The Indian Health Care Industry is Set to Explode

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ABSTRACT

Health care industry in India is an emerging industry as health has become of utmost importance to all human beings. The Indian are becoming more and more health conscious. The following contribute for the growth of industry. The national average of proportion of household in the middle and higher middle-income group has increased form 14% in 1990 to 20% in 1996 and 38% in 2012. Private insurance will drive the healthcare revenues. Considering the rising middle and higher middle-income group we get a conservative estimate of 200 million insurable lives. The population to bed ratio in India is 1 bed per 1000, in relation to the WHO norm of a bed per 300. In India, there exists space for 75000 to 100000 hospital beds. The Indian healthcare industry is worth Rs.100 billion today, and it is expected to grow by around 13% to 15% annually. Corporate Hospitals failed a decade ago because they emerged in isolation and were not part of a larger phenomenon. However, now there are the insurance companies, the hospital hardware and the software companies, which have come together to create the boom.

Indian healthcare industry is on a robust growth curve with enormous scope for investing in new specialty/multi specialty hospitals (or) expansion of existing facilities in recent days and installation of advanced equipments/technology up gradation. According to industry experts, dentally these factors will enable healthcare players to serve the increasing patient population to access qualitative diagnosis and treatment at adorable price models. Private healthcare is coming forth as one of the fastest growing sectors in India, with chain hospital explorations into various cities (such as metros and tier II cities across the country), private players seeking accreditation and developing new healthcare models in recent days. Further, various states have launched innovative initiatives to attract PPP investments into healthcare space, These Public Private Partnership initiatives may help in improving the infrastructure and healthcare provision in the country for the needs raised.

NEED AND IMPORTANCE OF THE STUDY:
Health care marketing has passed its embryonic stage and is now developing its own character. There is a definite need for hospital management to develop a basic understanding of health care marketing concepts. Corporate Hospitals survival in the future will depend on the ability to respond to the needs of customers through innovative and quality services more effectively and efficiently aiming at consumer satisfaction, which is the ultimate goal of the marketing philosophy.

Although, there are similarities in consumer satisfaction process regarding goods and services, the latter are more difficult to evaluate than goods. Goods have a number of search properties, characteristics that can be distinguished. Conversely, consumers find it difficult to assess the quality of services, which involve basically experience properties, which can be evaluated only after the service has been made use of. This is particularly true for professional services such as health care, health services consumers may use non-technical characteristics (such as length of waiting time, procedures, Friendliness of staff or Doctors, they experience) to evaluated service quality. These aspects of services are directly experienced and their evaluation requires no technical expertise.

In today’s health care marketing, there is keen competition for the attention of the consumers in all fronts. The key task is not only providing specialized services more effectively and efficiently but also maintaining quality of overall services. Corporate Hospitals is a new breed of culture in health care industry in India. They have an age of more than a decade and half or so. This new culture has got its confluences with old culture of government hospitals and individualistic health care services. These hospitals are attracting a large number of patients, because of their multi and super specialties in nature.

OBJECTIVES OF THE STUDY:

Through the broad objective is organization and working of corporate hospitals with reference to marketing of Health Services, the detailed sub objectives are as follows.

- To examine the healthcare scenario at National and A.P level.
- To study the organization and management of the study corporate hospitals.
- To review the literature related to the problem in question.
- To find out the patient perceptions toward the service quality of the study hospitals during the different stages of patient itinerary process.
• To measure the patient satisfaction with the services of the study corporate hospitals.
• Finally, to offer appropriate suggestions for effective functioning and marketing of Health Services.

SAMPLE DESIGN:

a. Apollo Hospital, Hyderabad
b. Yashoda Hospital, Hyderabad.
The study area is limited to Hyderabad only. A sample of 200 respondents has been selected comprising of 100 from each hospital.

DATA ANALYSIS:
The questionnaire consists of different questions represented on 5 point scale. Averages with percentages for each question for all five hospitals have been tabulated and analyzed. A detailed interpretation wherever necessary has been given. To understand about dependent variable, i.e. satisfaction and the influence of independent variables on the dependent variable, the multiple Regression analysis has been conducted. Factor analysis is conducted to analyze the data and reducing the data in to a few numbers of factors.

