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PARTICULARITIES OF MARKETING APPLICATION IN MEDICAL SERVICES

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ABSTRACT:

THE COMPLEXITY OF MARKETING SERVICES IN GENERAL AND MEDICAL SERVICES IN PARTICULAR IS DETERMINED BY THE COMPLEXITY OF SERVICES. THE NEED TO APPROACH MEDICAL ACTIVITIES FROM A MARKETING PERSPECTIVE IS GIVEN BY THE SIMILARITIES IT HAS WITH THE ECONOMIC ACTIVITIES IN THE FIELD OF SERVICE PROVISION. THE AIM OF THIS ARTICLE IS TO IDENTIFY THE PARTICULARITIES OF MARKETING APPLICATION IN MEDICAL SERVICES. THE MOST STRIKING FEATURES FOUND ARE THE 7 P'S OF THE EXTENSIVE MARKETING MIX. THEREFORE, THE AUTHORS ANALYZE THE PRODUCT – THE SERVICE, PRICE, PLACEMENT, COMMUNICATION, AS WELL AS THE STAFF, PROCESSES AND PHYSICAL RECORDS, WHICH REPRESENT MARKETING TOOLS THAT THE COMPANY USES TO ACHIEVE ITS MARKETING GOALS IN THE TARGET MARKET.

KEY WORDS: MEDICAL SERVICES; MARKETING MIX; 4P; 7P

INTRODUCTION

Service marketing has developed both theoretically and practically as a special field of marketing, where the objects, methods, techniques, as well as the concepts specifically related to goods and services are clearly delimited⁴. Service marketing comprises different fields such as: tourist services marketing, financial - banking services marketing, transport services marketing, sports services marketing, medical services marketing and educational services marketing. The individualization of these specializations was achieved by adopting and incorporating a specific instrumentation, depending on the particularities of the service performed and provided. For this reason, this paper addresses the peculiarities of marketing application in medical services.

By its specificity, medical marketing is an interdisciplinary field, because both conceptually and operationally uses a series of marketing concepts, methods and techniques,

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⁴ Olteanu, V., *Marketingul serviciilor – o abordare managerială*, (București:Ed. Ecomar, 2008)

specific to service and social marketing and aims to sell a service from a provider to a beneficiary. Moreover, the need that health service fulfills places it at the limit of the economic and social area, of profit and non-profit orientation, with profound implications on the macroeconomic and microeconomic approaches of marketing.

PARTICULARITIES OF MARKETING APPLICATION IN MEDICAL SERVICES

Medical services marketing includes any activity carried out for the purpose of launching or developing, pricing, placing and communicating medical products or services⁵.

The most important features in the field of medical services are found in the marketing mix. The concept of marketing-mix implies that all its variables are interconnected, depending on each other to a certain extent.

The marketing literature suggests that the traditional marketing mix of 4P's (product, price, placement and promotion) for service providers needs to be supplemented by adding three additional components: staff, processes and physical evidence (Figure 1)⁶. Planning the marketing mix begins with creating a service idea that values the targeted patients, meeting their needs better than competitors. If the basic service is poorly delivered, it will fail to create the value that patients expect, although the other components of the marketing mix are properly applied. A global product-service is primarily composed of the basic service, which satisfies the basic need of the patient (consultations, diagnosis, treatment). The other two components consist of the auxiliary service that helps to provide the basic service (the reception and treatment rooms) and a series of additional services (additional investigations, medical gymnastics). The aforementioned elements can help the patient use the basic service more efficiently⁷. The main goal of any medical services provider is to sell products or services in order to satisfy their clients' needs⁸. In general, the products offered by the health care units include both goods, such as medicines and medical equipment and services, such as various medical procedures, for example consultations, surgeries, etc.

