

MARKETING AUDIT AS AN ALTERNATIVE TO IMPROVE THE POSITION OF HEALTH-CARE FACILITIES

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Abstract

Management, performance management and funding of hospitals has been gaining a greater importance when speaking about the sustainability of health care facilities but also in terms of ensuring the quality of services provided to patients. The funding is linked to the functioning of health care, what is still very attractive topic, probably because there is no clear way to solve a moral and a financial aspect of this highly sensitive field. Competition and the enormous pressure forces to look for new market opportunities associated not only with the knowledge of expertise, but also with the ability to adapt to new conditions. Assessment of abilities and possibilities of the entity with regard to its objectives, as well as the conscious realization of market orientation and customer to be fully satisfied are becoming an unquestionable competitive advantage. Optimizing portfolio of business activities requires knowledge of not only marketing environment, but also the ability to execute a marketing audit. Even in the provision of health services is needed in addition to a high professional professionalism to create a multidisciplinary linking of scientific disciplines at the level of the economy and health care.

Key words: health care, health care system, business activities, marketing audit

JEL Code: M 19, M 20, M 31,

Introduction

Health system in Slovakia can be characterized as financially unsustainable. It promises a comprehensive coverage of medical services to patients, but resources are not sufficient to finance them. From a global perspective may be mentioned, as Zachar states (2013), the gap between income and expenditure increases, resulting in an increase in indebtedness of health-care facilities. The report on debt development handling by the staff of the Ministry of Health notes that debt in healthcare in Slovakia at the end of last year rose to 318.9 million euros.

Liabilities at the period for payment at principal sum were increased by € 105.6 million year on year. The increase of debt was caused by state health institutions, whose debt in 2013 amounted to 246.8 million euros compared with 141.7 million euros in 2012. Facilities delimited the municipality or territorial autonomies and converted to non-profit organizations had outstanding commitments amounting to 72.1 million euros. They grew by 0.7 million euros year on year. To reduce indebtedness of College and University hospitals are according to Ministry realized some systemic measures in financial management, optimization of operational processes, purchases, as well as personnel and medicines. In 2013, they achieved a significant reduction in cumulative losses of 13 College and University hospitals in 49 million euros. The loss of hospitals in 2012 reached 116 million, the loss in 2013 was 67 million euros as is stated in the report of Ministry of Health of the Slovak Republic¹. The report also notes that the general problem is that hospital costs are not sufficiently covered by revenues from health insurance companies. It is reported that hospitals also face hidden debt in the form of unsatisfactory infrastructure as investments in this area in the long term underpowered. An alternative to this situation, according to some opinions should be to increase the additional financing of the health sector. Another alternative is, however, to focus more attention on economics, management, and overall management of unprofitable hospitals when finding acceptable assumptions. One option is the exploration of the marketing system of the organization to identify problem areas of their own activities, but also potential marketing opportunities.

1 Economics, Marketing management of health facilities versus patient satisfaction

The positive experience of private hospitals, which, unlike public hospitals are not at a loss, offer the possibility to looking for solutions. If it failed to stop indebtedness of hospitals, it can have a relatively large negative impact on the economy of all public finances which can be reflected in terms of attacking another border of the debt brake. In this case, patients will experience lower quality, a long term indebtedness of hospitals and poorer access to health care at the same time. The deterioration in the quality of health care can be testified in various ways, for example: a longer waiting for treatment, leaving top experts into the private sector or abroad, the low number of nurses who are not able to keep up, the lack of certain medicines

and special medical supplies, obsolete technologies and therapies and the lack of investments in buildings, poorer hygiene and so on.

1.1 Management of marketing activities

Management of marketing activities is extremely difficult problem. The work is realized in a complex marketing environment where uncontrollable forces affect. It is necessary to be able to adapt to them. which need to know to adapt. Environment itself offers opportunities and threats. Following this, the organization, or any entity has to carefully analyze the environment to avoid threats and use opportunities. There were some authors who paid the attention to these problems in their numerous publications Kotler (1993, 1997, 2007) Meffert (1994), Nieschlag (1995, 2001) Porter (1993, 1995), but also a number of local authors as Vavra, Kita, Lesáková.

The idea of marketing audit is dated back to the 60th years of the 20th century, when Rudolph Dallmeyer as one of the first applied in the real enterprise a marketing audit. Another promoter of marketing audit in corporate practice was in 1957 one of the directors of the American Marketing Association, Robert J. Lavidge. The first mention of the topic in marketing publications appeared in 1959 by the author Shuchmana, a professor at Columbia Business School, in "The Marketing Audit: its nature, Purposes and Problems" in the set of articles from the American Marketing Association. In the same year he issued proceedings on the marketing audit "Analyzing and Improving Marketing Performance, Report No. 32". The work is devoted to fundamental theoretical definitions and definitions and as well contained practical recommendations to execute marketing audit (Capon, 2007).

In the next decade marketing audit started to be found increasingly in offers of many services on offer advisory and consulting firms in management, but a critical period of 70 years, pointed to its strategic importance and purpose (Taghian - Shaww, 2002).

Kotler in 1967 devoted a whole chapter in "Marketing Management: Analysis, Planning and Control" audit. He defined it as an element which is much more comprehensive and more detailed than any other control of the enterprise (Taghian - Shaww, 2002).

