MARKETING STRATEGIES INFLUENCING PERFORMANCE OF PRIVATE HOSPITALS IN NYERI COUNTY, KENYA

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DECLARATION

This is my original work and has not been presented for examination in any institution or university.

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DEDICATION

I dedicate this thesis to my loving Family Callisto and Grace for their unwavering support and encouragement throughout this master program. May God bless you abundantly.

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ABBREVIATIONS AND ACRONYMS

AIDS	:	Acquired Immunodeficiency Disease Syndrome
FBO	:	Faith Based Organizations
GIS	:	Geographic Information System
HIV	:	Human Immunodeficiency Virus
HR	:	Human Resource
ICU	:	Intensive Care Unit
IT	:	Information Technology
NGO	:	Non Governmental Organizations
NHSSP	:	National Health Sector Strategic Plan
SWA	:	Sector Wide Approach
THE	:	Total Health Expenditure
MOH	:	Ministry of Health
WHO	:	World Health Organization
NHIF	:	National Health Insurance Fund
CBHF	:	Community Based Health Financing
SPSS	:	Statistical package for social sciences

ABSTRACT

The study aimed at finding out marketing strategies influencing performance of private hospitals in Nyeri County based on internal organizational perspectives. Available studies in this field are based on customer perspectives. Marketing strategies determine how best business organizations can achieve their marketing targets in the light of existing pressure from competition while operating under limited resources. This study sought to identify the marketing strategies adopted by private hospitals and effect they have on hospital's performance. Specifically the study aims to evaluate the effect of health products, price, place and promotion on performance of private hospitals in Nyeri County. To achieve the objectives of this study a descriptive research design was adopted. The target population was a census of 56 respondents composing of heads of department or their assistants in the five hospitals in Nyeri County. Self-administered questionnaires were used to collect data from the private hospitals registered by Medical Practitioners and Dentists Board of Kenya in Nyeri County. A pilot study was carried out in two private hospitals in Kirinyaga County. Cronbach Alpha coefficient with a value of 0.70 and above indicated that the instrument was reliable. Out of fifty six (56) questionnaires that were distributed, fifty one (51) responded representing a response rate of 91.1%. The analysis of the collected data was done by use of statistical package for social sciences (SPSS) to produce descriptive and inferential statistics. A bivariate and multiple linear regressions were adopted at statistical confidence level of 95%. The study revealed that product, price and place strategies had positive and statistically significant effect on performance of private hospitals while promotion strategies had a positive but insignificant effect. In addition, the study revealed that majority of private hospital offers quality services and engage medical personnel who handle patients professionally, prices are based on cost of providing services and the hospital charges fair prices, private hospital opening hours for outpatient clinics are convenient, and most of the private hospital promotes sales through free medical camps. The study recommends that private hospitals should come up with health service delivery charter with a view to enhance the quality of service delivery and ultimately the performance. In addition, private hospitals should focus on price differentiation in order to enhance performance. The study suggests that future research could focus on challenges private hospitals face when they focus on implementing marketing strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

This chapter deals with the background of the study, statement of the problem and purpose of the study. The researcher also looked at the research objectives, research questions and significance of the study. The researcher finally highlighted on the scope, limitations, delimitations, and operation definitions of terms of the study.

1.1.1 Marketing Strategies

Marketing mix elements are set of controllable, tactical marketing tools- product, price, place and promotion that a company uses to pursue its marketing objectives in the target market. Meera (2012), opined that marketing mix is the greatest marketing strategy for attaining high levels of performance for any firm. Marketers try to shape customer perceptions and attitude towards their firm by blending these four elements of marketing. According to Kotler and Armstrong (2013) market strategy is a mechanism of providing quality services and products that satisfies customer's need, by offering affordable prices , engaging in wider distribution while backing it up with effective promotional strategy which strengthens firm's market share and minimize impact of competition. In today's complex conditions characterized by sophisticated and dynamic customer needs, firms have to adopt suitable competitive marketing strategies to ensure customer satisfaction by offering services that meet customer's expectations. Customer satisfaction ranks high on the list of strategic priorities concerned with the achievement of organizational long-term objectives; hence it reflects the effectiveness of the organization in delivering value to customers through delivering of quality services that meets the needs of customers (Shameen & Gupta, 2014).

According to Davis and Heineke (2008), in today's business activities, the success or failure of any business organization depends largely on how best such organization can satisfy its customers and this act places enormous task and responsibility by way of marketing on any organization intending to excel at satisfying their customers and clients. The core responsibility involves identifying with precision the needs of

customers and deciding on the best way to improve their products and services so as to meet and satisfy the yearning of both prospective buyers and sellers.

Globalization has compelled companies to view marketing strategies as an integral part of strategic planning as a way to remain competitive through formulating and executing marketing strategies (Aremu & Lawal, 2012). Marketing strategy involves firm's analysis of market and its environment, customer buying patterns and behaviors, competitive activities and the need and capabilities of marketing intermediaries with attempts to reach the target markets. Effective marketing strategy starts from market research in which needs and attitudes of customers are identified, competitors' products are assessed and continues into packaging, promotion and where applicable customer servicing, , sales and distribution.

Marketing strategies have a great role, particularly in companies operating in the service sector, since employees deal directly with clients. Successful companies have to pay attention to their marketing strategies which implies that they should take care of their employees by considering them as internal customers of the company. Through providence of benefits and incentives, which leads to increase in employee loyalty and reduced labour turnover costs, firms tend to improve their market performance (Cornish, 2007). The main objective of marketing strategies is to strengthen firm's market share and as a result lead to attainment of organizational profitability. According to Diab (2010), hospital's performance can be measured by the quality of medical services perceived from three views: the patient, hospital administrators and medical groups. The patient looks to quality of medical care to determine to what extent services provided by the hospital are meeting his required needs; medical groups view performance based on the skills and experience of the individuals in the hospital; while the hospital administrators view performance based on the degree of achieving efficiency and effectiveness in the provision of medical service. High quality medical services help to reduce medicals errors, reduction of patient waiting time and ensure commitment to ethics of the medical profession which results into improved sales and performance of the hospital.

The primary concern of every business organization is to make profit and to achieve these objective resources at hand should be prudently utilized (Ahmad, 2007). Hence the marketing manager of any business organization should formulate and implement policies and plans which will maximize the profit per unit of capital employed in the business. This study hence sought to establish the influence of marketing strategies on performance of private hospitals in Nyeri County from the hospital administrators' perspective.

1.1.2 Health Sector

Health sector is one of the critical sectors of any economy. A country that is characterized by poor health systems and policies is vulnerable to poor economic growth since the productivity of citizens might be greatly affected when they fall sick or die from curable and preventable diseases. A study carried out by Ngangue and Manfred(2015) on the impact of life expectancy on the growth of Gross National Income(GNI) in developing countries found that improvement in life expectancy has a positive effect on economic growth. Improved health boosts human capital through increasing life expectancy which allows accumulation of knowledge and skills important for investments, productivity and job creation. Hence evaluating performance of hospitals is of great importance in order to ensure optimum utilization of resources and attainment of goals through provision of services that meets customer's need. Health service performance measurement is also important in securing health system improvement and   accountability which facilitate policy making (Asadi-Lari, Tamburini, & Gray, 2004).The goal of health sector is to provide equitable and affordable health care at the highest affordable standard to all citizens. An effort towards good health is crucial as it improves health of people which increase productivity of individuals and reduce absenteeism at the work place. Improvement in survival rate and life expectancy increase the overall investment in national human capital (Moliner, 2009).

It is the government mandate to provide quality health care services to its citizens through public hospitals. However the public health services have continued to experience poor performance resulting to poor health services. The poor performance of the public health care sector is attributed to the following: critical staff are absent,

essential supplies are generally unavailable, facilities are inadequate, and the quality of staffing is poor. The problems of supervision and accountability exacerbate the problems; and if corrupt practices are added to the list, it is not difficult to imagine the predicament of the patients. In fact, these conditions and a general perception of poor and unreliable services may explain why those who can afford it have been seeking health care services in private hospitals within the country and other health facilities abroad. The health sector is undergoing significant and rapid changes which compels health care organizations to struggle for continuous advancement in order to develop a robust healthcare system which is globally competitive. This helps to meet the needs and demands of emerging demographic trends leading to innovation and change in marketing strategies. Through these advancements the value of healthcare services can be determined by the level of access to effective, adequate and efficient care as a basic requirement of any health care system (Moulin, 2004). According to Ceyhun, Cagatay, and Meltem (2012), unavailability of qualified doctors and nurses, as well as their negative attitudes and behaviors and overcharging of medicals services are major barriers to the utilization of medical services in private hospitals. It is therefore very important for private hospitals to hire qualified medical practitioners with a positive attitude and adopt favorable pricing methods of medical services.

In a highly competitive healthcare environment, public and private hospitals are focusing on service quality in terms of financial and non-financial performance, to gain competitiveness. Like all services, having intangible and heterogeneity nature of healthcare, the degree of excellence is difficult to measure as contributors are different with respect to their interests and integrity, hence the quest to offer quality service in order to have competitive advantage through having an effective marketing strategy (Mantymaa, 2013). A robust health system should provide the right services, both personal and population based, in the right places, at the right times to all of those who are in need of those services, from both public health and personal health perspectives, including all preventive, promotable, remedial, rehabilitative and palliative services. Health Systems are normally appraised in terms of their ability to deliver accessible, safe, high quality, efficient, and equitable care for the sake of population health and longevity (Malik, 2013).

The Kenyan healthcare system can be split into two subsystems, being the Public Sector and private sector. The private sector can further be split into three categories; Commercial Private Sector, Faith Based Organizations (FBOs) and hospitals run by Nongovernmental organizations (NGO). The Public Sector is the largest in terms of the number of healthcare facilities, followed by the Commercial Private Sector and the Faith-based Organizations (FBOs).The government leads with ownership of health facilities with a total of 3,956 followed by private sector with 2,652 facilities. The Total Health Expenditure (THE) has increased over the years by about 33% to KES 234 billion or USD 2,743 million in 2012/ 2013 (Turin, 2010).Health financing is mixed and receives funds from taxation, the National Health Insurance Fund (NHIF), private health insurances, employer schemes, Community Based Health Financing (CBHF), user fees (out of pocket expenses), development partners and Non-Governmental Organizations (NGOs). The government spending on healthcare is approximately 6% of GDP which is low compared to other countries in the region. (Ministry of Health, 2011).

In developing countries like Kenya where the population growth rate will continuously place additional demands on the health sector, its preparedness to serve its people effectively is particularly disturbing as the future health service demands begins to catch up. As a way of addressing the impending numerous public health problems, consideration has been given to the privatization alternative which has led to increased number of private hospitals in developing countries (Tiemann & Schreyogg,2009). In 2013, the public health services (primary and secondary level) moved from the national government and Ministry of Health (MOH) to the county governments. Since then, the MOH is limited to providing support and technical guidance to the counties and is responsible for regulating the health sector and the counties for providing the health services. The MOH is guided by the Kenya Health Sector Strategic Plan (KHSSP) 2013-2017 (Ministry of development and planning 2013).

Some countries in the world have a similar structure of health facilities with public and private facilities with differing levels of performance. According to Chirikos and Sear (2008), private hospitals are more efficient and effective than public hospitals

in the United States, influenced by lack of hospitality and timeliness towards patients. Sari, (2005) asserts that in Florida public hospitals are more efficient than private hospitals the difference resulting from unnecessary treatment and testing and violating medical standards of practice. Additionally there are unnecessary delays in diagnosis and treatment, unnecessary procedures and fragmentation of systems which contribute to higher costs in private hospitals.

A report conducted in Australia found that the efficiency and effectiveness of public and private hospitals is average, however there some differences on specific performance measures. The private hospitals did slightly better than public hospitals in terms of service delivery. The public hospitals were shown to keep costs down on diagnostics, whereas the private hospitals achieved lower cost on general hospital charges due to automation of services. The study concluded that both players can learn from each other on efficiency improvement which add to the advantage acquired of having different ownership models in a given economy (Stone,2014).In Pakistan there is government control in the public health sector while in private sectors, there is no government control. However, NGOs and corporations are also active in healthcare and to some extent; they are successful in raising the positive standard of health. (Rashid &Jusoff, 2009).

1.1.3 Private Hospitals in Kenya
The Private health sector is composed of FBO, NGO and commercial private hospitals. FBO private hospitals are owned and operated by various faith based organizations while some NGO's own and operate private hospitals. These two types of facilities are non-profit making organizations. The commercial private hospitals are owned by individuals and mainly established to offer their services for profit. Overall, and as outlined in the National Health Sector Strategic Plan II (NHSSP II), the health care system is relying on a Sector Wide Approach (SWAP) that aims to integrate the efforts of public, private not for-profit (NGO/FBO), and private for-profit health facilities into a unified drive toward health for all (Turin, 2010). The private health sector is increasingly viewed as critical to meeting the growing demand for financing and delivery of health care services in Kenya. About half of all health facilities in Kenya are private. The private health market has dramatically grown over the last two

decades and is an important source for health care across various segments of the population. About 47 percent of poor Kenyans use a private facility when a child is sick, a third of couples obtain their family planning methods from the private health sector while ten percent of health care spending on family planning goes to NGOs or faith-based facilities. A quarter of people living with HIV and AIDS also access treatment from the private sector (Ministry of Health, 2011).

