 people out of 36 are from Bhayandar and 2 people from Dahisar.

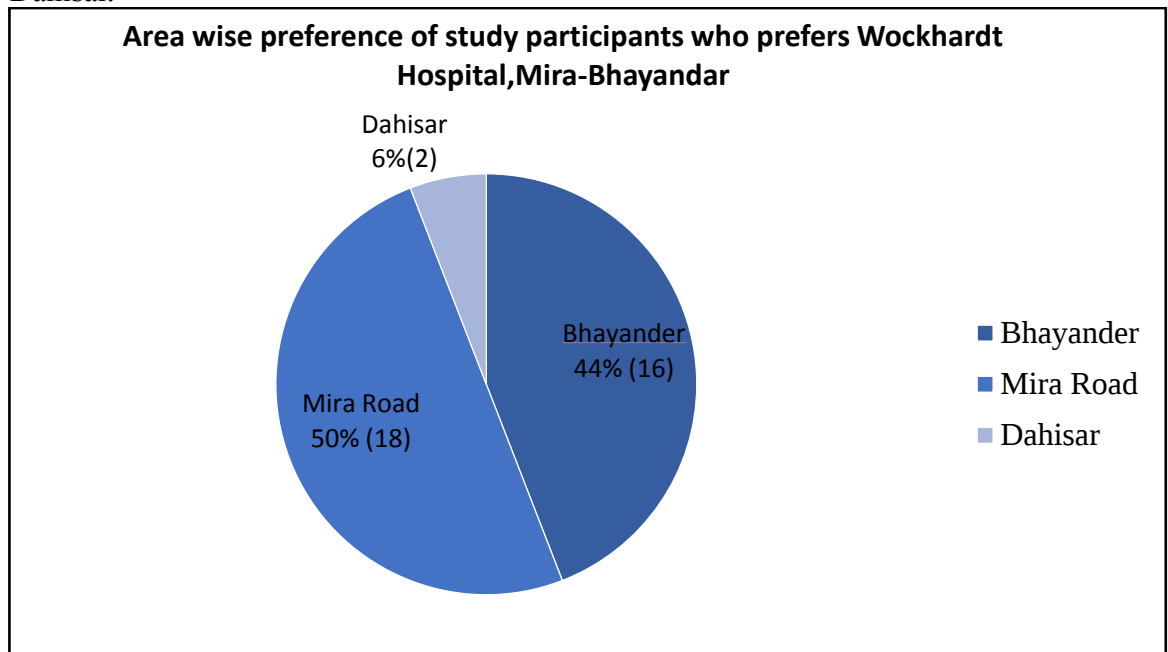


Figure 2Area wise preference of study participants who prefer Wockhardt Hospital

Figure no. 3-Wockhardt hospital has a major hold in the age group of 20-30 i.e.44% and least in the age group of 40 and above.

