Marketing Strategy Analysis Based on Segmenting, Targeting, and Positioning in Hospital

Kartika Ningsih*, and Tri Ani Marwati
Faculty of Public Health, Universitas Ahmad Dahlan, Yogyakarta, Indonesia
*corresponding author: kartika1800029195@webmail.uad.ac.id

ABSTRACT

Background: There is a fluctuating trend related to the number of patient visits at Nur Hidayah Hospital, Bantul, so it is necessary to formulate the right Segmentation, Targeting, and Positioning (STP) in order to increase inpatient and outpatient visits and achieve standard inpatient service indicators. The purpose of this study is to analyze the marketing strategy of Nur Hidayah Hospital based on STP.

Method: This study follows a descriptive qualitative design. The key informants in this study were the general director and the marketing manager of the hospital, and the triangulation informants in this study were medical officers and patients. Results: The results revealed that the segmenting was based on demographics with females or housewives with secondary education levels or lower as the highest number of service users. Based on the geographical characteristics, a significant number of service users were those living in Ring 1, an area within a radius of 0-10 km from the hospital. Targeting has been conducted well as seen by the number of patients that reached 6,500 service users within a year. Positioning was related to the availability of surgeons, a relatively short surgery duration, and services that are good, friendly, and neat that make patients feel like they are treated by their own families. Conclusion: The market segment, targeting, and positioning was good, but not fulfilled enough. Nur Hidayah Hospital should evaluate community responses regarding what is needed to fulfill target community.

Introduction

The sustainability of a hospital to survive in the future depends on its ability to respond to customers' needs by providing innovative and quality services. In addition, hospitals must also be able to understand the needs and expectations of customers so that they can provide health services according to the customers' needs [1]. Therefore, it is necessary for all elements of the hospital, especially all the employees, to understand customer-oriented marketing concepts. The right marketing strategies and policies in the marketing mix will determine the success or failure of marketing. Thus, with the right marketing, a hospital is not only able to survive in the long run but is also able to develop [2]. A marketing strategy is basically a comprehensive, integrated, and unified plan in the field of marketing. A marketing strategy is essential to survive in competition and strengthen sales volume [3].

The purpose of marketing is to attract the attention of consumers in consuming or using the products or services offered. Therefore, marketing plays an important role in the development of
Marketing can be done with the concept of STP (Segmenting, Targeting, and Positioning) [5]. Since health service users in hospitals have different characteristics, every hospital needs to conduct a study related to segmentation, targeting, and positioning so that it can compete with other hospitals [6]. The segment at Nur Hidayah Hospital is women of productive age and secondary education level or lower. In terms of occupation, the segment is private employees that use general (private) payment methods. For targeting, the Nur Hidayah Hospital attempts to achieve 85% old patient visits and 15% new patient visits as well as provide satisfactory service. Regarding positioning, one of the hospital's focuses is to offer affordable service rates.

Previous research reported that in market segmentation, most of the new patients who visited the Dental Clinic were men (71 people or 53.40%) in the productive age group between 18 to 40 years (118 people or 88.72%) with undergraduate and postgraduate education level (82 people or 61.65%). In terms of occupation, most patients worked as private employees (34 people or 35.09%) and lived in Jakarta (116 people or 87.21%). Regarding payment methods, a significant number of patients used cash, credit cash, and credit cards (111 people or 83.45%) [7].

Based on the results of a preliminary study conducted at Nur Hidayah Hospital, some segments were still not in accordance with the target. The Nur Hidayah Hospital targets payments made through BPJS Health. Meanwhile, the results of a survey conducted by the hospital revealed that the most used payment method was the general (private) payment method. The data on inpatient visits at Nur Hidayah Hospital show that the number of patients has fluctuated in the last three years. In 2019, the number was 3,574. Meanwhile, in 2020, the number plummeted to 660, experiencing a drop of 18366.70%. However, in 2021, there was a significant increase of 99.24%, reaching 5,013. Then, based on the data in the last three years, the Nur Hidayah Hospital also experienced a decrease in outpatient visits. The data show that the number of outpatient visits was 6,436 in 2019. In 2020 and 2021, the number dropped to 5,324 and 5,177 respectively.

From the data above, it can be seen that the Nur Hidayah Hospital needs to formulate the right Segmentation, Targeting, and Positioning so that it can increase inpatient and outpatient visits and achieve a standard inpatient service indicator number. Based on the background explained above, we are interested in conducting a study on "Marketing Strategy Analysis Based on STP (Segmentation, Targeting, Positioning) at Nur Hidayah Hospital, Bantul".

Materials and Method

This study was conducted using a qualitative descriptive method. The informants in this study consisted of key informants and triangulation informants. The key informants in this study were the general director and the marketing manager of Nur Hidayah Hospital, Bantul. Triangulation informants were needed to see the connection between the key informants' answers and the actual situation. The triangulation informants in this study were one medical office manager, one outpatient, and two inpatients at Nur Hidayah Hospital, Bantul. Subjects were selected using a purposive sampling technique based on certain considerations.