Nyeri county has five private hospitals; three FBOs which are Consolata Mission, Mary Immaculate and PCEA Tumutumu and two private for profit;Outspan and Jamii hospitals. The private health care industry in Nyeri County has a total bed capacity of 519 beds with average bed occupancy of 335 patients every day. Outpatient departments serve an average of 300 patients per day. The industry has employed a team of 511 employees who are organized into departments to ensure delivery of quality health care. Total number of departments in the health facilities is 56.

1.2 Statement of the problem

In Kenya, the government has given the role of regulation of the health sector to the Ministry of Health, which is the overall government watchdog in the health sector. Regulation of private health providers is entrenched in the country's statutes, which define the conditions and requirements for private healthcare provision. Given the need for regulation of private healthcare providers, the government has left enforcement of the rules and regulations that govern the private healthcare providers to the bodies that monitor the medical profession. To ease regulation, the government has created medical boards and councils of professionals who self-regulate their profession, including registration of medical facilities. However, there have been weaknesses in enforcement of policies, attributed to limited funding available to professional bodies responsible for regulating the profession. The poor enforcement is also attributed to reluctance to take disciplinary actions against their own members due to self-interest. This has caused problems associated with private hospitals that include medical malpractice, negligence, escalation of medical costs and employment of unqualified personnel. These problems have resulted to poor service delivery, thus creating bad public image and customer attrition which replicates to decline in private hospital's performance. The quest to redeem from the poor public image created, and

to cope with major advances in business competitive environment and the demands for health services accountability have driven the need for private hospitals in Nyeri County to embrace massive marketing strategies. The study therefore aims to evaluate the extent of implementation and the appropriateness of marketing strategies adopted by private hospitals in Nyeri County so as to deliver customer satisfaction and enhance performance.

1.3 Purpose of the Study

To investigate marketing strategies influencing, performance of private hospitals in Nyeri County, Kenya.

1.4 Objectives of the Study

This study pursued the following specific objectives;

   i.   To assess the extent to which health products influences performance of private hospitals in Nyeri County.

  ii.   To find out the influence of price on performance of private hospitals in Nyeri County.

 iii.   To examine the influence of place on performance of private hospitals in Nyeri County.

 iv.   To determine the influence of product promotion on performance of private hospitals in Nyeri County.

1.5 Research questions

   i.   How do health products influence performance of private hospitals in Nyeri County, Kenya?

  ii.   To what extent does pricing influence performance of private hospitals in Nyeri County, Kenya?

 iii.   To what extent does place influence performance of private hospitals in Nyeri County Kenya?

 iv.   How does product promotion influence performance of private hospitals in Nyeri County, Kenya?

1.6 Significance of the Study

The research findings would be of great benefit to the private hospitals in Kenya. Private hospitals in these County already using formal marketing skills would find the study useful in assessing their marketing strategies while those not using any formal marketing strategies appreciated the importance of having such strategies in place. The managers would have a clear understanding of the importance of the marketing mix elements in coming up with proper marketing strategies to help them achieve their marketing goals and objectives. Implementation of the findings would result into increased profitability and market share as a result of improved performance. All stake holders in the health care industry would greatly benefit from the guaranteed good performance of their investments due to application of strategic marketing.

Business firms wishing to invest in this sector would find the study useful by using it as a basis of decision making regarding the marketing mix elements to employ in order to meet the challenges of competition in the market. The findings of the study could be instrumental to university and other research institutions as it could form a basis for understanding the marketing strategies that deliver performance in a competitive business environment. This knowledge could also help the concerned government agencies in coming up with the relevant policies regarding marketing of health services.

1.7 Scope of the Study

The study was restricted to the five private hospitals operating in Nyeri County. The hospitals were selected based on their many years of operations and their reliability unlike the public hospitals which are plagued by intermittent strikes.

1.8 Limitations of the Study

The researcher anticipated that some respondents would be uncooperative in relaying the information required for fear of victimization. Other respondents would not be keen in filling the questionnaire on time while others may not fill them at all.

1.9 Delimitations of the Study

The researcher worked closely with her supervisors so as to be guided on how to conduct a research. The respondents of this research were hospital managers. Their academic and professional qualifications enhanced successful completion of this work because they could read and interpret the questions in the questionnaire hence fill them correctly. Official permission to collect data was sought from the respondent institutions. This encouraged the respondents to cooperate with the researcher and give information without fear of victimization.

1.10 Assumptions of the Study

The researcher assumed that all respondents would cooperate, fill all the questionnaires on time and give relevant information. The researcher also assumed that number of private hospitals would not vary over the period of study.

1.11 Operational Definition of Terms

Marketing strategy: This is a plan that allows managers to direct activities that are in consistent with organizational goals towards prudent spending in order to create the greatest amount of return on investment (Hossein & Sima, 2012).

Hospital Performance: The degree to which hospitals are improving (or deteriorating) over time in relation to, internal efficiency, organization learning, customer satisfaction and finances (Caha, 2012).

Product: A good or service that can be offered to a market for attention ,acquisition,use or consumption that might satisfy want or need(Kotler, 2010).

Health service: Health service can be defined as a service intended to influence a person's health, directly or indirectly, through a combination of procedures executed by medically educated personnel (Azam, Rahman, Talib & Singh, 2012).

Price: Price is the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service (Abu & Mohammed, 2012).

Place: Refers to the ease of access which potential customer associates to a health service (Boshoff & Gray 2004).

Promotion: This is marketing communication mix (Promotion mix) which consists of the blend of advertising, personal selling, sales promotion, public relations and direct marketing tools. (Eiriz, &Figueiredo, 2005).

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents theoretical as well as empirical literature that is related to the study. The theoretical review focuses on the relationship that exists between the marketing strategies and Ansoff Matrix, Law of effect and Pull and push theory. The empirical literature focuses on what previous researchers have found out guided by the research variables.

2.2 Overview of marketing strategy

Marketing strategy is the basic approach that the business units use to achieve their set goals and objectives. It is a plan of action that determines how an organization can best achieve its set targets in the light of existing pressures by competition on one hand and its limited resources on the other hand. Marketing strategies serve as the foundation of market plans designed with specified actions to be taken to successfully achieve the marketing objectives (Shameen & Gupta, 2014). According to Meera (2012), today's marketing manager should meet the demand from different markets and also match the competition in the market by delivering satisfaction to the customer. This achievement can only be possible through accurately blending appropriate marketing strategies that deliver value to customers and influence performance positively. According to Gronroos (2010), marketing plays great role in reaching the customer. The role of marketing is especially critical in the hospital industry where there are no ready excited clients as most of them arrive in the hospital under duress. Shuklar (2008) observes that hospital brand recognition is low and as a result more efforts are needed under the banner of marketing to enhance recognition. It is important to use excellent marketing mixes that delighted the customer who holds the promise of conquering the market.

2.3 Overview of Organizational Performance

According to Barney (2007) an organization is a voluntary association of productive assets for the purpose of achieving a shared purpose. The productive assets include inputs, capital and customers which the organization obtains from the market. Organizational performance is a key determinant on the availability of the productive

assets in the competitive market. Providers of the productive assets consider the value the firm will create for them in exchange for their assets relative to alternative uses of their assets. As long as the value created is equal or greater than value expected, the assets will continue being provided to the organization and the organization will continue to exist. Thus value creation is the most essential overall performance criteria for any organization.

Marketing managers are ultimately judged by their contribution to organization performance. Performance measures provide information on how an organization is creating value and how its resources can be allocated to optimize productivity. Traditionally organizations relied on financial measures of performance such as sales, profits, Return on Assets (ROA) and stock returns (Tangen, 2013). According to Kaplan and Norton (2005), customer satisfaction is one of the leading indicators of how well an organization is doing. If customers are not satisfied, they will eventually find other service providers who will meet their needs. Poor performance on customer perspective is a leading indicator of future decline, even though the current financial picture may look good. This study will utilize internal perspective measures of the balanced score card because the hospital industry is a knowledge based industry which depend on highly trained professionals such as doctors, nurses and paramedical staff (Kabene et al,2006).Excellent customer performance mostly relies on the processes, decisions and actions carried out by the management and the staff. Measuring hospital's performance offers policy makers a major opportunity to improve health care and increase accountability. Performance measurement helps in quality decision making among patients, practioners, managers, government, donors and insurers who are major actors within the health care system.

2.4 Theoretical Framework

The theory on the law of effect, and push and pull theory is relevant to the study in relation to determining the influence of product promotion on hospital's performance. The Ansoff growth matrix theory is important to the study in relation to determining the extent of implementation of marketing strategies by the private hospitals.

2.4.1 The law of effect theory

The law of effect theory defines the role and effect of promotion as a marketing strategy in influencing organizational performance through rewarding purchase which may prompt a buying pattern in the future. The law of effect theory as propounded by Edward Thorndike states that the consequences of behavior now will govern the consequences of that behavior in the future. Any behavior that is followed by pleasant consequences is likely to be repeated. On the other hand any behavior followed by unpleasant consequences is likely to be stopped. Giving something extra to a customer or rewarding them on a particular purchase is likely to result to repeat purchase since once a buying pattern is achieved it may continue in the future. The classical conditioning in product promotion is associated with advertising while the operant conditioning is associated with consumer behavior in relation to sales promotion. Operant conditioning suggests that the response of individual is likely to be affected by positive or negative reinforcement (Tangen, 2013).

2.4.2 The push and pull theory on promotion

The push theory on promotion advocates for the use of sales promotion techniques that promotes organizational goods or services through company's sales forces who then passes the promotion goods to consumers there by creating consumer demand for a product. The pull theory focuses directly on consumer by introducing goods directly to consumers as a way of encouraging purchase. The pull strategy requires high spending on advertising and consumer promotion to build up customer demand (Berry & Grewal, 2007). Private hospitals in Nyeri County can effectively use the pull strategy to create awareness of their brands push strategy to convince clients to make a choice of their facilities.

2.4.3 The Ansoff Growth Matrix

The theory helps in formulating growth strategies by correlating two important strategies; product portfolio and market competition. Correlation of the two strategies forms Ansoff Growth Matrix which is a handy tool for managers when establishing a growth strategy. The matrix helps managers to assess the differing degrees of risk associated with expanding their organizations depending on whether the product or the market is new or existing (Jacobs, 2010).

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According to Kotler (2010), the Ansoff matrix gives managers four possible strategies for future product and market activities. They are Market penetration, Product development, Market development and Diversification. Market penetration focuses on products that are in existence and in an existing market. The strategy involves increasing the volume of sales of existing products in the organization's existing market. The degree of marketing risk involved here is small since the products are already known to consumers in an already existing market. There can be further exploitation of the products without the need to change the product or the outlook of the product. This strategy can be utilized by private hospitals in Nyeri County through the use of various promotional methods such as use of sales promotion, word of mouth and use of mass media to attract more clients. Penetration of the market can also be improved by increasing the range of the services and by making distribution more extensive within Nyeri County by establishing satellite branches.

Product development growth strategy focuses on reaching existing market with new products. The product can range from the introduction of a completely new product or it can involve modifying an existing product. Private hospitals in Nyeri County can make use of this strategy by modification of services provided and to improve their performance or quality, which can appeal more to the already existing market. Market development or market extension strategy consists of the organization seeking increased sales by taking its present products to new markets. Nyeri County private hospitals can accomplish this through opening branches in other regions, entering other channels of distribution, media advertisements and attracting other market segments by developing service versions that appeal to them. Market development is a much riskier strategy as compared to market penetration since it assumes that the existing markets have been fully exploited thus the need to venture into new markets (Najmi, Ragis & Fan ,2008).

Diversification growth strategy is useful to an organization if the core marketing system does not show much additional opportunity for growth or profit and if the opportunities outside the core marketing system are superior. Diversification can either be related or unrelated. Under related diversification a firm stays within a

market it is familiar with while in unrelated diversification the firm moves into a market they have no experience with. This is the riskiest strategy among the others as it involves two unknowns that is, new products being created and a firm being unaware of development problems that might occur as well as the fact that there is a new market being targeted (Kotler,2010).There is huge market potential for private hospitals in Nyeri County and diversification strategy may not be applicable currently or in the near future. The region has not attained World Health Orgnization recommended doctor to patient ratio of 1:1000.Currently the ratio in Nyeri County is11 doctors for every 100,000 people (MOH, 2015) which is quite low.

2.5 Empirical Review of the marketing mix

The term marketing mix was developed by Neil Borden who started using the phrase in 1949.It consisted of place (service: in service industries), price, place and promotion. In 1960 McCarthy observed that the 4ps are the core variables in crafting a marketing strategy and writing a marketing plan. In 1981 Booms and Bitner extended the marketing mix to 7ps adding three elements to the traditional model. They added people to recognize the importance of personnel in all aspects of marketing, process to reflect the fact that services unlike physical goods are experienced as a process at the time they are purchased and physical evidence because customers use tangible cues or physical evidence to evaluate the service before its purchase (Lenka,Suar & Mahapatra 2009). A number of researchers (Lovelock and Wright, 2007; Ahmad, 2007) have previously argued that the traditional 4ps of the marketing model are inadequate for either the marketing of goods or services and advocated for the 7ps of marketing. For the purposes of this study the researcher will review the core marketing mix elements which according to McCarthy in the short run they cannot be modified though it is possible in the long run.