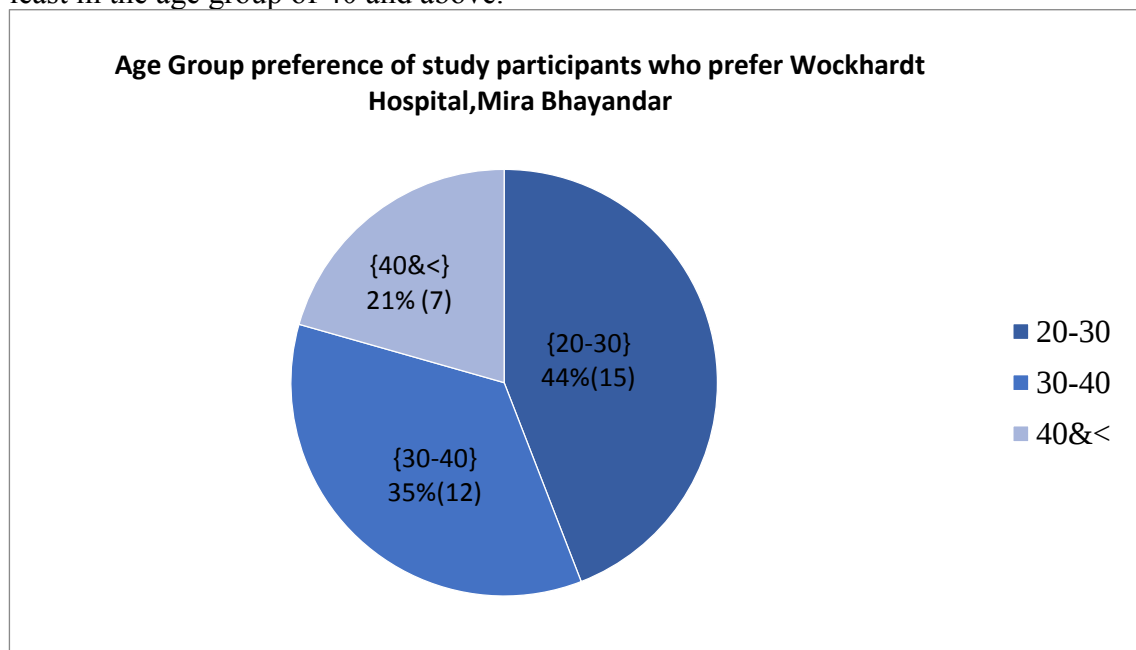


Figure 3 Age Group preference by the study participants

Figure no. 4-Factors that influences the decision while selecting a Hospital. As per 35 people out of 130 thinks good doctors is the reason for selection

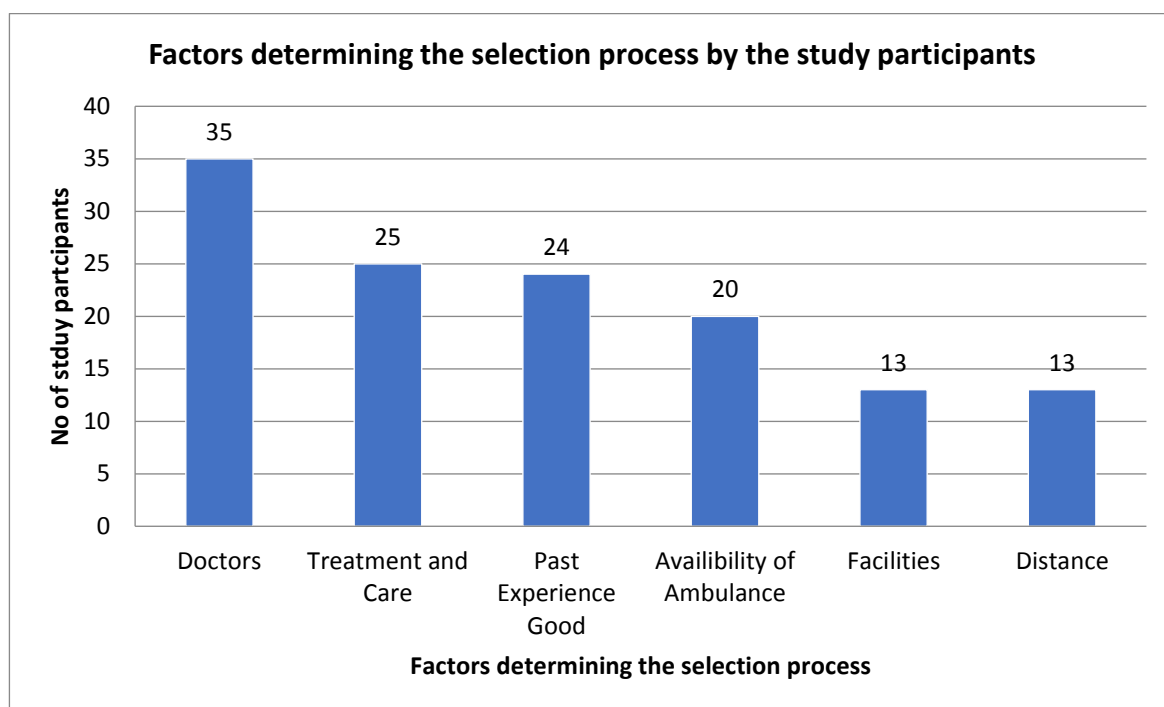


Figure 4 Factors determining the selection process

Figure no.5- Reasons for recommending any hospital to someone who is in need.

