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## A STUDY ON FACTORS AFFECTING CUSTOMER PERCEPTION TOWARDS SELECTED PRIVATE HOSPITALS IN MYSORE

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### ABSTRACT

A company's brand is an invaluable asset for any organization. It provides identity to the company which helps its customers to differentiate it with its competitors in the market. Brand serves as a road map in understanding and achieving company's objective. It will help to stream line marketing plan with company's objective and overall strategy. Threshold competition for retaining existing customers and attracting potential buyers has made it quite crucial to understand customer perception towards their brand, factors that influence customer perception and to what extent company's brand is valued in comparison to other players in the industry. The study focuses on understanding factors that influence perception of customers towards selected hospitals in health care sectors based on parameters such as brand loyalty, brand awareness, perceived quality, brand association and brand asset. Analysis was done through SPSS 20 and correlation, ranking methods were used to test hypothesis

**Key words :** branding , brand equity, Brand Asset, Perceived quality, health care

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### INTRODUCTION

A brand is a marketing strategy that creates emotional and behavioural attachment to your product and company. The promise to customers should create an emotional connection and that drives revenue and exposure. A brand should be developed based on the business model canvas.

Comparison shopping involves more than just checking prices. Most shoppers also are concerned with the quality of the product and trustworthiness of a company. Does this company offer an exceptional product? Do they stand by their goods? Do their products earn positive reviews? Depending on how important the purchase is, a customer may ask all of these questions and more of each business that offers a product they want.

Branding is a concept that extends far beyond the marketing of “brand name” designer jeans and other products. A company’s brand represents their market identity—who they are, what they do, what kind of quality they provide, their reputation for trustworthiness, and more. Consequently, brand marketing is important to nearly every business, from those selling breakfast cereals, to those developing new technologies, to those providing logistic support to other businesses.

**Branding** is also a way to build an important company asset, which is a good reputation. Whether a company has no reputation, or a less than stellar reputation, branding can help change that. Branding can build an expectation about the company services or products, and can encourage the company to maintain that expectation, or exceed them, bringing better products and services to the market place.

## **LITERATURE REVIEW**

### **1. The impact of brand concept on brand equity ( Joo-Eon Jeon)**

Researches on the impact of brand equity have grown considerably in recent years, as it has been shown to have significant impact on a company’s financial performance. This paper aims to empirically test the relationships between brand concepts and brand equity, while exploring the mediating roles of emotional attachment and customer commitment. The results empirically demonstrate the important contribution of the three-brand concept to customer commitment and to brand equity that has been predicted by prior research. The main contribution of this study is to demonstrate the effects of the brand concepts in relation to aesthetic, functional and symbolic benefits on brand equity. From this, brand equity may be viewed as a link in the path of effects that indirectly connect brand concepts with market performance. Brand concept, emotional attachment and customer commitment are relevant constructs underlying brand equity, and commitment and loyalty are key mediating variables in relational exchanges.

### **2. Assessing the Importance of Brand Equity in Health Services Marketing Through the Impact of Acquired Goodwill on Stockholder Returns (Richard A. Heiens, Robert T. Leach, \*Leanne C. McGrath )**

The growing importance of brand equity is widely recognized by researchers and business strategists alike. As such, creative new ways to capture the value of this intangible asset must be devised and tested. The current study uses acquired goodwill as a surrogate indicator of brand equity and looks at the importance of brand equity for firms in the health services industry by measuring the impact of acquired goodwill on stockholder returns. The findings indicate that acquired goodwill and stockholder returns appear to be significantly and

positively related to each other. In addition, firms that have higher than average amounts of goodwill relative to total assets differ significantly in terms of stockholder returns than those that have relatively little investment in goodwill. Finally, the study indicates that the impact of goodwill on investor returns is highest for firms operating in one specific industry sub-sector, the market for home health services.

### **3. The impact of Branding in a Changing Healthcare Landscape: An in-depth Look at Building and Measuring your Brand Using Resources Provided by Market Insights by National Research Corporation. (Ryan Donohue )**

At its core of brand equity in healthcare is the idea that hospitals and health systems must build a strong brand and position it over time to survive and flourish in a changing healthcare landscape. Brand equity in healthcare is built through the continuous accumulation of thoughts, feelings, opinions, and behaviour regarding a hospital or health system based on the experience it provides the customer

### **4. Study of Brand Equity & its Components in a Tertiary Care Super Specialty Teaching Hospital (Ankita Tiwari<sup>1</sup>, Dr Apurva Tiwari<sup>2</sup>, Mohammed Yaseen )**

The concept of evaluating Brand Equity in the competitive healthcare industry where India is having highest benefit of being one of the most preferred healthcare destinations, can bring great advantage to any healthcare organization. This study was aimed at evaluating the contribution of three components that is Perceived quality, Brand loyalty, and Brand image towards brand equity of a tertiary care super specialty teaching hospital. Perceptions of 150 patients/patient attendants were recorded by interviewing them using a validated questionnaire containing thirty three variables. Factor analysis of these variables led to identification of six sub dimensions under the three components of brand equity. These six dimensions being Physical Aspect, Staff Attribute, Switching Aspects, Loyalty Aspects, Value for Money and Brand Value – they contributed highly to brand equity of the hospital.