2.5.1 Product

Products offered in hospitals are health services. A service can be defined as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything and its production may or may not be tied to a physical product. A health service can be defined as a service intended to influence a person's health directly or indirectly through a combination of procedures

executed by medically educated personnel(Azam et al, 2012).Services are different from physical products because of their characteristics; intangibility, inseparability, heterogeneity, and perishability (Kotler and Keller 2005). The rapid changes in business environment have resulted to great competitive pressure on organizations; hence service quality has become a critical issue in the fierce competitive environment. Excellence in service quality is a key factor to enhance organizational performance in a globalized economy (Hadiyat, 2014).

2.5.1.1 Brand name

According to Shodhganga (2009), many service industries such as health services are facing increasing competition. Strong brands are established not only in the market, but also in the mind of the customer. Strong products create a strong brand image of the hospital. Hence service strategies will be appropriate weapons in the competitive market as well as an effective method to generate new demand. According to Sutter (2012) sustainability as a business approach is becoming widely adopted by health care companies and organizations around the world, and the way to become sustainable is making their services competitive. Key aspect of the service strategy in hospitals is to meet the problems which are created by the characteristics of services. This can be achieved by having a range of high quality services, means of branding, new service development, and customer service. Empirical study by Chao-Chan Wu (2011), among private health providers in China on the effect of brand name on customer loyalty established existence of positive relationship between hospital brand image and patient loyalty.

2.5.1.2 Employee Capacity

A study by Narang (2010), observes that health care delivery is statistically significant in influencing the perception of patients. As a result an organization must not only set an initial standard for quality, but must manage its quality level. A hospital can attempt to improve and maintain a high quality delivery of services through careful selection, training, and rewarding of the health care providers as well as through improving facilities. This strategy should lead to improved market interest and response since proper management of human resources is critical in providing a high quality health care. A study carried out in Indian hospitals by Ceyhun, Cagatay, and

Meltem (2012) found that unavailability of doctors and nurses as well as their negative attitudes and behaviors are a major barrier to the utilization of public and private hospitals. It is therefore very important to consider emotionally stable individuals with a positive attitude towards good service when recruiting hospital staff.

Another study conducted among Indian hospitals by Vorhies, Douglas, & Morgan (2005) on the role of marketing strategies in improving quality of services established that there was no interest in internal marketing as a philosophy among majority of the hospitals, however there was a positive correlation between marketing strategies and the quality of services provided. The study concluded that improvement of the quality of health services requires the need to adopt the concept of internal marketing by these institutions, which can be done through, competitive remuneration, training programs and incentive systems. A study by Bobeica (2013) in Romanian hospitals on marketing planning revealed that there is a direct connection between the marketing strategy, the quality of healthcare and human resource management practices in the internal organization of private healthcare practices.

2.5.1.3. Range of services

According to Omachonu and Einspruch (2010), health service organizations usually offer a wide range of health service products to a number of patient groups in order to satisfy a variety of patient needs and wants. Hospital services are mainly intangible though there are tangible products as well. They are diagnosis, treatment- medicine oriented or surgery and post operation care. The product includes supplementary services like pharmacy, billing, patient admission facilities, keeping records, food, security etc. The supplementary services help to give tangible effect to the intangible nature of the services provided. The hospital sector is a knowledge based industry where services are provided by a team of professionals who include doctors, nurses, paramedical staff and front office staff (Dhanda& Kurian,2012).

Product or service strategies are considered as the most important strategy in marketing mix strategies. This is because the product or service is the core of the marketing mix strategy. Hospital services can be classified as line services, supportive

services and auxiliary services. Line services which are also called core services include inpatient, outpatient, and emergency services. Services offered by medical and para-medical staff come under supportive services which directly determine the quality of medical services. Auxiliary services include ambulatory services, dietary services, indoor and outdoor patient registration services, engineering and maintenance services which all help in making hospital services effective and efficient (Jager and Plooy, 2011). A study in the area of health care industry was carried out to investigate influence of service marketing in the health care industry in Elekta Company in Sweden. The study showed the importance of service standardization and differentiation as strategies to enhance service quality, customer networking to build trust connected with culture in cross-cultural and domestic services marketing, in terms of making services more visible and similar for customers (Nadowska, 2011).

2.5.2. Price

Price is the second most important element in the marketing mix which impacts directly to the turnover of companies. Kotler (2010), defines price as the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service. Pricing of services is rather more difficult than pricing of goods. Due to the intangible nature of services, price becomes a crucial quality indicator (Kotler and Gary, 2010). According to Mburu (2007), in a research on the competitive strategies adopted by private hospitals in Mombasa the investigation found that the hospitals use focus strategy, non-price strategies and low cost strategies to be competitive.

2.5.2.1 Affordability

A study by Peter and Donnelly (2007), found that price is the one factor which customers focus on more than other attributes while making purchase decisions. Even when deciding to repurchase from a service provider, consumers usually think whether or not they receive their value for money. A study conducted by Homburg, Koschate and Wayne (2005) to find the relationship between customer satisfaction and willingness to pay revealed the existence of a positive impact of customer satisfaction on willingness to pay. The study suggested hospital marketers should

adopt transparent pricing strategy which ultimately leads to higher patient satisfaction and increased sales performance. Additionally, Consuegra, Molina and Esteban (2007), examined the relationship between price fairness, customer satisfaction, loyalty and price acceptance. They found that price acceptance is directly influenced by satisfaction judgment and loyalty. In addition, price fairness influences price acceptance indirectly through customer satisfaction and loyalty. They suggested keeping price transparency when prices are increased.

2.5.2.2 Price Strategy

 According to Kotler, Shalowitz and Stevens (2008), some of the price strategies used by hospitals include; psychologically satisfying price, psychological-cum-prestige price policy; skimming price policy, and penetrating price policy. Psychologically satisfying price strategy is built on the psychological satisfaction of the patients. Patients in general make enquiries about hospital personnel that is, doctors and user charges. In some hospitals' price strategy is built around the room charges. Psychological-cum-prestige price policy is being adopted by hospitals to convey that the higher the price, the higher the quality of service. Hospitals attempt to create impression in the minds of customers that, outstanding specialist doctors, hi-tech equipment and quality care demand higher price. Skimming price policy is adopted by the hospitals to quickly recover the huge investment and maximize revenue before competitors enter the market. Marketing expert states that lowering prices is easier than increasing prices. Penetrating price policy implies charging a lower price than prevailing ones in the market to attract a higher number of patients, which is adopted by hospitals at an entry level to gain patient base (Gilaninia,2013). In reference to a study conducted by Avlonitis and Indiana, (2005) on price objectives and pricing methods in the services sector, the objectives, which are pursued, are fundamentally qualitative rather than quantitative in their nature with a particular emphasis given on the company's customers. They noted that in some hospitals, prices are charged based on the economic status of the patients and the type of bed occupied without any consideration of cost of providing these services.

2.5.2.3. Cost of Providing Services

When making a decision on price, companies have to take into account different factors such as fixed and variable cost, competition, company objectives, proposed positioning strategies, target group and ability to pay (Mai thung, 2013). According to Stodolak (2008), zero-base pricing is best method whereas Koné, Marschall and Flessa (2010) suggested Activity-based costing method. Hospitals are facing non-price competition and in the case of hospital setup, the greater the competition, the higher the price because hospitals try to be ahead of others by providing superior services through use of high-tech diagnostic equipments and professional management. According to Cooper (2012) hospital costs are highly affected by the supply chain practices adopted by the hospitals. Hospital marketer should always try to purchase from manufacturer directly or take advantage of distributor schemes since monetary and non monetary cost has significant impact on patient satisfaction and loyalty towards hospital.

2.5.3. Place

According to Hirankitti, Mechinda and Manjing (2009), place is the ease of access which potential customer associates to a service such as location of the health facility. In some cases place is the most important competitive factor in business organizations as the chosen channels ultimately affect all other marketing decisions. Every company must decide how to make its goods or services available to its target market in the right time and in the right place.

2.5.3.1. Facility Accessibility

According to Jones (2013), in the health industry, place refers to the contact point between health service provider and the patient. This element of marketing mix leads to the identification of suitable location. Health care organizations, whose products are primarily services, must consider three distribution decisions: physical access, time access, and informational and promotional access.

2.5.3.2 Facility location

 A study by Renner and Palmer (2009), on customer perceptions of service quality at sporting events found that facility access and convenience exerted a significant

influence on the quality perceptions of certain groups of sports fans. Time access deals with three distinct issues: the opening hours, the length of waiting time in the service providing waiting area and the time between calling and having an appointment. According to Miller (2010), in the past, a hospital could rely on its location for a stable client base unlike today. He also observed that there are limitations on the degree of physical changes which can be made to an existing building to convert it into a hospital. Hence hospitals can moderate the effect of location by investing more extensively in clinical technologies. While designing a hospital facility it should be engineered properly since physical evidence is an important dimension in the perception of service quality for patients.

2.5.3.3 Physical characteristics

According to Babu and Rajalakshmi (2009), the physical characteristics of the hospital; design, amenities, signs, symbol, and artifacts should be appealing since tangible commodities provide a tangible aspect to the intangible health service. It is therefore necessary for a hospital to be well organized and special care taken to maintain hygienic conditions and cleanliness. To enhance customer satisfaction a hospital should have good ambience and the general condition of equipment should be good and appearance of staff members neat. Physical evidence particularly plays an important role in the hospital where the patients are already depressed or traumatized and a good atmosphere could make all the difference.

2.5.4. Promotion

Marketing communication mix is a communication program that plays three vital roles such as provide information, persuade target customers, and encourage them to take action. In service marketing, communication tools are especially important because they help to create powerful images and a sense of credibility, confidence and reassurance (Lovelock & Wirtz, 2011). The promotion strategy is the marketing communication mix which consists of advertising, personal selling, sales promotion, public relations and publicity. The aim of promotional strategy is to bring existing and prospective customers from a state of relative unawareness of an organization's products to a state of actively adopting them.

2.5.4.1 Media use

Advertising determines what people buy because it shows ready forms of behavior in certain situations. Images and messages carried in the media provide patients with comprehensive and complete information about healthcare services being offered; availability of facilities, equipments, doctors and paramedical staff. The choice of a hospital is influenced by consumers remembering seeing or hearing a hospital success stories in diagnosis and treatment of various conditions. Informational influence occurs when it is accepted as evidence of reality, which means that the individual conforms to the verbalized expectations of referent others. According to Presbrey (2009) media for creating and distributing advertising messages are multicolor printing of advertising materials, analog and digital radio, television, satellite communication, computer and lately the internet. Due to intangibility, inseparability, heterogeneity and perishability inherent in marketing of services advertisement messages and images should be made with this challenge in mind. Shuklar(2008) observes that television advertisement is most preferred media for advertising, followed by newspapers and magazines, billboards, radio and the internet.

The media used should advertise hospitals as comfort zones for human ailment (Gangopadhyay&Bandopadhyay 2012). Shoqirat and Cameroon (2012) observed that hospitals rely a lot on oral advertising by patients and members of their families to other people in the society. Although potential clients of a hospital cannot experience the service before purchase he or she can talk to other people about his or her experience of the service. The testimony of such patients is credible because the positive view given do not come from the company. Well shot videos, testimonials and reviews put on independent websites will help add authenticity of the promotional message or image (Gangopadhyay & Bandopadhyay 2012).

2.5.4.2 Sales promotion

Health service organizations need to develop successful sales force teams, which have the basic and necessary skills, knowledge, and motivation related to delivery of health services (Pollack, 2009).The promotional activities utilize sales people and various tools such as education programs through, endorsement by opinion leaders, free health camps, health fairs, immunization camps, discounts and special offers (Kotler,

Shalowitz& Stevens, 2008). Johnson and Baum (2005) suggested that instead of doing hospital promotions, marketer should focus on health education which can position the image of hospital in the mind of patients and in turn increase its' market share and performance. A study by Gichane (2011), investigated the extent to which hospitals have adopted social marketing concept and determine factors hindering social marketing among hospitals in Nairobi. The investigation revealed that most of the institutions do practice social marketing. However, little emphasis is put on the use of the concept as most of the institutions do not have marketing department. Shuklar(2008) advocates giving a gift such as t-shirt, teddy bear or a calendar with the hospital logo to patients when leaving the hospital to take home to act as a reminder of quality service enjoyed in the hospital.

2.5.4.3 Direct Marketing

In a study by Andaleeb (2013), on the role of promotion in enhancing service delivery in the Health sector concluded that direct marketing is a competitive tool for hospitals. Effective use of direct marketing should assist hospitals to attract and retain customers. In a rapidly changing environment where the patients are increasingly involved in selecting the right hospital, direct marketing activities help in communicating the existence of services offered to present and future customers.