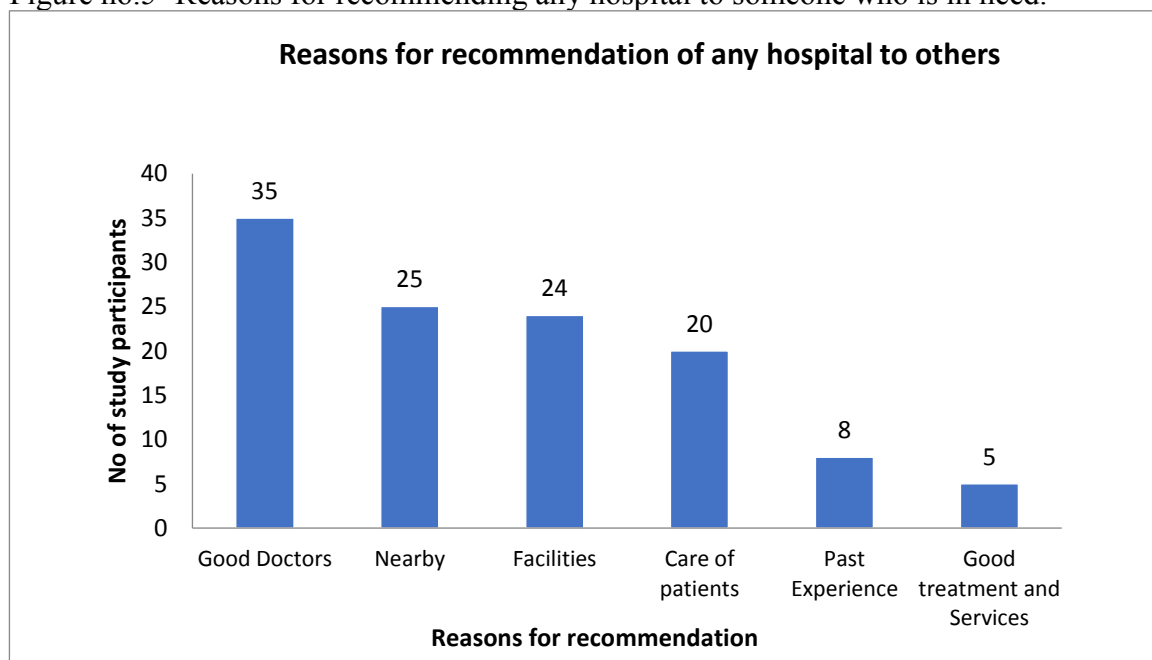


Figure 5 Reasons for recommendation of any Hospital

Figure no. 6- This pie shows the mode of reference by which study participants search for a doctor. As per the study, 47% rely on their family doctor while 46% take advice from friends/family. Only 7% of people trust internet for this purpose.