CHALLENGES AND OPPORTUNITIES

The Industrial challenges are many:
1. Owing to the fact that the healthcare sector in India is one of the largest service segment, as well it has egresses as on the of most challenging sectors in India. For the healthcare segment, the challenges future that are assumed to be:
2. All major healthcare players are now targeting to new segments such as primary care and diagnostics. Demographics, health awareness and increasing capacity to spend are the key drivers of the preventive healthcare segment in India.
3. Many players are, targeting at Computer-based bio-surveillance projects, which generating data about diseases and creating databases on healthcare in rural areas, these new implications are gaining popularity in India now.
4. Average annual growth rate forecast in healthcare infrastructure expenditure 2009-2013To control cost of treatment Access to insurance and also bring in more clarity to cashless treatment options severe shortage of qualified professionals and the workforce is concentrated in urban areas. Many Indian people, especially those who living in rural, semi urban areas, still receiving services from unqualified providers.
5. The emigration of qualified doctors, nurses, and other medical professionals is substantial. The training resources, other infrastructure providing to nurses/other medical professionals in India is still inadequate.
6. The policy designers from government body urgently need to address these issues maintain quality norms.

CONCLUSION:
Indian healthcare players should control their cost, quality and diagnose existing problems to solve in a futuristic way. Also they should draw comfort from the fact that at least some potential solutions to that already exist. Indian healthcare policy makers should analyze the initiatives that are taken around the globe, which have demonstrated effective new ways to reach interact with patients and treat them at significantly lower cost with improving quality. The real challenge here is how to implement, not how to invent. Given the pressure on health systems everywhere, players should do everything possible to help organizations adopt successful innovations and thereby reap the benefits the industry can provide.

Keywords: Health Care, Quality Service, Privatization of Health Industry, corporate Hospitals etc.

INTRODUCTION:
The Indian healthcare industry is set to explode. The industry, worth today Rs.100 billion, is poised to surge by Rs.15, 000 Crore annually. Often it is talked about speeding up the process of socio-economic transformation but less is done for human capital formation. Even in an age of hi-tech, the proverb “Health is above Wealth” is found relevant. It is the responsibility of all the institutions related to health to provide medical facilities to the mankind. Today, the major emphasis in providing health care services is on Corporate Hospitals. The medical profession has widened its horizon world wide and India is no exception. Corporate Hospitals are emerging as new breed in health care industry in India. These hospitals are attracting a number of patients because of their super-specialties. There is a keen competition among these hospitals for market share. The emphasis is not only to provide specialized services more efficiently and effectively, but also to maintain the quality of overall services.

The major concern for corporate hospitals is on consumer satisfaction. In the service marketing, it is evident that just not that four P’s, i.e. Product, Price, Place and Promotion play a vital role, but also other P’s like People, Physical Evidence and Process play an important role in satisfying the consumer. Today, customer satisfaction is a growing field of research and teaching. An important reason for studying consumer satisfaction is evaluation of consumer groups with unsatisfied needs and desires. The essence of
modern marketing concept is that all the elements of business should be geared for the satisfaction of consumers. Much has yet to be learned about what it means to be customer-focused in the health care industry. Ask any group of physicians “How do they define quality in health care?” and the following responses will be received.

HEALTH CARE IN INDIA:

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Private insurance will drive the healthcare revenues. Considering the rising middle and higher middle-income group we get a conservative estimate of 200 million insurable lives. The population to bed ratio in India is 1 bed per 1000, in relation to the WHO norm of a bed per 300. In India, there exists space for 75000 to 100000 hospital beds. The Indian healthcare industry is worth Rs.100 billion today, and it is expected to grow by around 13% to 15% annually. Corporate Hospitals failed a decade ago because they emerged in isolation and were not part of a larger phenomenon. However, now there are the insurance companies, the hospital hardware and the software companies, which have come together to create the boom.

The major thrust areas in Health Care Industry are as follows:

Factors attracting corporate to the Healthcare sector
- Location Factors
- Marketing Strategies
- Sources of revenue
- The Future
- Role of technology
- Major corporate players
- Demographic details
- Number of hospitals

MAJOR CORPORATE PLAYERS IN INDIA

The Apollo Group of Hospitals
The Apollo group is India’s first corporate hospital, the first to set-up hospital outside the country and the first to attract foreign investment. With 2600 beds, Apollo is one of Asia’s largest healthcare players. The recent merger between its 3 group companies, Indian Hospitals Corporation Ltd., Deccan Hospitals Corporation Limited and Om Sindoori Hospitals Limited, will help the group raise money at a better rate and by consolidating inventory; it will save around 10% of the material cost. The group is planning to invest Rs.2000 crore, to build around 15 new hospitals in India, Sri Lanka, Nepal and Malaysia.