2.6 Performance   Determinants
2.6.1 Human Capital

Human capital stands among the most valuable and important assets of an organization. According to Hyde et al. (2013), investment in human capital inputs made by the organization in talents and technology with focus of competitive advantage will helps the company to grow and achieve its goals more effectively and efficiently. One of the major areas of concern to a firm is to make investment in human capital through developing employees by providing them with education and training. Khandekar and Sharma (2005) concluded that firm that make greater use of human resource capabilities are likely to gain a sustainable advantages and enjoys superior performance. In reference to Bontis and Serenko (2007) they suggest that for organizations to survive in a competitive market they must nurture and support the employees into sharing their human capital through organizational

learning and knowledge management to positively affect the business performance. Proper human capital planning affects the organization profits. The intangible assets add value through enhanced knowledge. Additionally the measurement and strategic management of intellectual capital will be the main focus in knowledge era for drawing organazational's performance (Zula & Chermack, 2007).

A study conducted by Saenz (2005), in USA Stock Exchange Market, examined the relationship between employee performance and financial performance. They found empirical support for the hypothesis that the companies having greater human capital efficiencies have higher market to book value and also that intellectual capital efficiency affect the financial performance of the companies. Training investment is positively related to stock market performance and that investors will be well served by considering organization's human capital investment strategies as an integral part of their investment decisions. A study by Shah and Bandi (2010), in India among IT Enabled companies, examined the relationship between work practice, information technology and investment in human capital and firm performance from the study they concluded that HR practices has to be focused on the core asset of human capital in order to enhance the capabilities of organization's performance

2.6.2. Organizational leadership

Leadership is one of the key factors in influencing firm's performance. Leaders are the vital decision makers who determine the extent of acquisition, development and deployment of organizational resources and control the conversion of the resources into valuable products or services to ensure delivery of value to the firm's stakeholders. Hence effective leadership is potent source of organizational competitive advantage (Jing & Avery, 2008). An organization is considered to be successful if it equalizes the demand of various organizational claimants and the needs of employees which can be influenced through ensuring appropriate leadership to bring propensity and economic growth of both organization and employees. An effective Leader should motivate employees and promote standards of excellence which positively influences productivity and profitability(Bass & Rigio, 2006).

A study by Elenkov (2009), on Russian companies examined on the role of leadership on organizational performance. The analysis underlined a strong correlation between transformational leadership practices and organizational performance in terms of profitability, increased sales and stock prices. Additionally, Zhu, Chew and Spanger (2005) on their study on companies from Singapore concluded that there is a positive relationship between leadership and the organizational performance. They also demonstrated that effective human resources management arbitrates the relationship between leadership and performance through increased commitment, higher motivation and intellectual motivation.

Corporate culture has significant effect on performance of both individual and the organization. Culture involves shared values, expectations and attitudes hence it has effect on both individual and organizational processes. In order to influence performance, organizational culture has to be strong, that is, basic aspects of culture are strongly accepted by most employees and must also possess certain key traits like concern with quality. Quality is powerful driver in determining how an organization operates (Mullins, 2007). According to Pearce and Robinson (2010) all the cultures to which organization members belong have the potential to affect their work performance. Culture has a major effect on the success of business as it provides basis of communication and mutual understanding for effective decision making which significantly influences organzational's performance.

Corporate culture is a pattern of shared values and beliefs giving members of an organization meaning and providing them with rules of behavior. These values are inherent in the ways organizations and their members view themselves, define opportunities and plan strategies Groysberg et al (2018). Culture is therefore an important ingredient in effective organizational performance in the sense that its content can be either an asset aspect or liability aspect (Mathis & Jackson, 2014).Strategy is the determination of long terms goals and objectives and the adoption course of action in reference to allocation of resources required to achieve the goals. Organizational strategy is a guide towards the direction and scope of an organization in a dynamic environment through assisting the organization in configuration of resources and competences with the aim of fulfilling stakeholder's

expectations (Long,Mahanra &Ajagbe, 2012). An Empirical study conducted by Ovbiagele and Ijeh(2015) in firms in Nigeria found a significant relationship between strategic planning and organizational performance   suggests that all enterprises face many uncontrollable elements within the environment. Strategic management facilitates organizational growth by helping the company capitalizes on opportunities and copes with threats and provides a basis for   measuring organazational's performance.

2.6.3 Information capital

Organizational performance is one of the major elements affected by technological innovation, any organization which is able to match the changes and development is able to survive. The innovation is necessary to sustainable growth and successful operation of the organization through performance improvement. Performance is measurable   through results, decisions   and   or-generational   actions   that demonstrate   the   level   of gained successes and achievements. The costs are considered central part of the performance. Performance is characterized by competitive goal and immaterial excellence, such as reliability, flexibility, quality and speed which is enhanced through organizational, technological and market innovation (Najmi, Rigas, & Fan 2008)

Organizational performance is often dependent on managers' skill of converting knowledge into action as a strategy of ensuring productivity. An organization will be productive, if it achieves its goals and does so by transferring inputs to outputs effectively and efficiency. Knowledge and information are obviously crucial to performance Organization must ensure application of shared knowledge for improved group performance, which intern can improve the organizational performance. Information technology through vertical information processing enables organizational structures to become less bureaucratic through greater reutilization of tasks. It enables an organization to be more reactive and proactive in an environment (Shaukat&Zafarullah, 2009).

 Empirical study by Chen (2007), on Consultant Engineer Firms, as one of the main providers of security services in Iran established that there is a relationship   between

information technology, organizational structure and firm's performance. The study concluded that information technology has a positive significant impact on organizational structure and firm's performance.

2.7 Research gap

Health sector is one of the most dynamic sectors characterized by major advances in technological developments, sophisticated patient's needs, choices and demands.These factors have driven need of rapid advances in health care performance measurement, hence it is becoming critical for health service providers to improve on data collection, choice of analytical methods, policy development and implementation on the best mix of marketing strategies.

Most of the researches conducted on the area of marketing strategies and hospital ` performance are based on customer perspective. Chao Wu(2011) carried out a study on hospital brand image on patient satisfaction and loyalty. Consuegra,Molina and Esteban(2007) study majored on effect of price on customer satisfaction and loyalty in the service sector. Rennner and Palma(2009) did their study on the role of outsourcing to increase service capacity to enhance patients perception while Andaleeb(2013) explored role of promotion in service delivery in the health sector to enhance customer satisfaction. This study aims to establish marketing strategies influencing organizational performance based on organizational perspective.

2.8 Conceptual Framework

The conceptual framework attempts to establish and explain factors influencing hospital performance by private hospitals in Nyeri County by determining the effects of independent variables which is marketing strategies on dependent variable. The conceptual frame work for the study is presented in the Figure 2.1

Independent Variable   **Dependent Variable**

```
┌─────────────────────┐
│  Product Strategies  │──────────────────┐
│                      │                  │
└─────────────────────┘                  │
                                          ▼
┌─────────────────────┐                  ┌──────────────────────────┐
│   Price Strategies   │─────────────────▶│   Hospital Performance   │
│                      │                  │                          │
└─────────────────────┘                  └──────────────────────────┘
                                          ▲
┌─────────────────────┐                  │
│   Place Strategies   │─────────────────┘
│                      │
└─────────────────────┘

┌─────────────────────┐
│ Promotion Strategies │──────────────────┘
│                      │
└─────────────────────┘
```
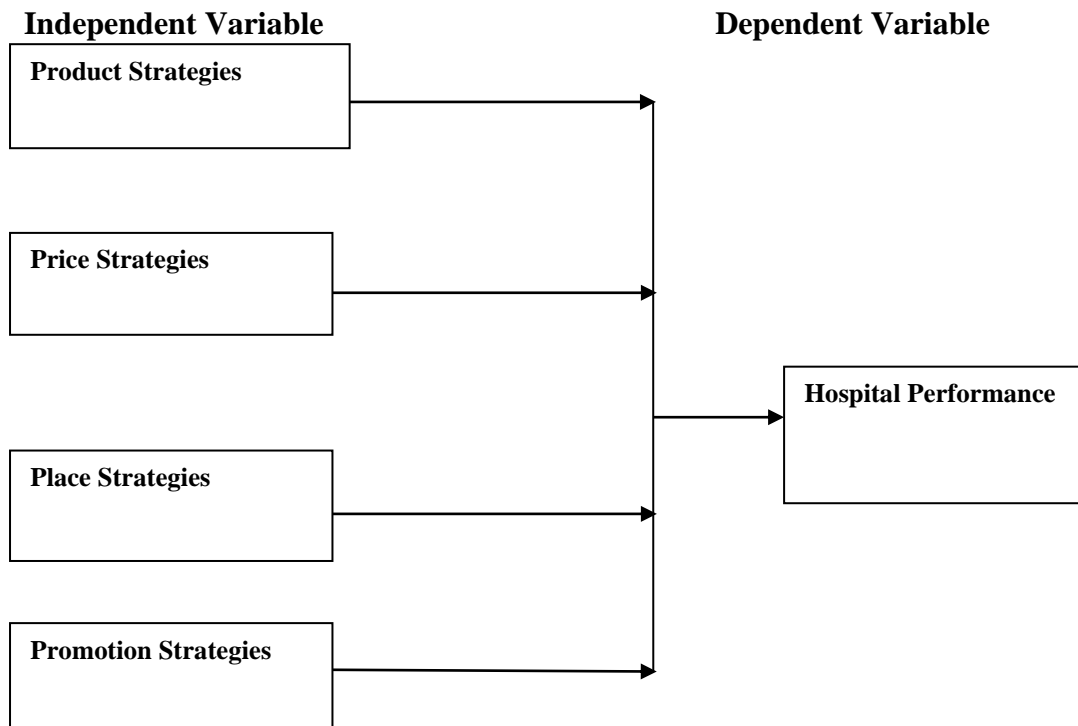
Figure 2.1: Conceptual framework

2.8.1. Product Strategies

Hospital products are health services. Through the health service strategies a hospital can improve its performance by developing a reputable brand name through offering strong medical products, quality services, providing a range of services to satisfy many patient needs and ensuring that there are adequate medical personnel with a positive attitude to serve the patients.

2.8.2 Price Strategies

Pricing the health services fairly and observing transparency around price issues influences price acceptance hence customer satisfaction and loyalty leading to positive hospital performance.

2.8.3 Place strategies

An appropriate location of the hospital, that is, an area with a stable client base which is accessible to the patients will position the hospital to performance. In addition, well maintained facilities, pleasant ambience and friendly opening hours will influence

positive hospital performance. The hospitals and their satellite branches should be conveniently located for easy access by patients.

2.8.4 Promotion Strategies

Use of media to advertise a heath facility, influencing a favorable word, of mouth carrying out sales promotion and providing health education to the public will help to create powerful images of credibility, reassurance and confidence. These promotional efforts positively influence hospital performance. Sufficient and timely information should be given to the target market so that they are aware of the options available for their health care

2.9   Operational framework

In this study each variable was measured using five parameters. The independent variable the product was measured by the strength of the brand name, range of services available, quality of services and the attitude and of medical staff. Price was measured by ability of customers to pay, price strategies, promptness of information on price changes and competitive based pricing strategy. The place was measured using the location, accessibility, number of branches and maintenance of facilities. The promotion was measured by the extent of product promotion based on: use of the media, direct marketing and sales promotion. The dependent variable hospital performance on the other hand was measured by extent of management of human capital, organizational capital and information capital.

Measuring parameters	Independent Variables	Dependent Variable

Measuring parameters   **Independent Variables**   **Dependent Variable**

- Range of services
- Brand name
- Offers quality services
- Employee capacity

Product strategies

Hospital Performance
- **Human capital management**
.Objective recruitment
.Human capital planning
- **Information capital management**
.Efficiency of systems
.Network and data bases
- **Organizational Leadership**
.Effective leadership
.Positive culture
- **Financial performance**
Net income

- Affordability
- Prompt information on price changes
- Pricing Strategy
- Cost of providing services

Price Strategies

- Location of health facility
- Accessibility of health facility
- Physical evidence
- Operational hours

Place Strategies

- Use of media
- Sponsoring events
- Direct marketing
- Sales promotion

Promotion Strategies

Figure 2.2: Operational frame work

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CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodology adopted by the researcher in carrying out the study. The discussion in this chapter was structured around the research design, target population, sample design, data collection, data analysis and ethical issues considerations.

3.2 Research design

A study design is a detailed procedure of how an investigation was to take place. The study investigated marketing strategies influencing hospital performance of private hospitals in Nyeri County. The study adopted a descriptive survey research design. Descriptive research involves measuring a variable as they exist naturally. Survey research is a type of descriptive research because it seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitudes, behavior or values (Corrine, 2016). The design was preferred because the researcher collected information from the population using questionnaires. Orodho (2009) observes that a survey design involves obtaining information by interviewing or administering questionnaires.

3.3 Target Population

The population of the study was private hospitals in Nyeri County that are registered by Kenya Medical Practitioners and Dentist Board**.** According to Cooper and Schindler (2006), a population is the total collection of elements about which we wish to make some inferences. The study used data collected on the variables of the study from all the 56 heads of department or their assistants in the private hospitals in Nyeri County. A census was used because the population is small.