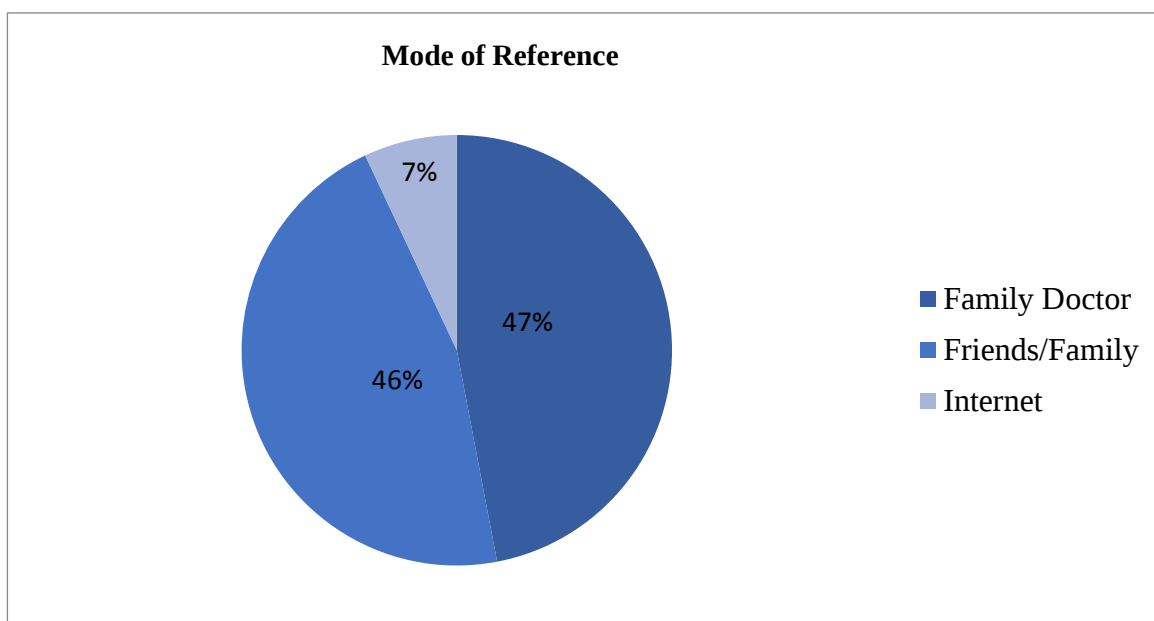


Figure 6 Mode of reference

Figure no. 7 shows the figure of the number of people willing to pay more for better services offered in the hospital. Total 81% i.e. 105 people out of 130 sample size are willing to pay for better quality. This question was asked to understand the socio-economical background.

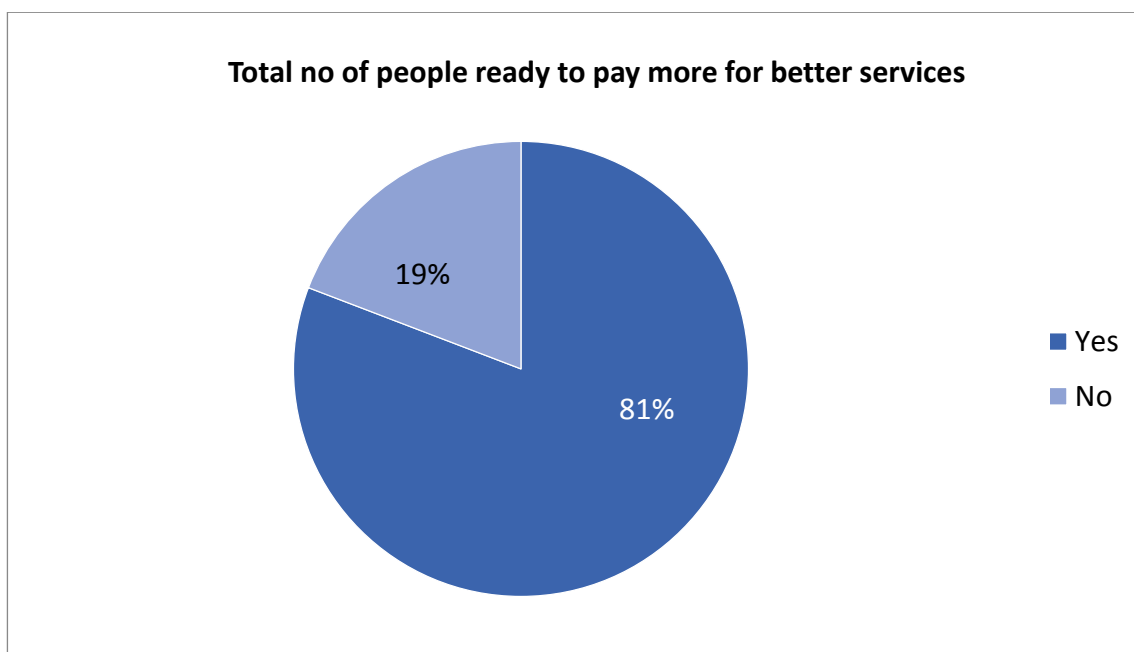


Figure 7 Number of people ready to pay for better quality

Figure no.8 shows no significant difference in preference in terms of mode of payment. 50% i.e. 65 people prefer paying the bill by cash and 49% people prefer cashless/TPA.

