Full Length Research Paper

Impact of service marketing on healthcare management in Nigeria

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The paper examined the impacts of service marketing on health care management in Nigeria. For this paper, simple random technique was used in selecting 200 patients from General Hospital, Ogbomoso. Data were collected with the use of both primary and secondary data and were subsequently analyzed by regression analysis through statistical package for board sciences. The results showed that service marketing has significant impact on the management and patronage of health care services. Therefore, the study recommended that there must be drastic structural change in marketing of health care services as it will help in improving the quality of health care service.

Key words: Health care, marketing, management, patients, medical services.

INTRODUCTION

The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without the distinction of race, religion, political belief, economic or social condition (Olani, 2004). In realization of the right to health, government of countries are urged to make health care available, accessible, acceptable and of good quality. Quality of health care has been described as the consistent delivery of a product or service according to expected standards. Quality in health care delivery addresses both technical and non-technical dimensions (Pakdili, 2005).

Government owned hospitals are confronted with unique challenges that threaten their existence. Tabibi et al. (2001) argue that in Nigeria, installed health facilities are as old as the hospitals themselves. Some of the medical equipment are unserviceable and need outright replacement. The colonial architecture in some of the older hospitals which were hitherto famous for their sturdiness and functionality, has now become less attractive because of the general neglect of the buildings maintenance. Overcrowding has also led to deterioration of these facilities. The state of maintenance and the physical surroundings in public hospital buildings present health problems in public health care delivery. Patients in a healthcare facility are often fearful, uncertain about their health and safety. This deficiency is further found to originate from the institution's inherent government structure, which promotes inefficiencies and inflexibility through the imposition of bureaucratic impediments to operational effectiveness.

The entrance of the Public Private Partnership (PPP) arrangement has added a new dynamic into the health

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care delivery systems in Nigeria. The private sector has been allowed to invest in certain medical institutions on a partnership basis in which the government steps aside from the direct management of the institutions allowing private hands to handle it while retaining partnership of the medical institutions (Curry, 2002).

Healthcare service marketing therefore brings in a new dimension as it brings hospitals' facilities and services under the spotlight of the public thereby forcing hospital management and government to improve facilities. This has a direct impact on staff performance, productivity, satisfaction and turnover. Management is a living force and it is the force that gets things done to acceptable standards.

Statement of the problem

The healthcare sector in Nigeria has suffered so much neglect over the years. The major hospitals in the country are government owned and have suffered financial neglect which has led to the gradual decay of the infrastructure in the hospitals and the quality of health-care provided. The workforce has constantly suffered from poor motivation as validated by the constant industrial actions by medical workers all over the country. The private health facilities have been bedevilled with lack of financial powers to keep up with the advancement in the medical world on the basis of being too expensive for the patients or lacking adequate qualified personnel to handle technical cases and emergencies.

This study examines the impact of services marketing in the management of hospitals by evaluating the direct and indirect impacts of services marketing on the quality of service delivery, cost of service, technology and adequate equipment, adequate qualified personnel which are indicators of quality healthcare management.

Objective of the study

The broad objective of the study is to examine the impact of services marketing in healthcare management using General Hospital, Ogbomoso as a case study. However, the specific objectives are to:

i.   Examine how services marketing influence the choice of health institution to patronize for medical services.
ii.   Assess whether healthcare service marketing has impact or quality of healthcare management.

Research questions

The following research questions were raised for this study,

i.   Does service marketing have influence on the choice of health institution to patronize for medical services?
ii.   Does healthcare services marketing have any impact on quality of healthcare management?

Hypotheses of study

For the purpose of this study, the following hypotheses are formulated and tested:

H_o: Service marketing has no significant influence on the choice of health institution to patronize medical services.
H_o: Healthcare service marketing has no significant impact on the quality of healthcare management.

LITERATURE REVIEW

Marketing is the process of communicating the value of a product or service to customers. Marketing might sometimes be interpreted as the art of selling products, but selling is only a small fraction of marketing. As the term 'Marketing' may replace 'Advertising' it is the overall strategy and function of promoting a product or service to the customer. The American Marketing Association defines marketing as *'the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large'*.

From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships. It is the process of communicating value to customers, and managing customer relation-ships in ways that benefit the organization and its shareholders. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumers' buying behaviour and providing superior customer value.

The American Marketing Association defines services as – 'Activities, benefits and satisfactions which are offered for sale or are provided in connection with the sale of goods'.

The defining characteristics of a service are:

Intangibility: Services are intangible and do not have a physical existence. Hence service cannot be touched, held, tested or smelt. This is most defining feature of a service and that which primarily differentiates it from a product. Also, it poses a unique challenge to those engaged in marketing a service as they need to attach tangible attributes to an otherwise intangible offering.