Table 3.1: Target Population

Department	Mary Immaculate	Outspan Hospital	PCEA Tumutumu Mission Hospital	Consolata Mission Hospital	Jamii Hospital	Total number heads of department
Marketing & Customer Service	1	1	2	2	1	**7**
Nursing Services	2	2	4	4	2	**14**
Outpatient Services	2	2	4	10	1	**19**
Administrative Services	1	1	2	2	1	**7**
Support Services	1	2	3	2	1	**9**
Total	**7**	**8**	**15**	**20**	**6**	**56**

Source: Human resources departments, 2016

3.4 Data Collection Procedure and Collection Instruments

According to Silverman (2005) data collection is systematic gathering of information from a variety of sources for the purpose of getting a complete picture of subject under study. The study used both primary and secondary data; questionnaires were used to gather primary information, questions were both open and close ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. Open ended questions were used to encourage the respondents to provide more extensive comments and suggestions. Likert scale was used to indicate opinions, feelings or perceptions of organizational performance. Secondary data was obtained from journals, books and internet.

3.5 Pilot Study

In this study a pilot study was conducted to determine the reliability of the measuring instrument. The data collecting instrument was piloted in two private hospitals in Kirinyaga County. A total of six questionnaires were issued to the heads of department or their assistants, three in each private hospital selected for purposes of

piloting. The pilot study helped to check on clarity of the questions, appropriateness, relevance and comprehension. The feedback from the pilot study enabled the researcher to make necessary adjustments on the questionnaire to ensure its reliability in collecting data. According to Kothari (2005), piloting of instruments help in eliminating misunderstanding, ambiguity and less important items in the research instrument.

3.5 .1 Reliability

Reliability shows the extent to which the study instrument is without bias (free of error) and ensures consistent measurements across time and across the various items in the instrument (Bryman, 2012). The study adopted Cronbach's coefficient alpha to determining internal consistency. The Cronbach's alpha coefficient ranges from 0 and 1, the higher the alpha coefficient values means that the scales are more reliable (Gall, Gall & Borg, 2007). A coefficient of 0.7 was considered sufficient in the proposed study. Pilot test of this study gave the values of alpha coefficient of every variable which were more than 0.70 as shown in Table 3.2.

Table 3.2: Reliability Test Results

Variables	Number of items	Cronbach's Alpha values
Performance of private hospitals	13	.802
Product strategy	5	.911
Price strategy	5	.858
Place strategy	5	.790
Promotion strategy	5	.786

Performance of private hospitals had alpha of 0.802, product strategy had 0.911, price strategy had 0.858, place strategy had 0.790 and Promotion strategy had 0.786. This signifies strong internal reliability amongst variable items measures. This implies that the instrument of data gathering was thus dependable as well as suitable for the study objectives.

3.5.2 Validity

Validity refers to the degree to which a measurement procedure or a questionnaire measures the characteristic it is intended to measure (Mugenda & Mugenda, 2012).

There are three dimensions from which validity can be examined. These include: content, construct, and criterion validity (Orodho, 2009). In this study, during the questionnaire's construction, quality control and validity were ensured through: face validity, where the instruments was scrutinized to ensure it measures what it is intended to measure; Content validity, where the instrument was designed according to the study variables and their respective indicators of measurement; Construct validity, was maintained through restricting the questions to the conceptualizations of the variables and ensuring that the indicators of a particular variable fall within the same construct.

3.6 Data Analysis

According to Mugenda and Mugenda (2012), data analysis is the process of bringing order, structure and meaning to the mass of information collected. Descriptive statistics was used to analyze the responses of quantitative data through frequency counts, percentages and weighted average. Further, inferential analysis was conducted to asses' hospital performance. Multiple regression analysis was conducted to establish relationship between dependent and independent variables at a statistical level of confidence of 95% . The dependent variable performance was measured by extent of management of human capital, organizational leadership and information capital, β_O is the autonomous factor representing constant value of hospital performance when dependent variables of study are not under consideration, β is a vector of regression. Error term captures all relevant variables not included in the model because they are not observed in the data set. The general form of the model to be used $Y = \beta_O + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_{3\,+} \beta_4 X_4 + e$

Where: Y = Hospital Performance

β_O = Autonomous factors

X_1 = Product

X_2 = Price

X_3 = Place

$X_{4=}$ Promotion

$\beta_{i=}$ Coefficient for variables

e = Error term

3.7 Ethical Considerations

Researchers should protect the dignity of their subjects and publish well the information that is researched (Fouka & Mantzorou,2011). In this study the researcher valued greatly ethical considerations when gathering, analyzing and drawing conclusions of the data. This is because health institutions rely heavily on their reputation to gain confidence of their current and potential customers. Therefore utmost confidentiality in the process of collection and use of the information provided by the respondents was exercised. To ensure confidentiality the researcher first obtained informed consent from the hospital administrators. Informed consent was also sought from the heads of departments participating in the study to ensure confidentiality of identity of respondents. The respondents were also informed that the information provided was to be used for academic purposes only. These measures would go a long way to ensure that the study was based on respondents own discretion.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the research findings and discussion of the study guided by the four specific objectives; to assess the extent to which health products influences performance of private hospitals, to find out the influence of price on performance of private hospitals, analyze the influence of place on performance of private hospitals and to determine the influence of product promotion on performance of private hospitals in Nyeri County. The analysis was guided by the specific objectives and research questions of the study as highlighted in chapter one which were conceptualized in chapter two. Data interpretation was done in line with the research objectives and research questions. The techniques proposed in chapter three for data analysis and presentations were used to do the analysis and presentation.

4.2 Response Rate

The study targeted 56 respondents who are the head of departments of the private hospitals in Nyeri County. Out of the 56 questionnaires that were issued 51 were dully filled and returned to the researcher for analysis. This gave a response rate of 91.1%. This response rate is within recommendation of Mugenda and Mugenda (2009) who stipulated that a response rate of 70% and above is excellent.

4.2.1 Response by Gender of the Private Hospitals in Nyeri County

The study sought to establish the gender composition of the staff working in private hospitals in Nyeri County. As shown in Table 4.1, the results indicate that 56.9% of the respondents working in private hospitals in Nyeri County were male while 43.1% were female. This is an indication that both gender are adequately represented in the study

Table 4.1: Response by Gender of the Private Hospitals in Nyeri County

Gender	Frequency (n)	Percent (%)
Male	29	56.9
Female	22	43.1
Total	**51**	**100.0**

4.2.2 Age of Respondents of the Private Hospitals in Nyeri County

This study thus sought to establish the age category of the staff working in private hospitals in Nyeri County. Table 4.2, indicate that 9.8% of the respondents working in private hospitals in Nyeri County were less than 25 years, 17.6% were aged between 26-35 years, 37.3% between 36-45 years, 25.5% between 46-55 years whereas 9.8% of the respondents were above 55 years. The findings indicated that the respondents' cut across all the age categories although most of the staff are within the age bracket of 36-45 years.

Table 4.2: Age of Respondents of the Private Hospitals in Nyeri County

Age categories	Frequency (n)	Percent (%)
Below 25 years	5	9.8
26-35 years	9	17.6
36-45 years	19	37.3
46-55 years	13	25.5
Above 55 years	5	9.8
Total	**51**	**100.0**

4.2.3 Working Experience of the Private Hospitals in Nyeri County

The study sought to determine working experience of the staff working in private hospitals in Nyeri County. From the findings in Table 4.3, it indicates that 13.7% of the staff had a working experience of less than 5 years, 21.6% had worked for a period between 6-10 years, 35.5% had worked for a period between 11-15 years while 29.4% had worked for more than 16 years. The finding of the study that majority of the respondents which accounted for 86.3% had worked with private hospitals for more than 6 years implied that they could effectively articulate issues relating to marketing strategies used by private hospitals to enhance performance.

Table 4.3: Working Experience of the Private Hospitals in Nyeri County

Working Experience	Frequency (n)	Percent (%)
5 years and below	7	13.7
6-10 years	11	21.6
11-15 years	18	35.3
16 years and above	15	29.4
Total	**51**	**100.0**

4.3 Performance of Private Hospitals in Nyeri County

The performance of private hospitals in Nyeri County was evaluated from three perspective namely human capital management, information capital management and organizational leadership. The respondents were required to rate various factors of performance on a scale of 1 to 5 where 1 represented strongly disagree while 5 represented strongly agreed. The results were as shown in Table 4.4 to 4.7

Table 4.4: Human Capital Management

Human capital management factors	SD %	D %	N %	A %	SA %	Mean	Std. Dev
The recruitment process in our hospital is thorough and objective	0.0	0.0	19.6	35.3	45.1	4.25	.77
Our hospital offers training to the employees	0.0	31.4	19.6	35.3	13.7	3.31	1.07
Our hospital human capital planning is efficient	0.0	13.7	19.6	35.3	31.4	3.84	1.03
Our hospital support the employees into sharing their human capital through organizational learning and knowledge management	0.0	0.0	0.0	15.7	84.3	4.84	.37

Table 4.4 presents the analysis on the human capital management factors in private hospitals in Nyeri County. Majority of the respondents 84.3% strongly agreed that hospital support the employees into sharing their human capital through organizational learning and knowledge management with a mean score of 4.84 and standard deviation of 0.37 followed by the recruitment process in our hospital is thorough and objective with a mean score of 4.25 and standard deviation of 0.77. The study further revealed that efficiency of human capital planning and training of the employees was rated high with a mean score of 3.84 and 3.31 respectively. The finding of the study that private hospitals plan for human capital efficiently and support them in various ways assert earlier finding by Khandekar and Sharma

(2005), who noted that one of the major areas of concern to a firm is to make investment in human capital through developing employees by providing them with education and training. According to Chen and Lin(2005), investment in human capital inputs made by the organization in talents and technology with focus of competitive advantage will helps the company to grow and achieve its goals more effectively and efficiently. Bontis, Koew and Richardson (2006), suggested that for organizations to survive in a competitive market they must nurture and support the employees into sharing their human capital through organizational learning and knowledge management to positively affect the business performance. Zula & Chermack (2007), concluded that proper human capital planning affects the organization profits.

Table 4.5: Information capital management

Information capital management factors	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hospital has an effective enterprise resource planning system	0.0	0.0	9.8	33.3	56.9	4.47	.67
Our hospital disseminates relevant information easily within and outsides the organization	15.7	31.4	29.4	19.6	3.9	2.65	1.09
In our hospital there are frequent operational delays from system failure	52.9	37.3	9.8	0.0	0.0	1.57	.67
In our hospital are knowledge management sharing tools like portals, information centers and websites	13.7	31.4	19.6	33.3	2.0	2.78	1.12

Table 4.5 presents the analysis on the information capital management factors in private hospitals in Nyeri County. A high percentage 90.2% agreed that hospital has an effective enterprise resource planning system with a mean score of 4.47 and standard deviation of 0.67. The presence of knowledge management sharing tools like portals, information centers & websites had a mean score of 2.78 and standard deviation of 1.12. Hospital disseminates relevant information easily within and outsides the organization had a mean score of 2.65. The study further revealed that there are frequent operational delays from system failure had a mean score of 1.57 and standard deviation of 0.504. The finding of the study that private hospitals has an effective enterprise resource planning system supports Moulin (2004), who noted that health sector is undergoing significant and rapid changes which compels health care organizations to struggle for continuous advancement in order to develop a robust healthcare system which is globally competitive. This helps to meet the needs and demands of emerging demographic trends leading to innovation and change in marketing strategies. According to Najmi, Rigas, & Fan (2008), the innovation is necessary to sustainable growth and successful operation of the organization through

performance improvement. Malik (2013), noted that Health Systems are normally appraised in terms of their ability to deliver accessible, safe, high quality, efficient, and equitable care for the sake of population health and longevity. A study by Che (2007), established that there is a relationship between information technology, organizational structure and firm's performance. The study concluded that information technology has a positive significant impact on organizational structure and firm's performance. Shaukat & Zafarullah (2010), opined that knowledge and information are obviously crucial to performance and organization must ensure application of shared knowledge for improved group performance, which in turn can improve the organizational performance. Information technology through vertical information processing enables organizational structures to become less bureaucratic .more proactive in the business environment.

Table 4.6: Organizational leadership

Organizational leadership factors	SD %	D %	N %	A %	SA %	Me an	Std. Dev
In our hospital the organizational leadership helps the hospital to capitalizes on opportunities and cope with threats.	0.0	0.0	49.0	31.4	19.6	3.71	.78
In our hospital the organizational leadership assist in management of resources and competencies with aim of fulfilling stakeholder's expectations	0.0	0.0	19.6	35.3	45.1	4.25	.77
In our hospital the leadership motivates employees to continually improve and uphold standards of excellence	0.0	0.0	5.9	25.5	68.6	4.63	.60
In our hospital there is a collaborative culture that enhances customers and employee participation	0.0	56.9	19.6	21.6	2.0	2.69	.88

Table 4.6 presents the analysis on the organizational leadership factors in private hospitals in Nyeri County. The study revealed that majority of the respondent 94.1% agreed that the leadership in the hospital motivates employees to continually improve and uphold standards of excellence with a mean score of 4.63 and standard deviation of 0.60. 80.4% agreed that organizational leadership assist in management of resources and competencies with an aim of fulfilling stakeholder's expectations with a mean score of 4.26 and standard deviation of 0.77. The study further revealed that a collaborative culture that enhances customers and employee participation was lowly rated with a mean score of 2.69.