### **5. Significant Components of Service Brand Equity in Healthcare Sector ( Hardeep Chahal and Madhu Bala)**

The purpose of the study is to examine three significant components of service brand equity – i.e. perceived service quality, brand loyalty, and brand image – and analyze relationships among the components of brand equity and also their relationship with brand equity, which is still to be theorized and developed in the healthcare literature. The findings of the study support that service brand equity in the healthcare sector is greatly influenced by brand loyalty and perceived quality. However, brand image has an indirect effect on service brand equity through brand loyalty. The study has unique value addition to the service marketing healthcare literature, from both theoretical and managerial perspectives. The study establishes a direct and significant relationship between service brand equity and its two components, i.e. perceived service quality and brand loyalty in the healthcare sector. It also provides directions to healthcare service providers in creating, enhancing, and maintaining service brand equity through service quality and brand loyalty, to sustain competitive advantage.

## **STATEMENT OF PROBLEM**

Branding is not just confined to pre sale process, but also involves evaluating effectiveness of a brand post sales as well, which is highly dependents on customer/ patients' experience with the company. Organizations invest huge capital on its brand building process, but what matters is to what extent branding tactics implemented are able to connect with potential buyers in the industry. The study emphasizes on understanding customer / patients' perception towards Private hospitals as a brand.

## **NEED FOR THE STUDY**

A company's brand is an invaluable asset for any organization. It provides identity to the company which helps its customers to differentiate it with its competitors in the market. Brand serves as a road map in understanding and achieving company's objective. It will help to stream line marketing plan with company's objective and overall strategy. Threshold competition for retaining existing customers and attracting potential buyers has made it quite crucial to understand customer perception towards their brand, factors that influence customer perception and to what extent company's brand is valued in comparison to other players in the industry. The study focuses on understanding factors that influence perception of customers towards selected hospitals in health care sectors based on parameters such as brand loyalty, brand awareness, perceived quality, brand association and brand asset. Analysis was done through SPSS 20 and correlation ranking methods were used to test hypothesis

## **OBJECTIVE OF THE STUDY**

1. To understand customer / patient perception of these hospitals as a brand in health care industry.
2. To understand various factors influencing customer perception towards brand equity of these hospitals
3. To provide input for enhancing present branding practices based on customer feedback.

## **SCOPE OF THE STUDY**

Outcome of the study is applicable to private hospitals in Mysore to improvise on its branding strategies; it may be applicable to other hospitals in general and even the organizations from other industries which are actively involved in branding practices for customer retention. Future study may be conducted by considering other factors related to

branding and also number of respondents for the study can be increased to have a better picture of factors majorly influencing customer perception of brand.

## **RESEARCH METHODOLOGY**

**Research Design:** Descriptive Research

## **DATA COLLECTION**

**Primary Sources:**

- **Structured questionnaire** (Close ended questionnaire) circulated to employees for taking employee response on their perception about organization culture.
- **Personal interviews**

**Secondary Sources:**

- Library books
- Journals
- Internet

**SAMPLING:**

- **Sampling Type** :Non Probability Sampling
- **Sampling technique** : convenience sampling
- **Sample size** : 100

**TOOLS FOR DATA COLLECTION:**

1. Structured Questionnaire

**LIMITATION OF THE STUDY**

- Study is limited by time as study is completed within two months.
- Study is limited to 100 respondents which may not be a fair representative of the population.
- Study is limited by the attitude of the respondent as they can be biased.

**DATA ANALYSIS**

**HYPOTHESIS**

**H<sub>1</sub>** : there is association between customers / patients having heard positive reviews about Private hospitals from their close circle and customers / patients associating with Private hospitals for its ethical practices

**H<sub>0</sub>** : there is no association between customers / patients having heard positive reviews about Private hospitals from their close circle and customers / patients associating with Private hospitals for its ethical practices

**Correlations**

		I associate with Private hospitals mainly for its ethical practices	I have heard positive reviews about Private hospitals from my close circle
I associate with Private hospitals mainly for its ethical practices	Pearson Correlation	1	.287**
	Sig. (2-tailed)		.004
	N	100	100
I have heard positive reviews about Private hospitals from my close circle	Pearson Correlation	.287**	1
	Sig. (2-tailed)	.004	
	N	100	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the above table it can be inferred that there is positive correlation between customers / patients having heard positive reviews about Private hospitals from their close circle and customers / patients associating with Private hospitals for its ethical practices at significance level of 0.01 (  $p = 0.004 < 0.01$  ). Therefore it can be determined that word of mouth publicity and customer satisfaction towards Private hospitals services has a major impact on its brand image.