Fortis Healthcare
Fortis is the late Ranbaxy’s parvinder singh’s privately owned company. The company is a 250 crore, 200 bed cardiac hospital, located in the town of Mohali. The company also has 12 cardiac and information centers in and around the town, to arrange travel and stay for patients and family. The company has plans of increasing the capacity to around 375 beds and also plans to tie up with an overseas partner.

Max India
After selling of his stake in Hutchison Max Telecom, Singh has decided to invest around 200 crores, for setting up world class healthcare services in India. Max India plans a three tier structure of medical services-Max consultation and Diagnostic Clinics, Maxmed, a 150 bed multi-speciality hospital and Max General, a 400 bed hospital. The company has already tied up with Harvard Medical International, to undertake clinical trials for drugs, under research abroad and setting up of Max University, for education and research.

Escorts
EHIRC located in New Delhi has more than 220 beds. The hospital has a total 77 Critical Care beds to provide intensive care to patients after surgery or angioplasty, emergency admissions or other patients needing highly specialized management including Telecardiology (ECG transmission through telephone). The EHIRC is unique in the field of preventive Cardiology with a fully developed programme of Monitored Exercise, Yoga and Meditation for Life style management. Wockhardt & Duncans Gleneagles International also has major expansion plans. This report is prepared by Mona Pundit and Parin Mehta of Sydenham Institute of Management exclusively for India Info line as part of their project curriculum. In states like Maharasthra, Gujarat, Kerala and Andhra Pradesh, Private hospitals are 85-95% of the total hospitals in the state. Whereas in states like Rajasthan, Madhya Pradesh and Haryana, the private hospitals either do not exist or are a very small proportion of the total hospitals. This leaves a lot of scope for private players to enter into these states where already there are bed shortages. Health care expenditure during five year plans: The details of health care expenditure as a percentage of GDP during the various five year plans are given below.
It can be seen that the expenditure by the Govt. has been reducing over the years and stands at half of what it was in the first five-years plan indicating the reduced importance by the Govt. towards providing health care to the public.

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INTERPRETATION OF DATA:

Profile of sample respondents who answered the questionnaire related to perceived consumer satisfaction with the Patient itinerary process of Appolo and Yashoda Hospital’s were discussed below:
Table 1

<table>
<thead>
<tr>
<th>S.No</th>
<th>Age Group (in Years)</th>
<th>Apollo</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 20</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Between 21 – 40</td>
<td>15</td>
<td>8</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Between 40 – 60</td>
<td>29</td>
<td>15</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Above 60</td>
<td>9</td>
<td>11</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>60</td>
<td>40</td>
<td>60</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>Apollo</th>
<th>Yashoda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Family physician</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Friends &amp; relatives</td>
<td>21</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>Specialist</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>4</td>
<td>Own</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

On the observation of the above table, it is clear that 30 percent of the respondents visited the Hospital on the advice of specialists followed by friends and relatives with 21 percent, 18 percent with other reasons, 16 percent by family physician and 15 percent on their own. It is interesting to observe that 15 percent of the total sample visited the Hospital on their own. Whereas in Yashoda 33 percent of the respondents were advised by the Specialist, 32 percent were advised by family physician. 15 percent by friends and relatives, 10 percent were each were advised by others or visited the hospital on their own.

Table 3

<table>
<thead>
<tr>
<th>S.No</th>
<th>Particulars</th>
<th>Apollo</th>
<th>Yashoda</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excellent</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Good</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>3</td>
<td>Fair</td>
<td>29</td>
<td>39</td>
</tr>
<tr>
<td>4</td>
<td>Poor</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Very Poor</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

On the observation of the table, it is clear that 45 percent of the respondents were of the opinion that doctors paid good attention followed by fair with 29 percent, excellent with 15 percent, and 11 percent of the respondents were of the opinion that the doctors paid poor attention during the examination stage.

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were not satisfied and rated as poor and 1 percent of the sample respondents was not all happy with the examination process and rated as very poor.