The finding of the study that private hospital leadership motivates employees and assist in management of resources and competencies asserts earlier study by Bass, Rigio, 2006), who opined that an effective leader should motivate employees and promote standards of excellence which positively influences productivity and profitability. According to Jing and Avery (2008), leadership is one of the key factors in influencing firm's performance. A study by Elenkov (2009), found a strong correlation between transformational leadership practices and organizational performance in terms of profitability, increased sales and stock prices.

Additionally, Zhu, Chew and Spanger (2005), concluded that there is a positive relationship between leadership and organizational performance. They also demonstrated that effective human resources management arbitrates the relationship between leadership and performance through increased commitment, higher motivation and intellectual motivation. Mullins (2007), found out that corporate culture has significant effect on performance of both individual and the organization. He stated that culture involves shared values, expectations and attitudes hence it has effect on both individual and organizational processes. In order to influence performance, organizational culture has to be strong, that is, basic aspects of culture are strongly accepted by most employees and must also possess certain key traits like concern with quality.

Table 4.7: Average net income (Kshs in Millions)

Year	N	Minimum	Maximum	Mean	Std. Deviation
2012	51	.80	35.00	6.8737	9.90400
2013	51	.89	35.00	7.0398	9.95084
2014	51	1.70	35.00	8.2351	9.37895
2015	51	.67	35.00	8.6582	9.37166
2016	51	2.80	35.00	9.8902	9.28466
Valid N (listwise)	51				

Table 4.7 presents the analysis of the performance of private hospitals in Nyeri County in terms of average net income for the year 2012 to 2016. The study revealed that year 2012 had a mean of 6.874 Million and standard deviation of 9.904. Year 2013 had a mean of 7.04 Million and standard deviation of 9.951. Year 2014 had a mean of 8.235 Million and standard deviation of 9.379. Year 2015 had a mean of 8.658 Million and standard deviation of 9.372 while year 2016 had a mean of 9.890 Million and standard deviation of 9.2 85. Trend analysis revealed that average net income in the private hospitals had been in the increasing trend from the year 2012 to year 2016. This may be attributed to the increase in population and the move by the NHIF to accredit most of the hospital to treat patients who are in good standing in regards to NHIF contributions.

4.4 Test of regression assumptions

In order for a linear regression model to be usable in practice, the model should conform to the assumptions of linear regression. The regression assumes that the residuals are normally distributed, there is little or no multicollinearity between the independent variables and dependent variables and the model is linear in parameters. Prior to running a regression model, normality, multicollinearity and linearity test were conducted to establish whether regression model met the laid down criteria.

4.4.1 Test of Normality of Data

The linear regression analysis requires all variables to be normally distributed. Graphical method is used to establish whether data is approximately normally

distributed. The results from the graphical method are presented in the Figure 4.1 below, indicating that the data are normally distributed.

Histogram
Dependent Variable: Performance of Hospitals

Mean = -6.94E-17
Std. Dev. = 0.959
N = 51
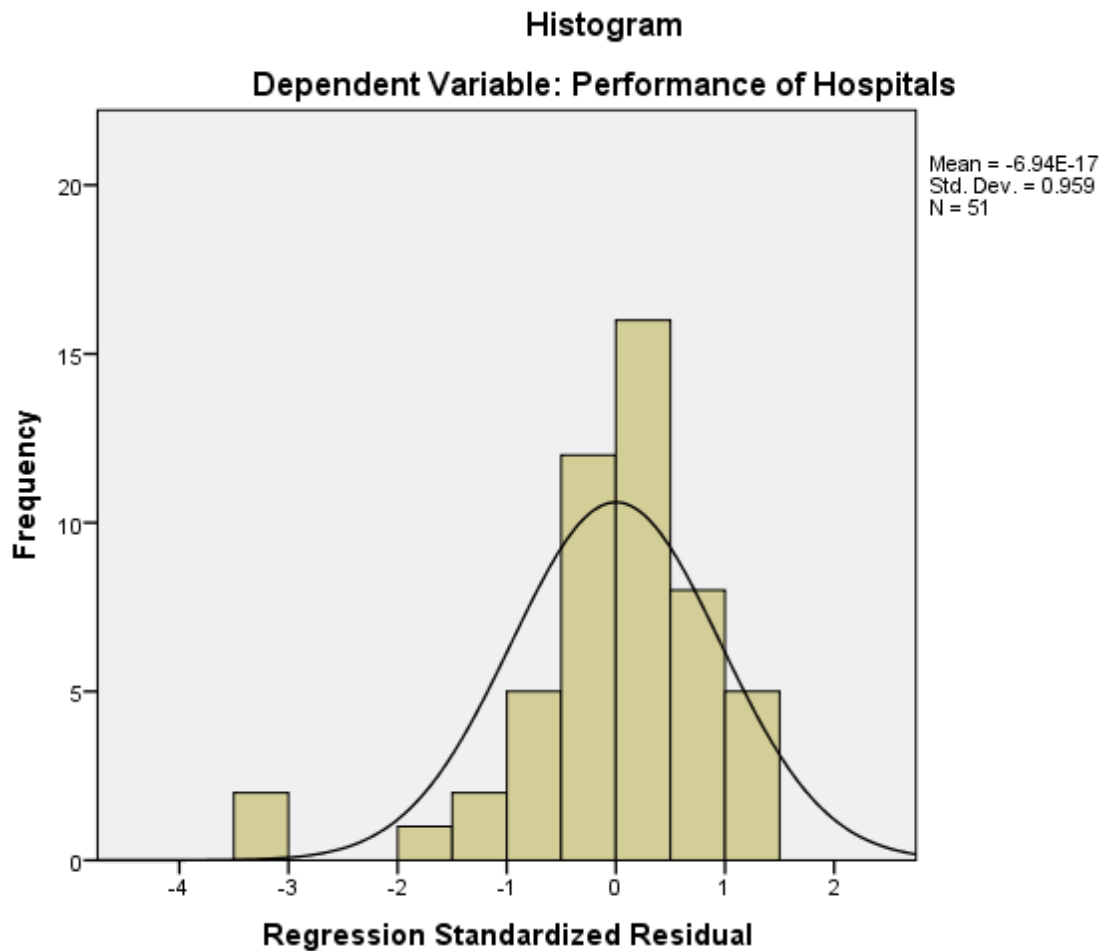
Figure 4.1: Test of Normality Histogram

4.4.2 Test of Multicollinearity

The study tested the Multicollinearity of the variables before conducting a regression analysis. Multicollinearity occurs when more than two predictor variables are inter-correlated, Kothari (2004). This is an undesirable situation where the correlations among the independent variables are strong as it increases the standard errors of the coefficients. To test for multicollinearity, Variance Inflation Factor (VIF) or tolerance, a diagnostic method was used to detect how severe the problem of multicollinearity is in a multiple regression model. VIF statistic of a predictor in a model indicates how much larger the error variance for the unique effect of a predictor (Garson, 2012). Using the VIF method, a tolerance of less than 0.20 and a VIF of more than 5 indicates a presence of multicollinearity. If two or more variables

have a Variance Inflation Factor (VIF) of 5 or greater than 5, one of these variables must be removed from the regression analysis as this indicates presence of multicollinearity (Garson, 2012). From Table 4.8 there is no VIF with a value of 5 or greater than 5 and therefore no presence of multicollinearity.

Table 4.8: Multicollinearity Test Res ults

Model	Collinearity Statistics	
	Tolerance	VIF
Health Services strategy	.939	1.065
Pricing strategy	.927	1.078
Distribution strategy	.582	1.719
Promotion strategy	.568	1.759

4.4.3 Linearity Tests

Linear regression requires the relationship between the independent and dependent variables to be linear. The researcher used Pearson's Product Moment Coefficient Correlation (r) to establish any linear associations among the variables in the study, as well as their nature and strength. This measure, usually symbolized by the letter (r), varies from ranging from -1 to +1, with 0 indicating no linear association. In order to conduct correlation analysis the set of items that measured each variable were aggregated by computing the average. The findings of the analysis are as indicated in Table 4:9

Table 4.9: Correlation Results

		Performance of Hospitals	Service	Price	Place	Promotion
Performance of Hospitals	Pearson Correlation	1	.361**	.325*	.281*	.276
	Sig. (2-tailed)		.009	.020	.046	.050
	N	51	51	51	51	51
Service	Pearson Correlation	.361**	1	.974**	.951**	.582**
	Sig. (2-tailed)	.009		.000	.000	.000
	N	51	51	51	51	51
Price	Pearson Correlation	.325*	.974**	1	.975**	.545**
	Sig. (2-tailed)	.020	.000		.000	.000
	N	51	51	51	51	51
Place	Pearson Correlation	.281*	.951**	.975**	1	.519**
	Sig. (2-tailed)	.046	.000	.000		.000
	N	51	51	51	51	51
Promotion	Pearson Correlation	.276	.582**	.545**	.519**	1
	Sig. (2-tailed)	.050	.000	.000	.000	
	N	51	51	51	51	51

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

From the correlation matrix, all the independent variables had a positive relationship with the dependent variable. Health service was positively and significantly related to performance of private hospitals in Nyeri County r = 0.361, p value 0.009<0.05 at 0.05 significance level. Price was positively and significantly related to performance of private hospitals r = 0.325, p value 0.020< 0.05 at 0.05 significance level. Place was positively and significantly related to performance of private hospitals r = 0.281, p value 0.046 < 0.05 at 0.05 significance level. Promotion were positively and significantly related to performance of private hospitals r = 0.276, p value 0.050 = 0.05 at 0.05 significance level. The findings of the study indicated presence of linear relationship between the independent and dependent variables.

4.5 Product and Performance of Private Hospitals

The study sought to assess the extent to which health services influences performance of private hospitals in Nyeri County. Various indicators on health services were considered and the findings were summarized in the Table 4.10

Table 4.10: Descriptive Statistics of Product Strategies

Product strategies	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hospital has introduced new service products	0.0	41.2	0.0	45.1	13.7	3.31	1.16
Our medical personnel handle patients professionally	0.0	0.0	13.7	27.5	58.8	4.45	.73
Our hospital has a reputable brand name	0.0	45.1	13.7	35.3	5.9	3.02	1.03
Our hospital offers quality services	0.0	0.0	0.0	41.2	58.8	4.59	.50
Our hospital has adequate number of health providers	0.0	62.7	9.8	17.6	9.8	2.75	1.07

As shown in Table 4.10, all the respondents 100% agreed that hospital offers quality services with a mean score of 4.59 and standard deviation of 0.50. a high percentage 86.3% agreed that medical personnel handle patients professionally with a mean score of 4.45 and standard deviation of 0.73. Introduction of new service and products and hospital has a reputable brand name was rated above average. The study further revealed that hospital has adequate number of health providers was lowly rated with a mean score of 2.75. The finding of the study that private hospitals offer quality services and medical personnel handle patients professionally support earlier finding by Diab (2010), who noted that hospital's performance can be measured by the quality of medical services perceived from three views: the patient, hospital administrators and medical groups. According to Sutter (2012) sustainability as a business approach is becoming widely adopted by health care companies and organizations around the world, and the way to become sustainable is making their

services competitive. Key aspect of the service strategy in hospitals is to meet the problems which are created by the characteristics of services. This can be achieved by having a range of high quality services, means of branding, new service development, and customer service. Shuklar (2006) also had observed that hospital brand recognition is low and as a result more efforts are needed under the banner of marketing to enhance recognition. It is important to use excellent marketing mixes that will delight the customer who holds the promise of conquering the market..

Table 4.11: Model Summary for Product strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.361[a]	.130	.113	1.19715

a. Predictors: (Constant), Product

Table 4.11 showed the values of R and R^2 for the model fitted of 0.361 and 0.130 respectively. The R value of 0.361 portrayed a positive linear relationship between the health services factors and performance of private hospitals. The R^2 value of 0.130 implied that 13.0% of the variation in performance was explained by the model $Y= \beta_0 + \beta_1 X_1$.

Table 4.12: ANOVA for Product Strategies

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	10.520	1	10.520	7.340	.009[b]
1	Residual	70.225	49	1.433		
	Total	80.745	50			

a. Dependent Variable: Performance of Private Hospitals

b. Predictors: (Constant), Product

An ANOVA was carried out which as from Table 4.12 showed the F statistic p value of 0.009. Since the p value of the F- statistic was less than 0.05, it implied that considering the simple regression model fitted above product: in this case, health services had significant effect on performance of private hospitals.