**HYPOTHESIS 2**

**H<sub>I</sub>** : there is association between Private hospital staff being responsive in addressing patient problems and Private hospital services being value for money from customers / patients perspective

**H<sub>o</sub>** : there is no association between Private hospital staff being responsive in addressing patient problems and Private hospital services being value for money from customers / patients perspective

**Correlations**

		Private hospital staff are very responsive in addressing patient problems	Private hospital services are value for money
Private hospital staff are	Pearson Correlation	1	.302**

very responsive in addressing patient problems	Sig. (2-tailed)		.002
	N	100	100
Private hospital services are value for money	Pearson Correlation	.302**	1
	Sig. (2-tailed)	.002	
	N	100	100

\*\* Correlation is significant at the 0.01 level (2-tailed).

From the above table it can be inferred that there is positive correlation between Private hospital staff being responsive in addressing patient problems and Private hospital services being value for money from customers / patients perspective at a significance level of 0.01 (  $P = 0.002 < 0.01$  ). It is understood that hospital staff behaviour and the way in which patients are treated in the hospital have an influence on customers/ patients perspective of whether medical charges paid by them to the hospital is worth the quality of services availed.

### HYPOTHESIS 3

**H<sub>1</sub>** : there is association between Private hospital staff being responsive to customers / patients and customers' preference to avail Private hospital services for their service quality

**H<sub>0</sub>** : there is no association between Private hospital staff being responsive to customers / patients and customers' preference to avail Private hospital services for their service quality

#### Correlations

		Private hospital staff are very responsive in addressing patients' problems	I prefer to avail Private hospital services for their service quality
Private hospital staff are very responsive in addressing patients' problems	Pearson Correlation	1	.274**
	Sig. (2-tailed)		.006
	N	100	100
I prefer to avail Private hospital services for their service quality	Pearson Correlation	.274**	1
	Sig. (2-tailed)	.006	
	N	100	100

\*\* Correlation is significant at the 0.01 level (2-tailed).

From the above table it can be inferred that there is positive correlation between Private hospital staff being responsive to customers / patients and customers' preference to avail

Private hospital services for their service quality at the significance level of 0.01 (  $P = 0.006 < 0.01$  )

## **SUGGESTIONS**

1. Private hospitals should concentrate on their branding by having a responsive website. Hospital website is one of the major platforms where customers or patients get to know about the hospital services, patients' experience with hospitals, doctors' medical expertise etc. Hospital website should not just confine itself to displaying information; it should also be responsive which can be done by having a chat box option for answering customer query related to hospital services.
2. Private hospitals should focus on branding through social media by writing blogs related to health care, providing health tips, creating an event for upcoming health programs planned to be conducted at the hospital. It should create a web page which will help the organization to address the general public on health related issues and it will also help in getting feedback on improvement of hospital services.
3. Hospital staff and administration are brand ambassadors of any organization. Employees should have thorough knowledge and updated information about the hospital and its services as they are the liaison between the brand and patients/customers. All the employees of Private hospitals should have common shared values, ethos, principles which will help in bringing coordination and uniformity in services provided to the customers.
4. Hospitals should ensure an exceptional experience to its patients in form of proper care, assigning sufficient number of staff to address customers/ patients problems relating to paper work, providing information about available services, fixing appointment with doctors etc. A satisfied customer / patient is an asset for the hospital as they communicate a positive image amount the hospital in the form of word of mouth publicity.
5. Private hospitals should brand through email services, which is possible by having effective customer relationship management in practice. Administration should maintain customer / patient database. This information will help the hospital to keep in touch with their patients, by send emails relating to health tips, free health check up camps, new value added services introduced, update on extension services etc. This will also help in retaining its existing customer and also expand the marketing to other people related to present patients.



6. Hospitals should make its presence felt in the industry by conducting seminars, conferences, health exhibition, encouraging their in house doctors to address media in the form of interviews, participate in interactive session in the form of addressing health issues and queries of general public.
7. Technology has emerged as one of the vital aspects in every industry and hospital care services is no exception to the same. One software which is popularly known in hospital administration is hospital information system. This software and many others of its kind helps the patients to know details of doctors, fix appointment, details of services provides by the hospital and its charges. This will solve problems relating to over crowd or queuing in the billing or reception counter which will help in saving the time of customers/ patients as well as employees working at hospital.
8. Private hospitals should adopt territory marketing as one of the key strategy in promoting hospitals as people in nearby area, region or locality are likely to visit the hospital more in comparison to people staying in far off places.
9. Hospital should work on its pricing strategy in terms of providing discount or free health check up to its patients or customers depending on frequency of services and amount of previous services availed by them through the hospital.

## **CONCLUSION**

Branding is one of the core aspects of marketing which helps a company establish itself with an identity in the mind of customers which help them to identify and differentiate a product which in turn helps them in their buying decision. Attempts to understand branding of a company as a whole may practically not be possible and may generate vague results. The study focused on understanding customer perception of branding practices of private hospitals on factors such as brand loyalty, brand awareness, perceived quality, brand association and brand asset. From the data that was collected and analysed it was observed that cost of service, hospital location and value added services were few of the prominent reasons which may influence the customers / patients to switch to other hospitals for medical treatment. Therefore the hospital has to take these three factors into consideration for planning and implementation of their branding strategies in future.

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