The types of data in this study were primary data and secondary data. The primary data were obtained directly from interviews. Interviews were conducted with reference to the interview guidelines, taking into account marketing strategy variables. Interviews were conducted with the Hospital Director and marketing manager as well as with triangulation informants, the medical office manager, and patients at Nur Hidayah Hospital, Bantul. This study has been approved by the research ethics committee of UAD (KEP UAD) with Ethical Clearance number 012206064.

Results and Discussion

Results

Segmenting

In terms of segmenting, the Nur Hidayah Hospital focused on geographical location. According to information from research subjects, the market segments were divided into four areas: Ring 1 within a radius of 0-10 km, Ring 2 within a radius of 11-20 km, Ring 3 within a radius of 21-30 km, and Ring 4 within a radius of more than 30 km. With this segmentation, the hospital will get a definite
target, namely patients within Ring 1. In addition to determining geographical location, segmenting was also concerned with consumer conditions and habits. This is in accordance with the informants’ statements below:

“Market segmentation is determined based on geographical location with 4 cardinal directions.” (Informant B)

“Our segment is females in middle to lower class in productive age and secondary education level with income around Rp. 2,000,000 - Rp. 3,000,000, and most are housewives. On average, most patients are BPJS users.” (Informant B)

As a large number of patients were women and housewives, the hospital needs to broaden its market segment. In determining the needs and wants of patients, the hospital made several efforts as mentioned in the informant's statements below:

“We explore the needs and wants of patients by conducting surveys and generating input through social media comments.” (Informant B)

Exploring the needs and wants of patients can improve marketing strategies. As for the constraints that hinder marketing operations, the hospital had problems with online marketing as reported by one informant in the following statement:

“Because today is the era of social media, and there are many millennial generations, we had problems in marketing using social media. There were problems related to human resource capabilities and the number of human resources in social media marketing. Now, we are expected to be responsive in answering inquiries via Whatsapp.” (Informant A)

By paying attention to market segments, marketing is conducted online and offline. This was stated by a triangulation informant as follows:

“Marketing here is done by online and offline marketing, for example for segmenting, we use geographic segmentation. Our target is the area closest to the hospital.” (Informant C)

“I know this hospital from neighbors, from social media, and college friends.” (Informant E)

From the statements of the triangulation informants, it can be seen that the online marketing of the hospital is going well. The market segmentation set by the hospital is sufficient as it takes into account geographical location, culture, and patient needs.

**Targeting**

The target to achieve was set independently by the Nur Hidayah Hospital, Bantul. The following is the targeting of the hospital according to key informants:

“Our target is called Grand Srantify and the goal is to achieve it at the beginning of the year, such as serving a minimum of 6,500 outpatients and 550 inpatients, and the target for surgery is 200 surgeries.” (Informant A)

“Our target is 6,500 patients this year, and this has been achieved in the 3rd month.” (Informant B)

The target of the hospital has been achieved in the 3rd month of 2022. Thus, until the end of the year, the number of patient visits is likely to exceed the target. However, there was a decrease in certain months as reported in the informants' statements below:

“In certain months, there are some decreases, usually during the fasting month, but we have met our last sales target of 6,500 visitors.” (Informant B)

“Sales from month to month do increase, but for annual sales, the increase is not that high, especially in 2020 to 2022, there was a decrease because of PPKM.”
Based on the key informants' statements, it can be seen that the number of visits tends to increase although there is a decrease during the fasting month. During the COVID-19 pandemic especially, there was a decrease due to the PPKM (Public Activity Restrictions). As a result, the number of patients at Nur Hidayah Hospital in Bantul dropped during 2020 - 2021. The specific target is certainly expecting profits from hospital revenue. The following are the informants' statements regarding the hospital's profit margin:

“For each segment, we expect to gain profits from patients in class 1, 2, 3, independent patients, and VIP patients.” (Informant A)

“Because some rates are controlled by BPJS, we cannot gain profit from it, but we can get some profits from additional services that we can provide beyond the services included in BPJS.” (Informant B)

By taking advantage of support services, there are services provided to patients that are the main advantages of the hospital. One of them is excellent human resources. The hospital has sufficient specialist doctors and other medical personnel. This is in accordance with the informants' statements below:

“Our appeal is 70% of services here are provided by specialist doctors. We also have 80% medical personnel and 20% non-medical personnel with standard qualifications. We provide training with a target of 20 hours of training every year.” (Informant B)

“We have sufficient human resources. We have doctors who can provide special consultations and specialties which not all hospitals have. Our nurses are also responsive in treating patients” (Informant A)

Referring to the informants' statements, it can be seen that the target set by Nur Hidayah Hospital is based on geographical segmentation and the division of consumers into several sections in the form of priority consumers and regular consumers. The target set has been fulfilled properly due to excellent service quality and human resources which become the main attraction of Nur Hidayah Hospital, Bantul.