Table 4.13: Coefficients for Product Strategies

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.088	.544		3.838	.000
	Product	.371	.137	.361	2.709	.009

a. Dependent Variable: Performance of Private Hospitals

The results of coefficients to the model Y= 2.088 + $0.371X_1$ indicates that health product strategy is statistically significant at the 0.009 level of significance as shown on Table 4.13. This was because the p value of 0.009 was less than 0.05. The constant term implied that at zero consideration of health services, performance of private hospitals would be at 2.088, increasing the health services would increase the performance by 0.371. The finding of the study that health services had positive and statistically significant effect on performance of private hospitals asserts Narang (2010), who observed that health care delivery is statistically significant in influencing the perception of patients. As a result an organization must not only set an initial standard for quality, but must manage its quality level. According to Bryson & Mannoyer (2007), the rapid changes in business environment have resulted to great competitive pressure on organizations; hence service quality has become a critical issue in the fierce competitive environment. They stated that excellence in service quality is a key factor to enhance organizational performance in a globalized economy. Azam et al (2012), stated that a health service can be defined as a service intended to influence a person's health directly or indirectly through a combination of procedures executed by medically educated personnel.

4.6 Price and Performance of Private Hospitals

The study sought to find out the influence of price on performance of private hospitals in Nyeri County. Various indicators on price were considered and the findings were summarized in the Table 4.14

Table 4.14: Descriptive Statistics of Price

Price strategies	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hospital considers the ability of patients to pay	0.0	74.5	11.8	7.8	5.9	2.45	.88
Our hospital gives information on price changes promptly	0.0	19.6	19.6	35.3	25.5	3.67	1.07
Our hospital charges Fair prices	0.0	0.0	19.6	47.1	33.3	4.14	.72
Our hospital Prices are based on competition	0.0	58.8	15.7	23.5	2.0	2.69	.91
Our hospital Prices are based on cost of providing services	0.0	0.0	11.8	33.3	54.9	4.43	.70

As shown in Table 4.14, majority of the respondents 88.2% agreed that hospital prices are based on cost of providing services with a mean score of 4.43 and standard deviation of 0.70. 80.4% agreed that hospital charges fair prices with a mean score of 4.14 and standard deviation of 0.72. The study further revealed that hospital prices are based on competition and hospital considers the ability of patients to pay were lowly rated with a mean score of 2.69 and 2.45 respectively. The finding of the study that hospital prices are based on cost of providing services and they charge fair prices contradict earlier findings by Avlonitis and Indiana(2005)who noted that pricing objectives and pricing methods in the services sector, the objectives, which are pursued, are fundamentally qualitative rather than quantitative in their nature with a particular emphasis given on the company's customers. They noted that in some hospitals, prices are charged based on the economic status of the patients and the type of bed occupied without any consideration of cost of providing these services. A study in the area of health care industry was carried out by Nadowska (2011), to investigate influence of service marketing in the health care industry in Elekta Company in Sweden. The study showed the importance of service standardization and differentiation as strategies to enhance service quality, customer networking to build trust connected with culture in cross-cultural and domestic services marketing, in terms of making services more visible and similar for customers.

Table 4.15: Model Summary for Price Strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.325[a]	.105	.087	1.21420

a. Predictors: (Constant), Price

Table 4.15 showed the values of R and R^2 for the model fitted of 0.325 and 0.105 respectively. The R value of 0.325 portrayed a positive linear relationship between the pricing factors and performance of private hospitals. The R^2 value of 0.105 implied that 10.5% of the variation in performance was explained by the model $Y = \beta_0 + \beta_2 X_2$.

Table 4.16: ANOVA for Price strategies

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	8.506	1	8.506	5.769	.020[b]
1	Residual	72.239	49	1.474		
	Total	80.745	50			

a. Dependent Variable: Performance of Private Hospitals

b. Predictors: (Constant), Price

An ANOVA was carried out which as from Table 4.16 showed the F statistic p value of 0.020. Since the p value of the F- statistic was less than 0.05, it implied that considering the simple regression model fitted above pricing had significant effect on performance of private hospitals.

Table 4.17: Coefficients for Price strategies

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.235	.550		4.066	.000
	Price	.335	.140	.325	2.402	.020

a. Dependent Variable: Performance of Private Hospitals

The results of coefficients to the model $Y = 2.235 + 0.335 X_2$ indicates pricing is statistically significant at the 0.020 level of significance as shown on Table 4.17. This was because the p value of 0.020 was less than 0.05. The constant term implied that at

zero consideration of pricing, performance of private hospitals would be at 2.235, review of pricing would increase the performance by 0.335. The finding of the study that pricing had positive and statistically significant effect on performance of private hospitals asserts earlier study by Homburg et al. (2005), who found existence of a positive impact of customer satisfaction on willingness to pay. The study suggested hospital marketers should adopt transparent pricing strategy which ultimately leads to higher patient satisfaction and increases sale performance. According to Mburu (2007), in a research on the competitive strategies adopted by private hospitals in Mombasa the investigation found that the hospitals use focus strategy, non-price strategies and low cost strategies to be competitive.

4.7 Place and Performance of Private Hospitals

The study sought to analyze the influence of place on performance of private hospitals in Nyeri County. Various indicators on location and availability of hospital products were considered and the findings were summarized in the Table 4.18;

Table 4.18: Descriptive Statistics of Place

Place strategies	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hospital location is in an area with a good customer base	0.0	43.1	5.9	31.4	19.6	3.27	1.22
Our hospital location is accessible by the customers	0.0	0.0	19.6	35.3	45.1	4.25	.77
Our hospital branches provide services to different geographical areas	47.1	52.9	0.0	0.0	0.0	1.53	.50
Our hospital ambience is pleasant	0.0	0.0	9.8	33.3	56.9	4.47	.67
Our hospital opening hours for outpatient clinics are convenient	0.0	0.0	3.9	27.5	68.6	4.65	.56

As shown in Table 4.18, a substantial percentage 96.1% agreed that hospital opening hours for outpatient clinics are convenient with a mean score of 4.65 and standard deviation of 0.56. 90.2% agreed that hospital ambience is pleasant with a mean score

of 4.471 and standard deviation of 0.674. 80.4% of the respondents also agreed that hospital location is accessible by the customers with a mean score of 4.25. The study further revealed that hospital branches provide services to different geographical areas were lowly rated with a mean score of 1.53. The finding of the study that hospital ambience is pleasant support a study by Pollack (2009), who noted that to enhance customer satisfaction a hospital should have good ambience and the general condition of equipment should be good and appearance of staff members neat. Physical evidence particularly plays an important role in the hospital where the patients are already depressed or traumatized and a good atmosphere could make all the difference.

Table 4.19: Model Summary for Place Strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.281[a]	.079	.060	1.23211

a. Predictors: (Constant), Place

Table 4.19 showed the values of R and R^2 for the model fitted of 0.281 and 0.079 respectively. The R value of 0.281 portrayed a positive linear relationship between the distribution factors and performance of private hospitals. The R^2 value of 0.079 implied that 7.9% of the variation in performance was explained by the model $Y = \beta_0 + \beta_3 X_3$.

Table 4.20: ANOVA for Place

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	6.358	1	6.358	4.188	.046[b]
1	Residual	74.387	49	1.518		
	Total	80.745	50			

a. Dependent Variable: Performance of Hospitals

b. Predictors: (Constant), Place

An ANOVA was carried out which as from Table 4.120 showed the F statistic p value of 0.073. Since the p value of the F- statistic was greater than 0.05, it implied that considering the simple regression model fitted above distribution had significant effect on performance of private hospitals.

Table 4.21: Coefficients for place

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.436	.543		4.485	.000
	Place	.284	.139	.281	2.046	.046

a. Dependent Variable: Performance of Hospitals

The results of coefficients to the model $Y = 2.436 + 0.284X_3$ indicates that place is statistically significant at the 0.046 level of significance as shown on Table 4.21. This was because the p value of 0.046 was less than 0.05. The constant term implied that at zero consideration location of hospital, performance of private hospitals would be at 2.436, convenient place would increase the performance by 0.284. The finding of the study that place had positive and statistically significant effect on performance of private hospitals support earlier finding by Renner and Palmer (2009), who noted that customer perceptions of service quality at sporting events found that facility access and convenience exerted a significant influence on the quality perceptions of certain groups of sports fans. According to Hirankitti et al. (2009), place is the ease of access which potential customer associates to a service such as location and distribution. In some cases place is the most important competitive factor in business organizations as the chosen channels ultimately affect all other marketing decisions. Miller (2010), noted that in the past, a hospital could rely on its location for a stable client base unlike today where quality of service is the key consideration.

4.8 Promotion and Performance of Private Hospitals

The study sought to determine the influence of promotion on performance of private hospitals in Nyeri County. Various indicators on promotion were considered and the findings were summarized in the Table 4.22

Table 4.22: Descriptive Statistics of Promotion

Promotion factors	SD %	D %	N %	A %	SA %	Mean	Std. Dev
Our hospital advertises in mass media	27.5	35.3	9.8	21.6	5.9	2.43	1.27
Our hospital sponsors special events such as sports, charities and seminars	29.4	31.4	9.8	15.7	13.7	2.53	1.42
Our hospital encourage patients to use word of mouth communication to recommend other patients to our hospital	29.4	41.2	7.8	19.6	2.0	2.24	1.14
Our hospital uses direct marketing method	15.7	35.3	11.8	35.3	2.0	2.73	1.17
Our hospital promotes sales through free medical camps	0.0	0.0	0.0	27.5	72.5	4.73	.45

As shown in Table 4.22, all the respondents 100% agreed that hospital promotes sales through free medical camps with a mean score of 4.73 and standard deviation of 0.45. Use of direct marketing method and sponsorship of special events such as sports, charities and seminars were rated slightly above average while hospital advertises in mass media and hospital encourage patients to use word of mouth communication to recommend other patients to our hospital were rated below average. The finding of the study that private hospitals promotes sales through free medical camps supports Kotler, Shalowitz& Stevens (2008), who noted that promotional activities utilize sales people and various tools such as education programmes through, endorsement by opinion leaders, free health camps, health fairs, immunization camps, discounts and special offers. The finding of the study that majority of the private hospital do not advertise in mass media is contrary to Shuklar (2008), who observed that television advertisement is most preferred media for advertising, followed by newspapers and magazines, billboards, radio and the internet. According to Andaleeb (2013), on the role of promotion in enhancing service delivery in the Health sector concluded that

direct marketing is a competitive tool for hospital and its effective use should assist hospitals to attract and retain customers in a rapidly changing environment where the patients are increasingly involved in selecting the right hospital since promotion activities of a hospital help in communicating the existence of services offered to present, past and future customers.

Table 4.23: Model Summary for Promotion

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.276[a]	.076	.057	1.23398

a. Predictors: (Constant), Promotion

Table 4.23 showed the values of R and R^2 for the model fitted of 0.276 and 0.076 respectively. The R value of 0.276 portrayed a positive linear relationship between the promotion factors and performance of private hospitals. The R^2 value of 0.076 implied that holding all the other factors constant, 7.6% of the variation in performance was explained by the model $Y = \beta_0 + \beta_4 X_4$.

Table 4.24: ANOVA for Promotion

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	6.133	1	6.133	4.027	.050[b]
1	Residual	74.612	49	1.523		
	Total	80.745	50			

a. Dependent Variable: Performance of Private Hospitals

b. Predictors: (Constant), Promotion

An ANOVA was carried out which as from Table 4.24 showed the F statistic p value of 0.050. Since the p value of the F- statistic was equal to 0.05, it implied that considering the simple regression model fitted above promotion had significant effect on performance of private hospitals.

Table 4.25: Coefficients for Promotion

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.626	.464		5.663	.000
	Promotion	.259	.129	.276	2.007	.050

a. Dependent Variable: Performance of Private Hospitals

The results of coefficients to the model $Y = 2.626 + 0.259X_4$ indicates that promotion is statistically significant at the 0.050 level of significance as shown on Table 4.25. This was because the p value of 0.050 was equal to 0.05. The constant term implied that at zero consideration of promotion, performance private hospitals would be at 2.626, increasing promotion would increase performance by 0.259. The finding of the study that promotion had positive and statistically significant effect on performance of private hospitals assert earlier finding by Shoqirat and Cameroon (2012), who observed that hospitals rely a lot on oral advertising by patients and members of their families to other people in the society. Although potential clients of a hospital cannot experience the service before purchase he or she can talk to other people about his or her experience of the service. The testimony of such patients is credible because the positive view given do not come from the company. According to Lovelock &Wirtz, (2011), in service marketing, communication tools are especially important because they help to create powerful images and a sense of credibility, confidence and reassurance. The aim of promotional strategy is to bring existing and prospective customers from a state of relative unawareness of an organization's products to a state of actively adopting them. Johnson and Baum (2005) suggested that instead of doing hospital promotions, marketer should focus on health education which can position the image of hospital in the mind of patients and in turn increase its' market share and performance.

4.9 Marketing strategies Influencing Performance of Private Hospitals

A multiple linear regression analysis between the independent and dependent variables of the study was done. In order to conduct multiple regression analysis the set of items that measured each independent variable were weighted. Multiple linear regression analysis was then used to test whether there existed interdependency

between independent variables (health products, price, place and promotion) and dependent variable (performance of private hospitals). The findings of the multiple regression analysis for each of the four independent variables are discussed in Table 4.26 to Table 4.28.