⁵ Thomas, R.K., *Health Services Marketing. A Practitioner's Guide*, (New York:Springer, 2008)

⁶ Akoush, M. N., *The 7Ps Classification of the Services Marketing Mix Revisited: An Empirical, 2011 Assessment of their Generalisability, Applicability and Effect on Performance – Evidence form Jordan's Services Organisations*, *Jordan Journal of Business Administration*, vol. 7, no. 1, 116-147

⁷ Lovelock, Ch. H., Wirtz J., *Services Marketing: People, Technology, Strategy*, 7th Edition, (Prentice Hall, 2010)

⁸ Berkowitz, E.N., *Essentials of Health Care Marketing*, 5rd ed., (Sudbury:Jones & Bartlett Learning, 2021)

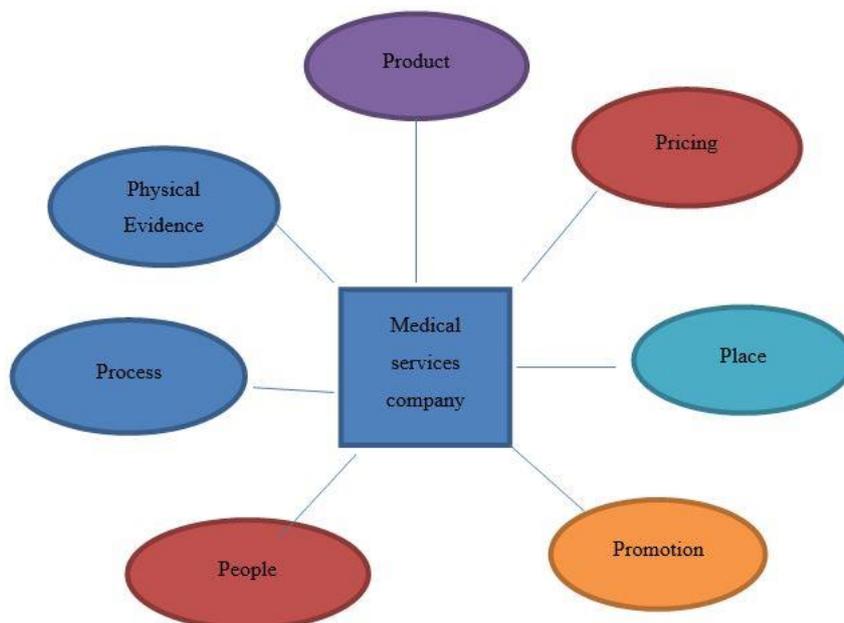


Figure 1. Marketing mix in the field of medical services (adaped from Zeithaml et al, 2012)

Price represents the exchange value of the service offered by the service provider, including taxes, contributions, co-payment, health insurance, etc.⁹ In the field of medical services, the price (tariff) charged serves as a tool through which service companies try to cover their costs

and possibly make a profit. Pricing strategies are very dynamic, rates being adjusted according to the type of patients, place and time, the level of demand and the available capacity.

Depending on the type of the medical institution, either a state or a private institution and the type of service offered (in contractual relationship with Health Insurance Funds, insurance companies, etc.), setting the price is up to the institution. Another aspect that must be taken into consideration regarding the state institutions is the accessibility of medical services and products¹⁰, given the fact that they refer to different socio-professional categories, which have different levels of income.

Another peculiarity of setting the price of medical services in the public sector is the fact that payment is not directly made by the patient, but through third party payer (Health Insurance Fund, insurance company, etc.)¹¹, which makes patients unaware of the services' price. For this reason, it is difficult for public medical institutions to compete on this area¹².

On the other hand, patients consider the price (tariff) an essential part of the costs they have to bear, so as they can obtain the desired benefits. When assessing the value of the service, in addition to its monetary value, patients take into account the non-monetary costs (waiting time, physical and mental effort, negative sensory experiences). Therefore, not only do healthcare providers set their own prices (tariffs) based on how much they want and can

⁹ Berkowitz, E.N., *Essentials of Health Care Marketing...*; Rădulescu, V., *Marketingul serviciilor de sănătate*, (București:editura Uranus, 2008); Thomas, R.K., *Health Services Marketing. A Practitioner's Guide*, (New York:Springer, 2008)

¹⁰ Berkowitz, *Essentials of Health Care Marketing...*

¹¹ Rădulescu, V., *Marketingul serviciilor de sănătate...*

¹² Linnander, E.L., Mantopoulos, J.M., Allen, N., Nembhard, I.M., Bradley, E.H., (2017) *Professionalizing healthcare management: a descriptive case study*, Int. J. Health Pol. Manag. 6 (10) (2017) 555–560

pay for the patients concerned, but they also take into account these additional costs that they should minimize whenever possible¹³. Due to the perishability of services (the impossibility of storing them for later consumption), medical services companies try to synchronize demand with supply through dynamic pricing strategies.

