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Applications of Marketing Techniques in Medical Practice Management *by A/Professor Terry Beed*

Medical practices, no matter at what scale - and irrespective of their core activities of healing and care - are services marketing organizations and must be profitable to survive.

To promote the mission of a services marketing organization, an understanding of the intangible nature of services is required. Marketing a service is very different to marketing goods. Most goods are "touchy and feely" while services are ephemeral and difficult to anticipate and comprehend. Restaurants stand somewhere between the extremes of intangibility and tangibility: you can have a great meal but poor service from the waiters, or excellent service with poor food. Satisfaction lies somewhere in between, but do all people adopt the same criteria in judging the quality of food and the quality of service?

Thus, the intangible nature of services leads inevitably to customers having difficulty in evaluating competitive services, they place great emphasis on personal information sources and they perceive high levels of risk when embarking on the consummation of a service. Typically, suppliers of services respond by attempting to reduce the complexity of their service offerings, they try to facilitate word of mouth recommendations, stress tangible cues and focus on service quality.

In the foregoing, two words are of utmost importance to competing service organizations: satisfaction and quality. We can't expect to achieve customer satisfaction and all of its related benefits without a firm notion of service quality embedded in the business. High levels of customer satisfaction for service businesses of any kind result in increased loyalty for current customers, insulation of current customers from competitive efforts, lower costs of future transactions, lower costs of attracting new customers and an enhanced reputation for the business. Each is a vital key to profitability.

Medical practices are no exception to these principles. Patients will be satisfied if their prior expectations of a service are exceeded in a positive manner and this is one of the first "laws" of services marketing. The second law is that if a patient is disgruntled in an earlier phase of a service encounter, it becomes very hard and sometimes impossible to recover to the level of goodwill required for customer satisfaction to build up and flourish.

Satisfaction is therefore a function of prior expectations and the quality of the service. Other things may affect the situation and may be beyond the control of the service provider, such as the weather, parking and transportation services used by the patient prior to the medical service encounter.

As we move into the 21st Century, many industries have made much progress in the battle for customer satisfaction by embarking on quality assurance schemes. Translated into medical practice, this means the adoption of commonly agreed guidelines for the provision of services in a clear and unequivocal manner. Patients should be comfortable (and on the road towards satisfaction) with the notion that they are visiting an establishment which subscribes to minimum standards of practice and that these standards are endorsed by the profession as a whole.

It is not too much to expect practices to submit to independent audits designed to accredit providers on a comprehensive range of criteria for the provision of their services. The simple dimensions of quality are fitness of use (does the service do what it is supposed to do? Does it possess features that meet the needs of customers?) and reliability (to what extent is the service free from deficiencies?). A quality audit is a "systematic and independent examination to determine whether quality activities and related results comply with planned arrangements, and whether these arrangements are implemented

effectively and are suitable to achieve objectives" (ISO 1001 1-1 1990).

Many examples of quality auditing are now evident, but none is more appropriate than the work of the Royal Australian College of General Practitioners (RACGP - www.racgp.org.au/standards/index.htm). Here we see the outcome of some years of planning and discussion within the profession and the development of an organization to implement a national scheme of quality auditing in general practice.

Marketers are now working to develop further the theories and tools of services marketing and their continuing application will greatly benefit those involved in a wide range of service provision activities. Of some interest to general practitioners are the range of service models which build on various simulation techniques. Many of these are computer based and available in user-friendly pull down menus familiar in the Windows' environment. One such example is the ProModel Corporation's ServiceModel', information about which is available at www.servicemodel.com. ProModel also has launched MedModel' - a more recent offering that is aimed at the health services delivery community, especially hospitals and other large scale medical establishments. The ability to test theories and ideas about real-life solutions to queue management, personnel deployment to deal with customer service and "backstage support" of frontline service staff in a simulation is breathtaking and economical.

From the marketer's perspective, the challenge for general practice is to know what people do in a services marketing organization, including defining and describing roles for everyone (so they too can be satisfied with being service providers), matching this with customer expectations and understanding and delivering customer satisfaction. All honourable goals, they are also the key to profitable operation. ■