Heterogeneity/Variability: Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider.

While products can be mass produced and be homo-genous the same is not true of services. For example, all burgers of a particular flavour at McDonalds are almost identical. However, the same is not true of the services rendered by the same counter staff consecutively to two customers.

Perishability: Services cannot be stored, saved, return-ed or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer. e.g.: A customer dissatisfied with the services of a barber cannot return the service of the haircut that was rendered to him. At the most he may decide not to visit that particular barber in the future.

Inseparability/Simultaneity of Production and Consumption: This refers to the fact that services are generated and consumed within the same time frame; e.g.: a haircut is delivered to and consumed by a customer simultaneously unlike, say, a takeaway burger which the customer may consume even after a few hours of purchase. Moreover, it is very difficult to separate a service from the service provider. For example, the barber is necessarily a part of the services of a haircut that he is delivering to his customer.

Healthcare services are a rapidly growing business all around the world. A long and healthy life is one of the three basic dimensions of human development. Hospitals and health care services are essential veins and arteries of any country through which runs the blood of life. But this is also true that at no time in history have hospitals and health care services in Nigeria been subject to such severe criticism and attack as they are in the present times. Thought quality wise, hospitals and health care services may have provided creditable service but its quality is definitely questionable. The quality of health care service provided in Nigerian hospitals has definitely deteriorated. The type of healthcare service requirement has changed due to the rise of lifestyle-related diseases such as diabetes, cardiovascular diseases and diseases of the central nervous system. This aspect is true for almost all spheres of hospital administration particularly in the developing countries as Nigeria. The various acts of commissions and omission have increased by leaps and bounds in the last half century. Negligence and unethical practices in patient care, administrative mis-management, lack of probity and accountability, increase unhygienic conditions in and around the hospitals are some of the major problems confronting the management of health care services. The healthcare industry is facing strong competition from local corporate firms and foreign players in healthcare services and medical devices market as the upper class families in Nigeria would rather seek medical services outside the country. In actual fact, seeking medical assistance abroad has been limited

mainly to the upper class due to affordability of health-care services outside Nigeria. In order to improve local patronage, healthcare organizations must understand that their successes depend on patient's satisfaction, which is created through a combination of responsive-ness to the patient's views and needs, and continuous improvement of the healthcare services, as well as continuous improvement of the overall doctor-patient relationship (Zineldin, 2006).

Healthcare providers, however, compete with one another to provide the best healthcare services. More-over today, due to the availability of information to the public and the existence of a more educated population, the need to measure up is an absolute necessity to meet the rising expectations of better-informed customers (Leisen et al., 2002). The Nigerian healthcare systems have to improve their quality and standardize their pro-cesses on par with their international counterparts.

The new initiative of Pubic Private Partnerships (PPP) in the healthcare system in Nigeria is therefore a welcome development as it will mark a departure from the perpetual non-committal attitude of government to a result driven oriented private sector if such partnerships are well spelt out, managed and supervised by the concerned regulatory government agencies.

Webster (1994) proposed a new marketing concept. Webster thought that the old marketing concept encom-passed customer-orientation, innovation, and profit as rewards for creating a satisfied customer. The old marketing concept was a management philosophy. The literature above has reviewed the implementation of the marketing concept because top managers establish organizational values and beliefs (Schein, 1992). Thus, the organizational development or cultural change toward the marketing concept requires support from top management.

Based on our earlier discussion with regard to the concept of marketing, it is quite evident that marketing has come to be accepted as an important tool of management in the policies of health care services. It may be asserted that management is the proper utilization of scare resources. Efficiency and effective-ness are the key terms in marketing. Marketing of Health Care Services is a complex process that requires the coordination and operation of both profit and now profit health care delivery system. Philip Kotler states, *'Health care marketing is the process of understanding the needs and the wants of a target market'*. Its purpose is to provide a view point from which to integrate the analysis, planning, implementation or organization, and control of the health care delivery system (Robert and Kerr, 1976).

METHODOLOGY

The study has looked into the marketing of health care services in Nigeria. As health care service is the subject that concerns every citizen, this scientific study has covered a representative

Table 1. Model summary.

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	0.741	0.549	0.503	0.73331

Predictor: (constant), service marketing; Dependent Variable: Patronage of Health Institution.

Table 2. Coefficients.

Model	Unstardardized coefficients		Standardized coefficients		
1	Beta	Std. Error	Beta	T	Sig.
(Constant) service marketing	11.968	0.263		45.582	0.000
Patronage of health Institutions	0.232	0.066	0.741	3.490	0.001

Dependent Variable: Patronage of Health Institution.

population. General Hospital, Ogbomoso is selected for the purpose of this project work. Patients are the focal point of our analysis. Patients in our study have been represented by those who were visiting or have visited the hospital. These patients have been the subject of healthcare marketing and also the most important benefactors of excellent hospital management systems. The total numbers of patients covered are 200 across the various wards, units and sections of the sample area which is the General hospital, Ogbomoso. Some of these were in-patients while others were out-patients.