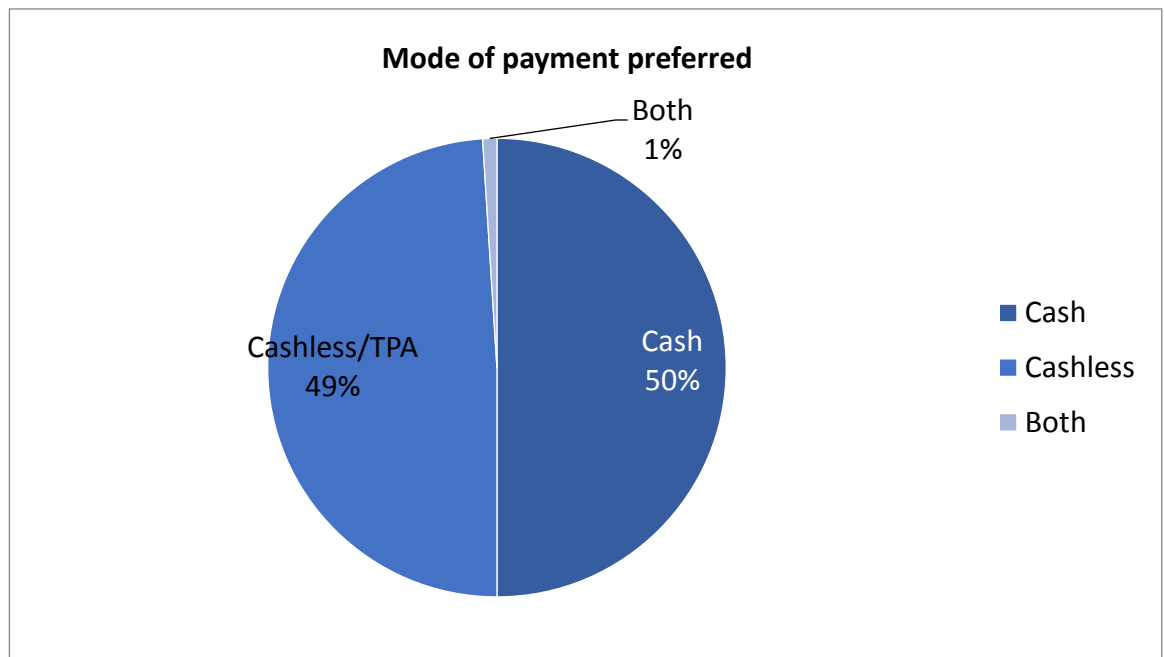


Figure 8 Mode of payment preferred

Figure no.9 shows the satisfaction level during their last visit to the hospital as a patient/Relative or friend. 58% people were satisfied i.e. 75 people out 130 people were completely satisfied.