The distribution of services is a complex process which involves decisions regarding the place, time and method of delivery¹⁴. It can be done through physical, electronic channels or both, and their choice depends on the type of service provided¹⁵. Beside this, the speed of service delivery and the patient's comfort will be taken into account when choosing the marketing channels. Many services are provided "in real time", assuming the physical presence of the patient. At the moment, patients are always against time, being in a constant rush and considering "waisted time" as a cost that needs to be reduced. Thus, they may be willing to pay extra money to save time. More busy patients want to benefit from healthcare services when it is convenient for them, which is why their expectations regarding the availability of the medical personnel are increasing¹⁶. Therefore, decisions about the placement of medical services should start with "when" and "where" potential patients want to benefit from the health services provided, as well as through what channels these services could be provided, in a way that is convenient for both the patient and the organization.

The (promotional) communication policy refers to the means by which the market is informed about the solutions identified by the healthcare provider to solve the problems the patients encounter, but also to differentiate itself from the competitors.

The role of communication is to provide the necessary information to the patients, to convince customers of the quality of the service provided and to encourage them at certain times. Communication with patients in medical services aims to educate them, especially the new ones.¹¹ Thus, patients know the benefits of the services offered and how to participate in their accomplishment, in order to obtain the best results. Communication with the patients can be made through employees (for instance, receptionists, front-office staff), as well as websites and media. Although intangible, employee knowledge is the most important part that counts in medical services, for this reason, the provider should try to enhance confidence through patient communication. Credibility is imperative for the service's quality and can be achieved by emphasizing experience, recommendations and the knowledge of its employees. Communication strategies in the medical field focus on campaigns for behavior change (adopting a healthy lifestyle to reduce the risk of diabetes; increasing interest in sports to reduce obesity), as well as social marketing campaigns and awareness of the negative effects of certain bad habits¹⁷. The most common communication channels are direct marketing, public relations and advertising.

The personnel are very important, because their absence or incompetence makes it impossible to deliver quality services. Despite the technological progress, many services will still require a direct interaction between the customer and the staff. Thus, the personnel, the fifth component of the marketing mix represents "all the people who are actively involved in providing services, influencing the opinion of the client: employees, the consumer, other

¹³ Lovelock, Wirtz, *Services Marketing: People, Technology, Strategy...*

¹⁴ Cetină, I., coord., *Marketingul serviciilor. Fundamente și domenii de aplicare*, (București: Uranus, 2009)

¹⁵ Cetină, *Marketingul serviciilor. Fundamente și domenii de aplicare...*

¹⁶ Thomas, R.K., *Health Services Marketing. A Practitioner's Guide*, (New York:Springer, 2008)

¹⁷ Kotler, P. et al, *Strategic Marketing for Health Care Organizations. Building a Customer-Driven Health System*, (San Francisco: John Wiley & Sons Inc., 2008)

present consumers"¹⁸. In the field of medical services, the competitive advantage or the differentiation from other service providers can be achieved based on the attitude and the skills of the employees.

Alternatively, the patient is the one who can determine the progress of the service, influencing its quality and subsequently, his own satisfaction (whether or not he follows the prescribed treatment). Similarly, patients can influence the experience of other patients, not only their own result.

Owing to the fact that employee and patient satisfaction are connected, service providing companies need to pay attention to the processes of recruiting, selecting, training and motivating employees. Not to mention the fact that apart from technical knowledge required for the job, employees also need good interpersonal skills and a positive attitude, because loyal, competent and motivated employees who work well both independently and part of a team denotes an important competitive advantage. Constant learning and medical formation are essential for the personnel in the medical institutions.

The staff, facilities and processes associated with the medical services provision are elements that give tangibility to medical services. What is more, the personnel are a distinctive element of the marketing mix due to the way of relating to the customers, as they can enhance services offered by the company. With reference to medical services, the personnel are represented by doctors, medical assistants and auxiliary staff (nurses, security guards, administrative staff, etc.). The attitude of the medical staff and the attention they pay to the patients, as well as the availability and the way of responding to the needs and requests of the patients are elements that contribute to the differentiation of the medical unit. The medical literature emphasizes the fact that the interaction between patients-clients and medical staff influences both patient satisfaction and the perceived quality of the medical services they benefit from¹⁹.