Both primary and secondary data were used for the study. The primary data included the use of questionnaires which were distributed randomly to the patients while secondary data used included the consultations of relevant records of hospital, journal and textbooks among other. Thus, a simple random sampling method was used for collecting data.

The procedure used in distributing questionnaire was that on a given day, we selected every 5 patients visiting the hospital in case of outdoor patients. As far as indoor were concerned, every 15 patients were selected in accordance with the list provided by hospital authorities. This took us nearly 10 days as 20 patients (indoor and outdoor) were selected in each day.

Data were analyzed with the use of both descriptive and inferential statistical tools. The descriptive statistical tools used to describe the socio-economic characteristics of patients include frequency table, percentage, mean and standard deviation. The inferential statistical tool used to test the hypotheses was multiple regression analysis. The regression equation is stated thus;

$Y = a + bx + \mu$
Where,
Y= dependent variable (health care patronage, Quality of healthcare management)
a= intercept parameter
b= regression coefficient
x= independent variable (service marketing)
μ= error term

RESULT AND DISCUSSION

With respect to hypothesis one, the inferential analysis as obtained in Table 1 indicates a positive relationship of 0.741 between services marketing and choice of health institution to patronize medical services. The test further revealed that service marketing accounted for 54.9% variation in patronage of health institution which means that service marketing had 54.9% contribution to patronage of health institution. In order to confirm the significance of this contribution, the analysis of variance shows value of 12.177 at 0.05% level of significance (Table 2). Thus, the contribution of service marketing to patronage of health institution was not by chance; hence the null hypothesis was rejected and alternative hypothesis upheld. The implication of this was that service marketing has significant influence on the choice of health institution to patronize for medical services. Model one expresses an increase in patronage of health institution by 0.232 units as a result of a unit increase in service marketing.

The findings also as presented in Tables 3 -6 indicate a relationship of 0.698 between service marketing and quality of healthcare management. It was further revealed that service marketing contributed to quality of health care management level by 48.7% which implies a very high contribution was observed. The R^2 further confirmed the test with an F value of 8.072 which was statistically significant at 5% level. Thus, we concluded that healthcare service marketing has significant impact on the quality of healthcare management. The regression results also revealed that service marketing accounted for 0.232 for every change in quality of healthcare management. The implication of this was that healthcare service marketing has significant impact on the quality of healthcare management.

Model two expresses an increase in quality of healthcare management by 0.232 as a result of a unit increase in service marketing.

These findings were corroborated by the work of Carman (2000) who agreed that service marketing has

Table 3. ANOVA.

	Model	Sum of Square	df	Mean Square	F	Sig.
1	Regression	6.548	1	6.548	12.177	0.001[a]
	Residual	106.472	198	0.538		
	Total	113.020	199			

Predictors: (Constant), Service Marketing; Dependent Variable: Patronage of Health Institution. Source: Data Analysis, 2013.

Table 4. Model summary.

Model	R	R square	Adjusted R Square	Std Error of the Estimate
2	0.698	0.487	0.434	0.90071

Predictor: (Constant) service marketing; Dependent Variable: Quality of Healthcare Management.

Table 5. Coefficients.

Model	Unstandardized Coefficient	Standard Coefficients			
2	Beta	Std. Error	Beta	T	Sig.
(constant) Service marking	20.312	0.323		62.981	0.000
Quality of Health Management	0.232	0.082	0.698	2.841	0.005

Dependent Variable: Quality of Healthcare Management.

Table 6. ANOVA.

	Model	Sum of Square	df	Mean Square	F	Sig
2	Regression	6.548	1	6.548	8.072	0.005[a]
	Residual	106.632	198	0.811		
	Total	167.180	199			

Predator: (constant) service marketing; Dependent Variable: Quality of Health Care Management. Source: Data Analysis, 2013.

impact on health care management.

CONCLUSION AND RECOMMENDATIONS

The paper attempted to examine the impact of service marketing on health care management in Nigeria. The result showed that service marketing has greater influence in the choice of health institution patronage for medical services. The research work concludes that marketing of health care services is an important factor that influences various factors concerning hospital services, management and performance.

Therefore, the paper recommends that marketing of health care services needs a drastic structural change in collecting and disseminating information. This will help in improving the quality of health care service and also help in reducing the cost to make it cost effective. The marketing managers will have to treat consumer services as a function, rather than to whom something is to be sold.

Conflict of Interests

The authors have not declared any conflict of interests.

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