

‘Relationship Marketing’ – A Lucrative Hospital Marketing Strategy.

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Abstract: *The value of any service lies in its utilization and the same principle applies to health care services also. The utilization of a service is possible only when customers, here patients come to know about the existence of service and its superiority over other hospitals providing similar services. To propagate this message and to overcome heavy competition from hospitals that spend huge amounts on marketing, it has become a must to have good marketing strategies without incurring heavy expenditure. This task can very well be fulfilled by the strong strategy of “Relationship Marketing”¹.*

I. Definition of Relationship marketing

Relationship marketing refers to all marketing activities directed towards establishing, developing and maintaining customer relationships. Hospitals, being highly capital intensive need to practice relationship marketing to attain customer retention so as to build up repeat business and secondly to get new clientele through them^{1,2}.

Relationship Marketing – Exchanges and Transactions

Relationship marketing is the practice of building long term satisfying relations with key parties—patients, suppliers, distributors. Sometimes it may be confined to the study of transactions only. Professional fund raisers are actively aware of this and try to provide benefits to the donors, such as thank you notes, donor magazines and special invitations to events. Marketers have recently broadened the concept of marketing to include the study of transfer behavior as well as transaction behavior. In the most generic sense, organizations seek to elicit a behavior response from people. A business firm wants a response called buying, a political candidate wants a response called voting, a church or synagogue wants a response called joining, a social action group wants a response called adopting and a hospital wants a response called revisiting. Transaction marketing is part of a larger idea called relationship marketing. Hospital marketers try to build up long term, trustworthy, ‘win – win’ relationships with valued customers, distributors, dealers, and suppliers. Relationship marketing is maturity of transaction marketing. The starting point of transaction marketing is ‘suspects’- everyone who might conceivably buy the product or service. The hospital organization looks hard at the ‘suspects’ to determine who are the most likely ‘Prospects’, the people who have a strong potential interest in the product or service and the ability to pay for it³. The organization hopes to convert many of its qualified prospects into first time customer, and to then convert those satisfied first time customers into repeat customers. Both, first time and repeat customers / Patients may continue to buy the service. The organization then acts to convert repeat customers into ‘clients’ - people who buy only from the same organization. The next challenge is to transform clients into ‘advocates’ - the customers who praise the hospital organization and encourage others to buy from it.

Advantages of relationship marketing in hospital

It is always more profitable to retain existing clients as it costs many times more to acquire new customers than retaining old ones. Further these old patients serve as unpaid life time sales people for the hospital by carrying the message of quality of service provided, thereby impressing upon others to utilize the same in case of need⁴. Never to forget, when a patient gets treated and is satisfied with various services offered in the hospital, his friends and relatives who come to know of the same through positive word of mouth automatically add to the clientele list of the organization. When a patient enters hospital, apart from his/her consultant, he may have to come in contact with various personnel working for the hospital like reception personnel, lab technicians, billing personnel etc.

Therefore there is lot of scope for strengthening the client relationship by personalizing the services provided by showing concern towards patients and avoiding unnecessary delays.

Scope of relationship marketing

Personalization of services is the best way for relationship building and every employee working for the organization should be motivated to realize his responsibility in facilitating this process. Apart from concentrating on individual patients, it is also very important to include hospital clientele in groups, for example those belonging to organizations like software firms, huge government organizations, and private organizations like Tata services, Reliance India Ltd, voluntary organizations and any other such organizations can also be included in the list of credit organizations so that satisfactory and personalized services can be offered to them.

Hospital Information System (HIS) – The Key

HIS is a good methodology for creating good relationship marketing in a hospital. Accurate abstracting and disease indexing of medical record is an essential element for retrieving data of the patients having similar disease. Depending upon the data, the organization is able to conduct seminars/lectures for patients with similar ailments (i.e. Hemophilia, DVT). The software data must contain demographic information about a patient, a resume of recent medical history, a coded summary of diagnostic and treatment procedure rendered, and accurate classification of primary and secondary diagnosis. Hospital should implement the system like COSTAR (*Computer Stored Ambulatory Record*) which generates reminder notices when certain standard tests or treatment have not been ordered, thereby improving quality of care in the hospital. Another key for HIS in Relationship marketing is *PROTOCOL – based reminder computer systems* which have to be developed in the hospital so that makers can retrieve the review consultations data, pending investigations for the patients, etc.

Patient satisfaction – The tool

Patient satisfaction is both a goal and marketing tool. If the patients are satisfied with the quality of services provided by the hospital, he brings more patients through positive word of mouth publicity⁸. Satisfaction is a function of perceived performance and expectations. If the performance falls short of expectations, the patient is dissatisfied. The expectations are influenced by past experience, friends, associates' advice, marketers, and competitors information and promises.

The quality of services at each level in the hospital right from the emergency medical department, outpatient, in patient departments to non clinical areas is important in achieving patient satisfaction. Some of the factors which might influence people's feelings of satisfaction are staff approach and attitude, quality of information received on what to do and what to expect, appointment procedures, waiting time, general facilities on-site, quality of food, privacy and finally outcome of treatment / care received.

Strategies for developing Relationship marketing^{5, 6, 7, 9}:

1. Detailed clientele/patient data should be maintained with the hospital including their address for communication, phone numbers, ailment suffering from, consultant doctor, etc., which would be useful in many ways to strengthen relationship with the patient like
 - a) Follow up services can be provided to know the status of the patient and to remind them of due review consultation.
 - b) To intimate them about concerned Health education programmes, medical camps etc.
 - c) To send them brochures, newsletters, updating them about new services started at organization etc.
2. Hospital can develop "Health Card" schemes to build up new patients. The above said health card schemes may cover an individual or total family.
3. Bimonthly or quarterly health education programs can be conducted on specific diseases to educate patients about any recent advances in treatment of the same and to educate them about the disease and care to be taken. These programs may give good interaction between hospital and patients so that the linkage stimulates the patients to revisit the same hospital.
4. Hospitals can develop "customer clubs" on disease basis and offer exclusive health care packages to members of the clubs. This includes providing some extent of concessions for both outpatient and inpatient bills.
5. New schemes can be introduced like giving an O.P card, free of cost to each patient admitted into paying rooms (who are not eligible for any sort of concessions) which can be utilized either by the patient himself or any of his relatives. So there is a tendency to visit the hospital with that free OP registration card.
6. Regular get-togethers can be conducted for officials of credit organizations and other corporate organizations wherein services offered in the hospital can be highlighted. This encourages them to recommend hospital services to their employees and relatives.

7. In a similar way, Registered Medical practitioners can also be motivated to send their patients to hospital as they form the main source of healthcare in remote villages. The hospital has to develop a feedback system which gives information about the patient condition to the referral doctors.
8. Hospital can organize periodical client meetings/ conferences to develop better interaction with the patients. The meetings mainly focus on the betterment of services and problem solving processes.
9. Staff at various levels of the organization should be trained to be courteous with patients and their relatives. Regular workshops can be conducted for the purpose.
10. Patient relation department should be strengthened and special staff can be appointed to guide patients in busy hours and in areas where patient traffic is more.

Keeping in view all the advantages of developing relationship marketing in retaining old patients and gaining new patients through them without spending huge amounts, hospital should start strengthening their bond with the patients by adopting various strategies as discussed. Although the organization has to put in more efforts to build greater customer loyalty it is important to note that development of customer loyalty increases hospital revenue and hence will be more profitable.

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