FINDINGS OF THE STUDY

The findings related to the study reveal the following:

1. The profiles of respondents of all hospitals reveal that a majority of the respondents are males. About 40% of the respondent’s belong to the age group of 40-60 years. Occupation wise, there are significant differences found between the respondents of four hospitals. In case of Apollo hospitals, employees who are in service dominated the survey which in case of Care hospital, business men dominated the study. Majority of the respondents are graduates.

2. About 50% of the respondents of all hospitals expressed that they are advised by friends and relatives and specialists to visit the hospitals.

3. When the respondents visited the hospitals, about half of them received ‘some’ information, which has become a source of dissatisfaction. Since they were not provided with adequate information at the reception stage, the respondents expressed their dissatisfaction. This observation was found to be relevant for all hospitals.

4. Phone contact has become a major source for taking appointment. In Apollo hospital and Yashoda hospital majority of the respondents expressed that it is convenient to contact the hospitals.

5. Most of the respondents of two hospitals could not find it difficult to get the admission pass and it is convenient for a majority of respondents.

6. The explanation of procedures relating to admission is an important aspect of patients care. It was observed that in case of all the two hospitals about 70% of the respondents of each hospital have rated the procedure as good and fair very few respondents are not happy with the explanation procedure.

7. Friendliness of staff at reception stage is another important issue related to the patient’s satisfaction. It was found out that 73.5% of the respondents of the study hospitals are found to be happy as they have expressed it as ‘good’ and ‘fair’.

8. The attention paid by doctors at the time of examination stage also received a positive response from respondents of all the hospitals. About 75% each of the respondents of each hospital have expressed it as ‘good’ and ‘fair’.

9. Friendliness of doctors at the examination stage was also received a high satisfactory response from respondents of all the hospitals. It was observed that about 70% of each of the respondents of all four hospitals has given a rating of good and fair for the statement “friendliness of doctors”. Below 10% of respondents of each hospital expressed that it was ‘poor’ and ‘very poor’.

10. The overall satisfaction with examination stage was also found to be very much satisfactory as 75% of each of the respondents of all hospitals have rated it as good and fair. 15.5% of the respondents of all hospitals have rated excellent and 10% of the total respondents expressed ‘poor’ and ‘very poor’.

11. Attention paid by staff was also good and fair to 75% of the respondents of each of the hospitals. Staff was also found to be courteous in dealing with patients in dressing room. A similar observation was found in case of all hospitals.

12. The respondents are asked to give their views relating to recommendation of the hospital to others. More than 80% of the respondents of each of the hospital have given a favorable response.

SUGGESTIONS

1. As the patients who visit the hospitals are in the age group of 40 and above, the hospitals should focus their attention on improving the medical care and design proper health schemes to benefit the above group of population.

2. It may be suggested that the corporate hospitals are advised to exploit the income range of below Rs.1,00,000 and are required to come out with lot of value added services like loyalty packages, family packages and other health schemes to attract the population with below Rs.1,00,000.

3. The sample hospitals should focus on the suitable marketing approaches and practices. As a part of marketing philosophy, the supporting staff and technician should be given advanced training related to behavioral aspects such as courtesy and empathy in dealing with patients to become more patients friendly.

4. The study hospitals are advised to take necessary care in relation to staff and to motivate them to give proper answers to the queries raised by the patients. Educating patients on various aspects related to disease and treatment is very much necessary for the improvement of image of the hospitals.

5. The study hospitals should take necessary steps to reduce the dissatisfaction resulting from general amenities like seating arrangements, drinking water, parking and general hygienic conditions.

6. Health management packages can be provided by hospitals to family and corporate world. For example Family Health Plan Services (FHP), a subsidiary of Apollo Hospitals carries out health management of employees of its clients in the industry, with a wide network of Hospitals and Healthcare providers countrywide, and a tie-up with General Insurance Corporation of India. Other
corporate hospitals are advised to follow the example of Apollo and come out with unique health management packages.

7. All corporate hospitals are advised to conduct periodic preventive health care programs of the chronic and current diseases in general and specialized programs to the society in general.

CONCLUSIONS

In the age of hyper competition now a days all business organizations are competitive with one another in creation of good and reasonable infrastructure facilities and well as trained staff. Therefore the data and opinions of the respondents representing all the four hospitals are more or less common identical and closely related. To sum up, there was no significant difference found in the performance and efficiency between the two sample groups of hospitals. The satisfaction levels of the patients in all the four samples also were more or less identical.

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