Table 4.26: Model Summary for Marketing Strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703[a]	.495	.451	.55874

a. Predictors: (Constant), Promotion, Service, Price, Place

Table 4.26 showed the values of R and R^2 for the model fitted of 0.703 and 0.495 respectively. The R value of 0.703 portrayed a positive linear relationship between the marketing strategies and performance of private hospitals. The R^2 value of 0.495 implied that 49.5% of the variation in performance of private hospitals was explained by the model $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

Table 4.27: ANOVA for Marketing Strategies

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	14.066	4	3.516	11.264	.000[b]
1	Residual	14.361	46	.312		
	Total	28.426	50			

a. Dependent Variable: Performance of Hospitals

b. Predictors: (Constant), Promotion, Service, Price, Place

An ANOVA was carried out which as from Table 4.27 showed the F statistic p value of 0.000. Since the p value of the F- statistic was less than 0.05, it implied that considering the multiple regression model fitted above marketing strategies under consideration had significant effect on performance of private hospitals.

Table 4.28: Coefficients for Marketing Strategies

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.568	.346		1.644	.107
Health Service	.436	.141	.335	3.094	.003
Price	.285	.105	.295	2.708	.009
Place	.172	.077	.306	2.224	.031
Promotion	.146	.084	.243	1.747	.087

a. Dependent Variable: Performance of Hospitals

The results of coefficients to the model $Y= 0.568 + 0.436X_1 + 0.285X_2 + 0.172X_3 + 0.146X_4$ indicates that health products, price and place are statistically significant at the 0.05 level of significance because their p value of 0.003, 0.009 and 0.031 was less than 0.05. Promotion is statistically insignificant at the 0.05 level of significance because their p value of 0.087 was greater than 0.05. The optimal regression equation for this study can be stated as: $Y= 0.568 + 0.436X_1 + 0.285X_2 + 0.172X_3 + e$. The finding of the study implies that increasing the quality of health products by one unit would increase the performance by 43.6%, price consideration by one unit would increase the performance by 28.5% while the convenience of the location of hospital would increase performance by 17.2% The study concurs with Meera (2012), who found out that marketing mix is the greatest marketing strategy for attaining favourable levels of performance by any firm. According to Kotler & Armstrong (2013) market strategy is a mechanism of providing quality services and products that satisfies customer's need, by offering affordable prices, engaging in wider distribution while backing it up with effective promotional strategy which strengthens firm's market share and minimize impact of competition. Bobeica (2013), concluded that there is a direct connection between the marketing strategy, the quality of healthcare and human resource management practices in the internal organization of private healthcare practices. Promotion strategies had positive but insignificant effect on performance of private hospitals and therefore dropped from the optimal regression equation.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the research work undertaken, discusses the research findings, the conclusions that were drawn, recommendations made, knowledge gained and the suggested areas of further research based on the analyzed data related to the general and specific objectives of the study.

5.2 Summary of the Finding

This section presents a summary of the main findings of the study based on the four core objectives that the researcher sought to accomplish. The general objective of the study was to investigate marketing strategies influencing performance of private hospitals in Nyeri County, Kenya. The study specifically sought to assess the effect of health products, pricing, place and product promotion on performance of private hospitals in Nyeri County.

5.2.1 Product and Performance of Private Hospitals

The first objective of the study was to assess the extent to which product; in this case health services influences performance of private hospitals in Nyeri County. Descriptive results indicated that majority private hospital offers quality services and engage medical personnel who handle patients professionally. In addition, hospital has inadequate number of health providers but they were indifferent the number of introduced new service and products. The bivariate regression results indicated that health services had positive and statistically significant effect on performance of private hospital with $\beta=0.371$ and p value of 0.009 at the 0.05 level of significance. Multiple regression analysis further revealed that health services had positive and statistically significant effect with $\beta=0.436$ and p value of 0.003.

5.2.2 Price and Performance of Private Hospitals

The second objective of the study was to find out the influence of pricing on performance of private hospitals in Nyeri County. Descriptive results revealed that majority of the hospital prices are based on cost of providing services and the hospital charges fair prices. In addition, the study revealed that hospital prices are not based on

competition and the hospital do not considers the ability of patients to pay. The bivariate regression results indicated that price had positive and statistically significant effect on performance of private hospitals with β=0.335 and p value of 0.020 at the 0.05 level of significance. Multiple regression results further revealed that price had positive and statistically significant effect with β=0.285 and p value of 0.009.

5.2.3 Place and Performance of Private Hospitals

The third objective of the study was to analyze the influence of place on performance of private hospitals in Nyeri County. Descriptive results revealed that most of the private hospital opening hours for outpatient clinics are convenient, the ambience is pleasant and the hospital location is accessible by the customers. The study further revealed that the provision of services by hospital branches different geographical areas was lowly rated. The bivariate regression results indicated that place had positive and statistically significant effect on performance of private hospitals with β=0.284 and p value of 0.046 at the 0.05 level of significance. Multiple regression further revealed that place had positive and statistically significant effect with β=0.172 and p value of 0.031.

5.2.4 Promotion and Performance of Private Hospitals

The fourth objective of the study was to determine the influence of promotion on performance of private hospitals in Nyeri County. Descriptive results revealed that most of the private hospital promotes sales through free medical camps. The study further revealed that private hospitals do not make use of direct marketing method and sponsorship of special events such as sports, charities and seminars neither do they advertises in mass media or encourage patients to use word of mouth communication to recommend other patients to their hospitals. The bivariate regression results indicated that place had positive and statistically significant effect on performance of private hospitals with β=0.259 and p value of 050 at the 0.05 level of significance. Multiple regression further revealed that place had positive but statistically insignificant effect with β=0.146 and p value of 0.087.

5.3 Conclusions of the Study

This study sought to find out marketing strategies influencing performance of private hospitals in Nyeri County. The results of study revealed that health services products had positive and statistically significant effect on performance of private hospital. The study further revealed that private hospitals offers quality services and engage medical personnel who handle patients professionally. The respondents were indifferent about the number of introduced new service and products but concurred that the hospital has inadequate number of health providers.

Price had positive and statistically significant effect on performance of private hospitals. The study also revealed that majority of the hospital prices are based on cost of providing services and the hospital charges fair prices. The hospitals do not considers the ability of patients to pay and their prices are not based on competitions.

Place had positive and statistically significant effect on performance of private hospitals. This could be attributed to the fact that when the customers are satisfied with the quality of service and price of the product they are not hampered by the location of the hospital. The study further revealed that private hospital opening hours for outpatient clinics are convenient, the ambience is pleasant and the hospital location is accessible by the customers.

Promotion had positive and significant effect when considered singly but statistically insignificant effect when combined with other variable. Promotion of sales through free medical camps was the main activities that greatly enhance performance of private hospitals. The private hospitals do not make use of direct marketing method and sponsorship of special events such as sports, charities and seminars neither do they advertises in mass media or encourage patients to use word of mouth communication to recommend other patients to their hospitals.

5.4 Recommendations of the Study

Based on the research study, a number of recommendations can be made to improve the performance of private hospitals. To start with private hospitals should come up with health service delivery charter with a view to enhance the quality of service

delivery and ultimately the performance. The private hospitals should focus on price differentiation in order to gain competitive advantage. In addition, private hospitals should undertake regular monitoring and evaluation to ensure that the quality of service, effectiveness and efficiency is maintained and enhanced with a view to improve performance.

5.5 Areas of Further Studies

The study confined itself to private hospitals in Nyeri County, Kenya while there is need to undertake comparative studies covering private hospitals in other Counties in order to validate whether the findings can be generalized. Future researchers should also focus on challenges private hospitals face when they focus on implementing marketing strategies.

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ANN N KIHURO,

P.O BOX 18-10100,

 NYERI,

28TH MARCH 2017.

Dear Respondent

RE: DATA COLLECTION

I am a student pursuing Master Degree of Business Administration (MBA) at Dedan Kimathi University of Technology, Nyeri. I am writing a thesis which is a requirement for partial fulfillment of this course.

In Nyeri County, your organization has been selected for data collection. The purpose of the correspondence is to humbly request your organization to allow me to collect data. The information you will provide in this questionnaire is for academic purpose only and will be treated with utmost confidentiality. Enclosed here is a copy of my research questionnaire, which is the data collection instrument.

Thank you for your cooperation and participation

Yours faithfully

Ann Kihuro.

The bearer of this questionnaire is carrying out a study on marketing strategies and performance of private hospitals in Nyeri County as partial fulfillment for an award of Master Degree in Business Administration in Dedan Kimathi University of Technology. This study is purely for academic purpose and all responses will be treated with utmost confidentiality. In this questionnaire various value scales have been indicated for you to select. Please respond to the questions by marking against what you consider to be the appropriate answer in the spaces provided, or filing the blanks where necessary.

Your cooperation will be highly appreciated.

SECTION A

DEMOGRAPHIC CHARACTERISTICS

1. Name of hospital_____

2. Gender   Male [ ]   Female [ ]

3. Which of the following best describes your age in years?

   Below 25 [ ]   26-35 [ ] 36-45 [ ] 46-55 [ ] Above 56 [ ]

4. Years of service in the health facility

   5 years and below [ ]   6-10 years [ ]   11-15 years [ ]   16   and above [ ]

5. In which department do you working in?_____

SECTION   B: MARKETING   STRATEGIES   AND   HOSPITAL PERFORMANCE

Health service Strategy

To what extent do you agree with the following statements on product strategy and hospital performance on a scale of 1-5, where 1= Strongly Disagree 2= Disagree 3= Neutral   4 Agree   5= Strongly Agree

	Product Strategies	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
6	Our hospital has introduced new service products					
7	Our medical personnel handle patients professionally					
8	Our hospital has a reputable brand name					
9	Our hospital offers quality services					
10	Our hospital has adequate number of health providers					

Comment on any other health strategies used by the hospital

……………………………………………………………………………………

……………………………………………………………………………………

Pricing Strategy

To what extent do you agree with the following statements on pricing strategy influences hospital's performance on a scale of 1 to 5, where 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree.

	Pricing Strategy	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
11	Our hospital considers the ability of patients to pay					
12	Our hospital gives information on price changes promptly					
13	Our hospital charges Fair prices					

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
14	Our hospital Prices are based on competition					
15	Our hospitalPrices are based on cost of providing services					

Comment on any other pricing strategy used by the hospital

……………………………………………………………………………………

……………………………………………………………………………………

Distribution Strategy

To what extent do you agree with the following statements on distribution strategy influences hospital's performance on a scale of 1-5,where 1= strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree

	Distribution Strategy	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree
16	Our hospital location is in an area with a good customer base					
17	Our hospital location is accessible by the customers					
18	Our hospital branches provide services to different geographical areas					
19	Our hospital ambience is pleasant					
20	Our hospital opening hours for outpatient clinics are convenient					

Comment on any other distribution strategy used by the hospital strategy.

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Promotion Strategy

To what extent do you agree with the following statements on promotion strategy influences hospital's performance, on a scale of 1 to 5, where 1=Strongly disagree; 2=Disagree;3=Neutral; 4=Agree; 5= Strongly agree.

		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Disagree 5
21	Our hospital advertises in mass media					
22	Our hospital sponsors special events such as sports, charities and seminars					
23	Our hospital encourage patients to use word of mouth communication to recommend other patients to our hospital					
24	Our hospital uses direct marketing method					
25	Our hospital promotes sales through free medical camps					

Comment on any other promotion strategies used by the hospital

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SECTION C

PERFORMANCE OF PRIVATE HOSPITALS IN NYERI

To what extent do you agree with the following statement on the hospital performance on a scale of 1-5, where 1= Strongly Disagree (SD)   2=Disagree (D)   3=Neutral 4=Agree 5=Strongly Agree (SA)

	Performance Parameters	SD 1	D 2	N 3	A 4	SA 5
	Human capital Management					
1.	The recruitment process in our hospital is thorough and objective					
2.	Our hospital offers training to the employees					
3.	Our hospital human capital planning is efficient					
4.	Our hospital support the employees into sharing their human capital through organizational learning and knowledge management					
	Information capital management					
5.	Our hospital has an effective enterprise resource planning system					
6.	Our hospital disseminates relevant information easily within and outsides the organization					
7.	In our hospital there are frequent operational delays from system failure					
8.	In our hospital are knowledge management sharing tools like portals, information centers and websites					
	Organizational leadership					
9.	In our hospital the organizational leadership helps the hospital to capitalizes on opportunities and cope with threats.					
10	In our hospital the organizational leadership assist in management of resources and competencies with aim of fulfilling stakeholder's expectations					

11	In our hospital the leadership motivates employees to continually improve and uphold standards of excellence					
12	In our hospital there is a collaborative culture that enhances customers and employee participation					

Comment on any other performance measures used by the hospital

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13. Indicate the level of net income for your hospital in the following years

Year	Level of net income(Ksh)
2012	
2013	
2014	
2015	
2016	

THANK YOU FOR YOUR COOPERATION AND PARTICIPATION