

# FACTORS INFLUENCING THE SELECTION OF PRIVATE HOSPITALS.

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## ABSTRACT

The purpose of this research represented to study factors influencing the selection of private hospitals. The instruments of quantitative research represented the closed-end questionnaire that was constructed according to the literature's guidelines. The population represented clients as patients of ten leading hospitals. The sample was selected with the formula or unknown number of populations; the 384 sample sizes were determined and obtained data by constructed questionnaires including the statistical analyzing with path analysis. The finding discovered factors influencing the selection of private hospitals with the most significant of service quality that depended on service responsiveness without errors and customer perception of value.

## INTRODUCTION

The private hospital business grew on a tandem with the national economic growth, the increasing of purchasing power and the needs of convenience and speed caused the people turn to private hospitals that provided modern medical equipment and more convenient services. Business Research Office of Land & Houses Bank Public Company Limited in 2013 found 326 private hospitals with 33,698 beds increasing by 0.93% and 0.27% with respectively to 2012, 100 hospitals with 13,853 patient beds were located in Bangkok which was considered to be 30.67% and 41.11% of the total in the country respectively that reflected the majority of private hospital businesses were mainly concentrated in Bangkok and caused the crucial competition especially in those areas both of direct competition among the private hospital business and also 975 governmental hospitals in nationwide.

Currently, the private hospital business was interesting due to both of the expansion of foreign patients and a group of foreign employees in Thailand. Kasikorn Research Center expected that in 2015, the revenue of the private hospital business grew up 10-15 percent or not less than 1.07 billion Baht with the main revenue that came from the Thai patient market and generated revenue for the private hospital business over 75 percent of the total revenue of Thai private hospitals.

However, it seemed that private hospitals have the ability to generate revenue and profit in good proportion, but the current crucial competition whether the acquisition and merger as well as the integration of hospitals caused small private hospitals had to encounter suffered business operations. The increasing of complaints of private hospitals such as the exaggerated medical fees, unequal service treatment, long-time waiting, non-continuously refer out that caused private hospitals was supervised the appropriate prices of medicines and medical services including the quality of service.

The aforementioned reasons affected the revenue and profits of private hospitals in the future and caused private hospitals return to pay attention to service development and customers' needs that contributed to maintain customers and generate new customers.

## LITERATURE REVIEW

The marketing strategy based on 4C's concept consisted of 1) consumers' needs, which produced products or anything that consumers wanted to solving their needs instead of produce for itself or their survival 2) The cost of consumers caused the pricing was considered the cost of the consumer to pay for obtaining products 3) Convenience to purchase caused distribution channel contributed the convenience of buying products and services 4) Communication channel contributed media to access consumers and be believable (Kotler and Armstrong, 2014).

Decision making meant the process of selection in doing something from various alternatives that consumers might make decision in alternatives of goods and services, they chose goods or services with the situational constrains. The decision making represented the crucial process in consumers' mind.

Buying decision process represented the stages of consumers' decision making five stages as following.

### 1. Problem or need recognition

The person recognized the difference of the ideal stage and realistic stage that they felt to be good by themselves and caused the needs to fulfill the gap of the ideal and reality which was different and depended on individual. The consumers' problems might be occurred by following.

1.1 The old thing were gone and could not to solve the problem that resulted from new demand of new existing ones, consumers might to discover new things to replace.

1.2 The result of the problem solving in the past led to recent problems that managing the obsolete product might relate old problems.

1.3 The personal changes like the growth of a person in terms of maturity and qualifications or even a negative change.

1.4 The change in family conditions caused to other changes.

1.5 The change in financial status regardless of changes in financial status, both of the positive or negative with lifestyle change.

1.6 The result of changing the reference group, each person would have a reference group for each aging period. Therefore, the reference group was an influence on the behavior and consumers' decisions.

1.7 The efficiency of marketing promotion when promoted various markets whether advertising, public relations, bundle pricing, sales force or effective direct marketing contributed to stimulate consumers to be aware of problems and needs

### 2. Searching for Information

2.1 Personal searches represented a personal information source like family, friends, reference groups, experts or reviewers.

2.2 Commercial searches represented a source of news at the point of sale of companies or stores that were manufacturers or distributors or salespeople.

2.3 Public search represented sources from various mass media like television, radio, as well as internet searching. Experimental search represented a news source that had been tried and tested. Some consumers exerted the effort to search for information to make a purchasing decision, but depending on the amount of information that they had previously the intensity of desire or the convenience of searching.

### 3. Evaluation of alternatives

When consumers acquired the information from step 2 and evaluated the options and decided the worthiest one. The methods that consumers evaluated by comparing information

about features and selecting a variety of brands and becoming to only one brand with ideas for making easier decisions as follows

3.1 Attribute and benefits represented the consideration of the benefits and the product features that can be used its characteristics to accommodate their needs.

3.2 The degree of importance represented the consideration of the attribute of product rather than the salient attributes that we saw. Consumers repaid the attention to various types of products at various levels in accordance with their needs.

3.3 Brand beliefs represented the consideration of the brand trust or the brand image that consumers perceived from recent experiences.

3.4 Utility functions represented the assessment of satisfaction. Consumers adopted the attitude to choose the brand and specified the features of the products they wanted and compared the features of the desired products with the characteristics of various brands.

3.5 Evaluation procedures represented the combined methods in decision making such as satisfaction in brand trust, product characteristics, consider, brand trust that were compared and rated them for choosing later.

#### 4. Decision making in buying

Ordinarily, each consumer needs information and time in difference to make a decision for each product. Some products were required much information and a long time for comparison, but no need a long decision time for some consumer products.

#### 5. Post purchasing behavior

Post purchasing behavior occurred after the purchasing and consumed the products, the consumers evaluated products for the further that represented the marketers should realize the consumer satisfaction before or after their purchasing due to retain customers and brand loyalty in long-term.

## METHODOLOGY

The instruments of quantitative research represented the closed-end questionnaire that was constructed according to the literature's guidelines. The population represented clients as patients of ten leading hospitals. The sample was selected with the formula or unknown number of populations; the 384 sample sizes were determined and obtained data by constructed questionnaires including the statistical analyzing with path analysis.

## RESULTS

The results of analysis on selection of private hospitals found that factors influencing the selection of private hospitals with the most significant of service quality that depended on service responsiveness without errors and customer perception of value in addition customers compared the medical and service fees with the received quality and then perceived the appropriation which private hospital operators should pay attention to the service quality. In addition the standardized treatment of medical personnel, other personnel affected the service quality. The training for delivering excellence service ensured customer satisfaction, loyalty and reputation including suggestions to others.

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