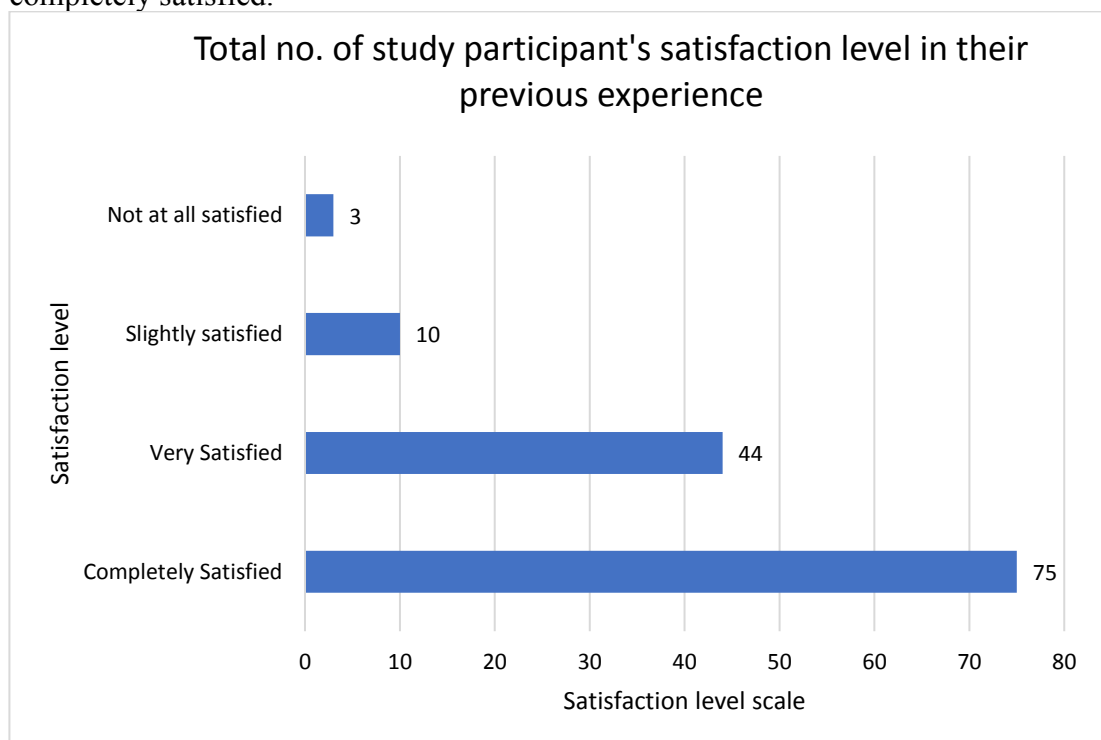


Figure 9 Satisfaction level

Discussion:

This study was conducted to identify the factors influencing people while selecting a hospital. Study was performed with the help of a survey conducted in the locality of Mira-Bhayandar, Thane. Study participants were selected with the help of simple random technique. 130 study participants were interviewed and data was documented. Interview was based on strategic question related to their preference regarding the best hospital according to them, reasons for selection and recommendation of the hospital. This study showed similar trails in the results, according to the study Doctors, 24X7 Emergency/Ambulance Service, past experience with Hospital and Quality of care are the influencing factors for selection of a Hospital. Previous study suggested that 4 important factors affect the patient's decision while selecting the Hospital are Qualified Doctors, Emergency Services, Experiences, and trained nursing staff [\[5\]](#) and Availability of specialist Doctors, Advertising and publicity, Doctor's good approach towards patients and availability of ATM are the most influencing factors [\[9\]](#)

Limitations:

- The time constraint of one month set the limitation to collecting large data to reflect the issue in the better way.
- Desirability bias-Since people knew that I was an associate of Wockhardt Hospital, the data may have been manipulated.

Conclusion:

It can be concluded from the study that major factors which influence the patients' decision while selecting the hospital are Doctors, 24X7 Emergency/Ambulance Service, past experience with Hospital and Quality of care. This study showed that people still rely majorly on Family Doctors and peers for the mode of reference.

Recommendations:

- Target specific health camps to be organized, especially by targeting people above the age group of 40 and above.
- Specialized health checkups camps to be organized on regular basis.
- Branding initiatives should be reviewed as only 7 % people rely on Digital Media for reference. Mouth to Mouth publicity in respect to Wockhardt should be done by the DTC team as they meet local people on daily intervals.

- Doctor's profile should be used as a brand to displayed/shared on every social media, banners and leaflets as Qualified and experienced Doctors are the highest priority while selection of a Hospital.

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Annexure:

[Questionnaire.docx](#)