The processes (procedures) consist of all the actions performed by the clients in order to acquire the medical service. Processes are extremely important in the provision of medical services, because the patient's opinion on the service he received is determined by his experience with the medical process²⁰. In particular, these processes refer to various administrative or medical aspects that must be taken into consideration in order to provide quality services (inpatient-outpatient procedures; informed consent signed by the patient or his family for certain surgeries).

According to Zeithaml et al (2012), physical evidence describe "the environment in which the service is provided, the interaction between the provider and the consumer, as well as all the tangible elements that facilitate the service or communication with consumers"²¹. In addition to buildings and furniture, another category of tangible elements is represented by the facilities of the medical care unit, including medical equipment, facilities offered to the patients (waiting room, parking lot, offices or hospital rooms) and the ambience of the

¹⁸ Zeithaml, V., A., Bitner M. J., Gremler. D., *Services Marketing.Integrating Customer Focus across the Firm*, 6th edition, (New York:Mc Graw-Hill Irwin, 2012)

¹⁹ Ahmad, A.M.K., et al, The Impact of Marketing Mix Strategy on Hospitals Performance Measured by Patient Satisfaction: An Empirical Investigation on Jeddah Private Sector Hospital Senior Manager Perspective, *International Journal of Marketing Studies*, Vol 5, No 6, pp 210-227, DOI 10.5539/IJMS.V5N6P210; Bastani, P., Mohammadpour, M., Bahmaei, J., Ravangard, R., Mehralian, G.,*Hospital management by health services management graduates: the change*, 2021

²⁰ Ahmad, et al, *The Impact of Marketing Mix Strategy on Hospitals Performance Measured ...*

²¹ Zeithaml, Bitner, Gremler, *Services Marketing.Integrating Customer Focus...*

medical care unit. Some authors emphasize their role in the healing process of patients²². Given the extended degree of intangibility that characterizes the medical services, the role of facilities and physical records is to provide medical services the tangible evidence to support the patient in their evaluation²³.

In an attempt to make the service provided more tangible and to outline a sharper idea about it, the patient will carefully notice all these elements, starting with the exterior and the interior of the building where the company operates, the equipment used, the employee posture and ending with information boards, brochures, business cards, reports, website, even the header used in documents. What is more, physical evidence also serves as an excellent opportunity to express the purpose of the organization, the target market and the type of services provided. The attention paid to physical evidence varies depending on the type of services provided²⁴. For instance, hospitals, clinics or medical recovery rooms will pay special attention to these physical elements, outlining the offices and other tangible elements in accordance with the services provided.

CONCLUSION

During the past few years, medical systems have been undergoing a continuous transformation as a result of the progress of technology, changes in health insurance systems, increased demand for such services, but also the fierce competition. Recipients of medical services can now access a full range of information regarding the diagnosis, services provided, medical personnel, alternative treatments and they can also form social networks that allow them exchanging opinions and experiences²⁵. All these aspects improve the environment in which the health care providers operate, which makes marketing an increasingly important component in this area²⁶.

Medical institutions that understand and repeatedly apply the principles of marketing achieve their goals more effectively. They need to attract resources, motivate their employees and attract consumers of education. Marketing is the most attentive applied science to the efficiency and effectiveness of exchanges and it is equally relevant to medical institutions.

²² Azila-Gbette, E. M. et al, *Physical Evidence and Quality Service Delivery in Public Hospitals* in Ghana, International Review of Management and Marketing, vol. 3, no. 4, pp. 153-163, 2013

²³ Ahmad, et al, *The Impact of Marketing Mix Strategy on Hospitals Performance Measured ...*

²⁴ Hoffman, D K., Bateson, G. E. G., *Services Marketing. Concepts, Strategies, and Cases*, 4th Edition, (South-Western Cengage Learning, 2010)

²⁵ Berkowitz, *Essentials of Health Care Marketing...*

²⁶ Thomas, *Health Services Marketing...*

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