Positioning

Positioning involves taking into account the position of Nur Hidayah Hospital and the existing competitors as well as increasing the advantages of the hospital. According to key informants, it is clear that the Nur Hidayah Hospital has a competitor as mentioned in the following statements:

“We certainly have competitors. The most obvious competitor is the hospital closest to us. It seems that our competitor has the upper hand in medical specialties and the number of patients. They have more sophisticated equipment, and the hospital is more crowded.” (Informant A)

“The competitor in the upper area is UII Hospital because they have more sophisticated facilities with their target being middle and upper class even though that is not an obstacle for us.” (Informant B)

By looking at the number of competitors in the market position, the hospital continuously makes efforts to improve. One of the efforts is by adopting and modifying the advantages of competitors as stated by informants in the statements below:

“We study and analyze the patients..what are the weaknesses and the advantages of this hospital. We cover what we lack and increase our advantages so that we can compete with other hospitals.” (Informant B)

“The advantages that we adopted and modified are, for example, modifying online services from other hospitals and providing consultations via Whatsapp. We try to improve continuously and increase our advantages as well as maintaining friendliness and tidiness to provide excellent services.” (Informant A)
The existence of competitors was also confirmed by a triangulation informant as follows:

“We have quite a lot of competitors, especially in the nearby area. We always upgrade our human resources to overcome competitors. We develop innovation to provide excellent services.” (Informant C)

The Nur Hidayah Hospital hope that adopting and modifying advantages can help them to improve their services. However, there were obstacles in the attempts of adoption and modification as reported by informants in the following statements:

“Our obstacle is usually about new products, for example, to determine the rate for vaccines, we first conduct a survey to see the market price.” (Informant B)

“Our weakness is more in digital marketing because the community’s responses in electronic services and marketing are still lacking.” (Informant A)

Based on interviews conducted with key informants and triangulation informants, it can be seen that in terms of positioning, the hospital was aware that they have competitors. With that issue in mind, the hospital has increased human resources and also adopted and modified various services that competitors use to make Nur Hidayah Hospital the most excellent hospital. Patient satisfaction was considered good according to the answers of the triangulation informants who stated that patients were satisfied with both inpatient and outpatient services.

**Discussion**

Market segmentation is conducted by dividing the market into smaller subgroups of customers that share similar characteristics [8]. Market segmentation can provide opportunities for a hospital to provide services according to consumers’ needs. Segmentation has at least five benefits for hospitals. Besides enabling hospitals to be more responsive to market needs, it also helps hospitals to analyze markets, find opportunities, improve advantages and competitive positions, and determine effective and efficient communication strategies [9].

The main market segment determined by Nur Hidayah Hospital was people living in Ring 1 or within a 0-10km radius of the hospital. By determining geographical location as a market segment, around 70% of consumers will definitely come to Nur Hidayah Hospital because it is the closest hospital within a 0-10km radius. The next market segment set by Nur Hidayah Hospital is related to the fact that most of the patients are housewives in the lower middle class. Taking this into account, the hospital pays attention to the time when housewives have leisure time, which is around 10.00 to 11.00 Western Standard Time (WIB). The Nur Hidayah Hospital also divides patients or consumers into several sections, namely priority patients and regular patients. This division is based on the intensity and loyalty of patients visiting Nur Hidayah Hospital.

These findings are in line with research conducted at Multazam Hospital which determined market segments by looking at geographic conditions and the initial target of the hospital. The market segment of Multazam Hospital is women of productive age, both teenagers and housewives because the hospital provides beauty skin services specifically for women [10]. Since the biggest market segment is housewives, hospital marketing pays attention to the needs and habits of housewives such as housewives' leisure time and special discounts for Mother’s Day [11].

The most common and easiest market segmentation to do is geographic segmentation. Geographic segmentation can provide information regarding the location of respondents. This segmentation divides several geographic units based on the location of the respondents [12]. Geographical location is an important factor for a hospital. A strategic hospital location can increase patient satisfaction. By understanding the character of the community around the hospital, the management is able to carry out promotions or other marketing activities in a way that is in accordance with the character of the target community [13].

The results of the study showed that the Nur Hidayah Hospital determined market segments by taking into account geographical segmentation. This segmentation was divided into Ring 1, Ring 2, Ring 3, and Ring 4 whose radius has been determined by the hospital. We assume that the Nur Hidayah Hospital determined the market segment geographically because the location of the hospital...
is very strategic and far from other competitors. Geographical conditions make Nur Hidayah Hospital the first hospital found by the nearby community within a radius of less than 10 km. By implementing this market segmentation, the target will definitely be hospital customers.