In 1977 was published the article of three authors Kotler, Gregor and Rodgers' Marketing Audit Comes of Age "which presented the break for the creation of theoretical knowledge and at the same time knowledge bridge for generations of other authors. There was a formulated definition, whose validity has been codified till now. "The marketing audit is a comprehensive, systematic, independent and periodic review of business units of a

company, more precisely an analysis of marketing environment, objectives, strategies, activities to identify the problem areas and opportunities and then to propose a plan of actions to improve corporate performance."

Enterprise and hence hospitals and health facilities in the long term are efficient, if they achieve some predetermined performance targets. Implementing of performance management of health care facilities is the process by which management affects performance towards achieving the objectives set before. Harbour (2009) defines the performance as a real work needed to achieve outcomes. Performance (Eng. performance) is a characteristic that describes a process or running used by an entity to carry out an activity in comparison with the reference method implementation, that usually presents an ideal situation or course of an action. (Wagner, 2009). Linking the knowledge of the use of marketing audit and performance is very narrow. Marketing audit is a detailed and in-depth review of marketing, business and financial information in order to map trends in key parameters that affect the income of the organization. (Prospectea Company, 2012).

1.2 Marketing audit

Mylonakis (2003) in his article "The functions and responsibilities of marketing auditors in measuring the performance of the organization" believes that marketing audit is carried out for the management to be able to realize an effective control throughout the organization. Marketing audit can provide summary examination of the marketing organization system to identify problem areas and marketing opportunities. On the basis of these documents can be recommended a plan of actions to improve the marketing results of the organization, which is then reflected in the overall efficiency and profitability of the selected entity. Summarizing of existing knowledge regarding the functioning of health in a global environment and the European Union is a prerequisite for subsequent comparisons with the situation in a specific country, thus in Slovakia. Marketing management of the health organization is necessary to be controlled due to the type of legal subjectivity, owners of health-care facilities, but also with regard to analytical methods and management techniques that can be used in health care in the preparation and implementation of the strategy. The stint of documents is used to following investigation of competitive advantages, processes for their creation and operation in healthcare.

In an effort to capture the recommended sequence of steps is necessary to analyze the possibilities, opportunities and limits the external environment, as well as legal and

organizational determinants. It is needed to focus attention on the measure of the performance and effectiveness of health-care facilities and use of analysis in the process of healthcare management as a tool to optimize management processes. It will be important to pay attention to the issue of reimbursement for medical procedures. The realization of the marketing audit should be preceded some activities before audit in which will be determined an exact width and orientation of the audit followed by the collection of information on issues that affect the marketing performance of organizations, analysis of information, and formulation of recommendations and developing the scheme of implementation.

The part of the portfolio optimization of company activities must be in addition to secondary research a needed support tool in the form of obtaining primary data through marketing audit, which will include both qualitative and quantitative data.

Marketing audit may be placed under the management audit, that is part of it, together with the audit of services, quality audits, forensic audits, financial audits and personal audit. Marketing audit is engaged in the marketing environment and marketing operations which lead to the optimization of business activities.

In terms of medical facilities it is an optimization of professional activities with the option of specialization in a certain area where a concrete health-care facility should be showing signs of exceptional quality. A comprehensive perception of offered health services is necessary. In addition to leading experts of a chosen specialization must be also adequate an instrumentation, but also a cooperative attitude of doctors and other medical staff to patients. Patient satisfaction has become an important measure of patients' trust in relation to a particular health facility. Patient satisfaction surveys are carried out by health insurance, but also by health care facilities themselves. According to the representative of the health insurance Dôvera, except different professional inputs, the word of a patient is decisive when among other expert input word patient decisive when concluding a contract with hospitals.

1.3 Chosen patient satisfaction survey

Last year hospitals degraded their results in 2013. It was shown by the results of a survey of patients of Dôvera in 2013. College, University and generally oriented hospitals deteriorated their results. Patients were dissatisfied with hospitalization. While in 2012 hospitals received an average mark of 1.6, in 2013 it was 1.7. An evaluation scale ranged from 1 to 5, while 1 represented the best review, five contrary, the worst rating. This evaluation involved 3,467

respondents from 25000. One health-care was evaluated by 50 people on average. Patient's opinion was decisive and the survey was carried out at intervals of two to three months after hospitalization, when a patient was already able to patient to assess whether or not the hospital really helped him. It can be said an increasing demand of patients. An increased level of criticism is associated with the fact that in the evaluation participated also younger respondents thanks to the electronic evaluation. Least satisfied patients were residing in teaching hospitals and small specialized hospitals were well rated. Patients were most satisfied with the approach of doctors and nurses. The lowest satisfaction was with the catering and accommodation. When evaluating younger years were more critical, in terms of gender - women. Best rated departments were the ones where it is needed to wait longer to be hospitalized as orthopedics, ophthalmology and respiratory medicine. On the contrary, the departments of gynecology and neonatology ended up on the end of the scale. Most positively were evaluated by patients hospitals in Žilina and Prešov, the worst marks got facilities in Trenčín and Nitra district.

Conclusion

The main aim of health-care facilities should be to maintain and further raising the level of medical services. Required are also positive economic results and stabilization of their market position through high professionalism and quality work in all sections of society. Understanding cross-cutting links between medicine and economy can create a solid foundation of sustainability of positive results as in the medical field as well as in economic results.

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