

## CHAPTER V

### Summary and Conclusions

This chapter presents a summary of the research findings. Conclusions and limitations of the study as well as recommendation for future research are also discussed.

### Summary of Research Findings

#### Participants in the Buying Process :

In this study the extent of the users involvement in initiating the buying process is not conclusive.

Head of departments, Financial Controller, and Medical Superindents in descending order of importance has been identified as people who influence private hospital buying decision. Of the three group of people the Head of Department is clearly indicated as the same major influencer in private hospital buying behaviour. Buyers select the suppliers in all buying situations. Buyers help shape product specifications in Modified rebuy and New Task situations.

Buying decision in a private hospital is decided by a committee or Head of department 'Gatekeepers' do not influence buying decision.

### Factors that influence Buying decision

The level of demand in the private hospital is the most important factor in determining buying decision.

Customer service, prompt delivery, product specifications, acceptable suppliers, price and payment terms are all important factors in influencing private hospital buying decision. However, order quantities and delivery terms are not important in influencing buying decision.

Customer service, prompt delivery and product specifications have been identified as the three most important factors influencing private hospital buying decision.

Products from USA is ranked first, UK second, Europe third and Japan fourth in terms of quality image.

Product quality image of all four multinational manufacturers in Malaysia appears to be the same.

Sales personnel who are patient, make direct visits to buyer frequently and preferably a friend are more likely to influence private hospital buying behaviour.

The sex of the sales personnel, level of education and whether they are managers or not do not influence buying decision.

This study is non conclusive on the influence of sponsorships, promotional brochures and advertisements on buying decision of private hospital.

Distributors performance influence buying decision to a certain extent.

Distributors in Malaysia who have above average performance in Malaysia are:

1. Summit
2. Jebson & Jessen
3. F.E. Zuellig
4. Waleta

### **Conclusions**

1. In conclusion, head of departments are the major influencer in private hospital buying decision.
2. Buying decision in the private hospital is decided by a committee or head of department
3. The level of demand is the most important environmental factor in influencing buying decision.
4. Customer service and prompt delivery are the two most important organisational factors influencing buying decision.
5. Products from USA have the best quality image among private hospitals.

6. Sales personnel who are patient, make direct visits frequently to buyers and preferably a friend will be most likely to influence private hospital buying decision.
7. The four multinational manufacturers in Malaysia seem to have the same quality image.
8. Sponsorships, promotional brochures and advertisements are non conclusive in its ability to influence buying decision.

### IMPLICATIONS OF THE STUDY

One of the implications for manufacturers of medical products will be the choice of country to locate their production facility. USA, UK, EUROPE, and JAPAN have excellent product quality image to Malaysian customers. However USA, UK and JAPAN are known to be expensive places to place production facilities. EUROPE will seem to be the next best choice. Terumo a Japanese multinational manufacturing medical products had started production in Belgium. Currently some Belgium made Terumo medical products are being sold to Malaysian private hospitals.

In Asia, Singapore and Malaysia have the next best product quality image compared to the other countries surveyed in this region.

This study have also indicated that the four medical products multinational companies represented in Malaysia have approximately the same product quality image to the Malaysian private hospital purchasers. Hence there is little significance to claim superior product quality when promoting their products against other multinational manufacturers. Manufacturers wishing to appoint distributors have a choice of selecting among the four

more popular medical products distributors in Malaysia, namely Summit, Jebsen and Jessen, F.E. Zuellig Waleta and Diethelm. This study will have to be read with caution because the other distributors not mentioned here are not necessarily poor performers. The reason is because these distributors may have different specialities and some may be dominating certain segments of the market but not private hospital medical product purchasers.

The implications to the marketers are many. This study have identified the main influencer in private hospital buying decision for medical products to be the Head of Department. Financial controllers and Medical Superintendents also play a role in influencing private hospital buying decision.

The decider in the private hospital buying decision for medical products was identified as the committee followed by the Head of Department and the Matron. From the viewpoint of this study the committee that make the decision for private hospital buying decision may very well consist of the Head of Department, Matron, Medical Superintendent and others.

Therefore for a marketer of medical products to private hospitals the Head of Department, Matron and the Medical Superintendent are key people to focus promotional effort. However this does not indicate that other people in the buying center are unimportant in closing the sale. It is always better not to bypass the other people in the buying center because they may be a source of information or they may very well have individual influences on the 'influencers' or 'deciders' in a private hospital buying decision.

The hospital level of demand dictates hospital purchasing. However it is important for the marketer to note that other environmental factors affecting buying decision such as reliability of supply, customer service special offers, price increase are factors which they can manipulate to influence hospital purchasing. This study also indicated that cheaper pricing of medical products does not influence private hospital buying decision. This may be due to the fact that patients pay highly for their medical expenses in private hospitals compared to Government hospitals. Hence price reduction strategy to win more sale may not be effective towards the private hospital market.

The organizational factors examined in this study indicated to the marketer that payment terms, order quantity and delivery terms does not influence the buying decision. These are distributor controlled factors Therefore to the manufacturer or principal company supplying medical products changing distributors to improve these factors is unnecessary. Probably all distributors can offer the same term and conditions to the customer.

The implication to the distributor will be to improve customer service and make prompt deliveries. These are the two major organizational factors influencing private hospital purchasing decision.

Lastly, with regards to marketing communication and appointment of sales personnel, it is interesting to note that sponsorship, brochures, advertisement does not seem to have a major influence on private hospital buying decision on medical products. This needs to be further investigated. The sales personnel as a means of marketing communication seems to have more influence on private hospital buying decision of medical products.

The characteristic of the sales personnel that influence private hospital buying decision appears to be someone who is patient and make frequent direct visit to the customer and probably end up as friends.

### **Limitations of the Study**

This exploratory study has revealed some interesting information on private hospital buying decision. However, there are still many limitations.

The number of private hospitals selected is small although it represents 30% of the total hospital bed space in Malaysia. A larger sample may have yield a different result.

Secondly the questionnaire is broad based and may have produced more focused results if it is limited to fewer specific factors.

Thirdly, it may have been more appropriate to study buying situations one at a time rather than all at one time.

### **Recommendation for Future Research**

The study on the influence of marketing communications practised currently to influence private hospital buying decision will be of great interest to marketers of healthcare products in Malaysia.