Targeting is an activity to determine the market segment to be included in order to determine a specific target market [14]. Marketers need to combine several variables to identify smaller target groups [15]. The target market is a managerial decision about which segment the company will serve [16]. After the market segments are identified, the company then needs to evaluate and proceed by deciding which market segments to cover and then selecting which segments to serve [17].

The results of the study showed that the targeting determined by the hospital is the determination of the segmentation results. The Nur Hidayah Hospital has met its target of 6,500 patients in a year. The target was met due to superior service quality and human resources which become the main attraction of Nur Hidayah Hospital, Bantul. The results of previous research reported that the strategy conducted by hospital X in deciding the target market was to look at the size of the selected segment. Based on the outpatient performance report of X Hospital in 2020, the target number of outpatients was 1325.5 patients/day on average, outpatient obstetrics of 150 patients/day, outpatient children of 220 patients/day on average, and other outpatients of 955.5 patients/day. The target for the use of polyclinic rooms was 80%, and the target of new outpatients was 20% [18].

According to previous research, the target customer of a hospital refers to all patients, especially patients with insurance. According to an informant, the target customer of the hospital was all patients with radiotherapy as the highlight of the services offered [19]. The target market is determined based on the segment that provides the greatest leverage to increase the desired number of patients [20].

The target market aligns the goals and capabilities of a hospital to provide the best service. If a market segment has many competitors, the competition will make the segment unattractive to enter [21]. Target market is an activity that includes assessing and selecting one or more market segments to be entered by a company. If a company wants to determine which segment it will enter, the first step is to calculate and assess the profit potential of each existing segment [22].

The target of Nur Hidayah Hospital was 6,500 patients in one year. The target was people in Ring 1, an area within a radius of 0-10km from the hospital. By setting a target market and focusing on the marketing regarding specialist doctors, the Nur Hidayah Hospital has met its target in March 2022. This indicates that the existing target market is good although there were unreached targets in certain months. Thus, it is necessary for the hospital to modify the target again.

Positioning is the activity of positioning products or services in competition and establishing a detailed marketing mix [23]. Positioning is a strategy to build trust, confidence, and competence to gain consumers. Positioning is about how the hospital gains customers’ trust [24]. In positioning, it is necessary to pay attention to competitive advantage, choose competitive advantage, realize, and communicate position [25].

The strategy in positioning a hospital is based on the quality of the hospital's products, paying attention that patients get what they need and providing services according to what patients need [26]. The main products of a hospital consist of human resources and equipment resources. Both resources should always be improved to instill the view that the hospital is good in the eyes of consumers [27].

The results of the study showed that at the positioning stage, the Nur Hidayah Hospital was aware that they have competitors. With this awareness, the hospital tried to increase human resources, then adopted and modified various products from competitors to make them the most excellent hospital. One of the adoption and modifications made was providing online services through social media. Patients' satisfaction level was considered good according to the answers of the triangulation informants who stated that patients were satisfied both in terms of inpatient and outpatient services.

A similar study conducted at X Hospital reported that positioning was done by looking at secondary data on patient satisfaction with the services of nurses, doctors, outpatient registration officers, and outpatient pharmacy services [28]. Market positioning will be the basis for management
to decide how to serve the target market. This strategy is then followed by identifying the components of the hospital’s marketing mix to improve and maintain hospital marketing. Each component of the marketing mix has a different role depending on the social situation of the community [29].

According to previous research, a product is anything that can be offered to meet the demand of a potential target market. The main product of hospitals is the offer of services with the aim of patients’ health recovery [30]. Product positioning is an effort by hospitals to differentiate their products from other competing hospitals to give them the greatest advantage in their target market [31].

According to an informant’s statement, the main advantage of the products of Nur Hidayah Hospital is that 70% of services are provided by specialist doctors. In addition, patients in need of surgery do not need to wait a long time. The hospital has also offered services through social media and has received good responses. Another advantage of the hospital is they provide good, friendly, and neat services, and treat patients like their own family. By paying attention to the results of the study, we assume that the marketing strategy through segmentation, targeting, and positioning at Nur Hidayah Hospital has been conducted well that it was able to achieve the marketing goals.

**Conclusion**

The market segment, targeting, and positioning of Nur Hidayah Hospital were good, but not fulfilled enough. These findings suggest that for segmenting, the Nur Hidayah Hospital should evaluate community responses regarding what is needed and attempts to fulfill the needs and wants of the targeted community. The hospital should also expand its targets and goals. For positioning, the advantages of Nur Hidayah Hospital must be more prominent than its competitors. This can be achieved by providing promotions at certain events so that it becomes the hallmark of the hospital.

**Declaration**

**Acknowledgments:** No acknowledgments.

**Conflicts of Interest:** No conflict of interest.

**References**


