

**THE STATE OF ADVERTISING PRACTICES
BY PRIVATE HOSPITALS IN NAIROBI**

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BY

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**A research project submitted in partial fulfilment of the requirements for
the award of MBA degree, Faculty Of Commerce, University Of Nairobi.**

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This research paper is my original work and has not been presented for a degree in another university.



Charles Muhia Mwangi.

This research paper has been submitted for examination with my approval as university supervisor



Margaret Ombok

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DEDICATION

I wish to dedicate this paper to my wife, Wangari, for her inspiration and the conducive atmosphere that she provided during the entire course period and to our son, Rurung'a, for the lack of total fatherly care during his infancy years.

LIST OF ABBREVIATIONS

MDPB -Medical and Dentists Practitioners Board

HMO's -Health Maintenance Organisation

MOH -Ministry of Health

NHSSP -National Health Sector Strategic Plan

KMA -Kenya Medical Association

ABSTRACT

This study sought to establish several facts relating to the state of advertising by private hospitals in Nairobi. The first objective was to determine what are the most dominant advertising practices by private hospitals. Secondly, what are the main advertising objectives for the hospitals. The other objective was to establish what are the common types of advertising hospitals use and lastly which advertising media are they using.

The research data was gathered from the 51 private hospitals in the Nairobi region. The hospitals that qualified for the research have both inpatient and outpatient services.

Data was collected primarily using a questionnaire and was analysed by way of tabulation and cross tabulation. In order to determine whether certain hospital characteristics did affect the advertising trends in hospitals, four main ones were identified and analysed. These characteristics were; Age, Size, Financial goals and Ownership of the hospital.

The research study showed that the most dominant advertising practice was below the line advertising with 84.6% of the hospitals interviewed had printed their names on most of the stationery that were being used by their patients/clients. e.g. Prescription pads. Laboratory request forms, X-ray forms e.t.c.

The main value of advertising as indicated by the research was informing customers of the service they offer with 77% rating it as very high.

Word of mouth was found to be the most relied upon media by managers to attract new customers and retain the existing ones. All the hospitals interviewed were found to rely on it as the most effective media tool.

Reminder/Competitive advertising came out as the most popular type of advertising used by 64.1% of the entire hospitals.

Lastly the most constraining factor facing hospitals when it comes to advertising was found to be the ethical guidelines with 65.7% rating it as above high.

There was one major limitation which must be taken into account while reading this report.

The researcher was unable to find some respondents in eleven hospitals out of the target population of 51.

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND

After a company has designed a product and offered to match the wants and needs of its target market segment, it needs to communicate this offer to buyers and persuade them to try it.

There are four main tools which may be used to achieve this role; advertising, personal selling, sales promotion, and public relations (Baker, 1994). In general, before purchasing a product, buyers have to be brought through various stages of the communications process. First, they have to be made aware of the product's existence. Second, they have to comprehend the benefits the product offers. Third, they need to become convinced that it will meet their wants. Finally, they have to be brought to the point of making a positive purchase decision.

These specific communication goals are achieved using various communication tools.

The communication mix in general as stated by Fifield (1998), can help a company achieve five broad objectives: Firstly, it can build awareness and interest in the product and the organisation. Secondly, it can differentiate the product and the organisation from competitors; Thirdly to communicate and portray the benefits of the product. The other objective is to build and maintain the overall image and reputation of the organisation and finally to persuade customers to buy or to use the product.

According to Kotler (1994) **advertising** is a cost-effective way to disseminate messages, whether to build brand preference for Coca-Cola or to educate a Nation's people to avoid hard drugs. He further states that the roots of advertising can be traced to early history. However, the turning point in the history of advertising came in the year 1450, when Johann Gutenberg invented the printing press. Advertisers no longer had to produce extra copies of a sign by hand. The first printed advertisement in the English language appeared in 1478.

Although advertising is mostly used by private enterprises, it is employed in all the countries of the world.

Despite this proven long record of use of advertising in other industries, from time in memorial, hospitals and other professionals have been prohibited from aggressively advertising their services all over the world in the common media used by other businessmen.

For professionals, advertising has been guided by very stringent rules for a long time. Lawyers, doctors, Veterinarians, pharmacists, architects, quantity surveys, engineers and accountants are all prohibited to "advertise" both by law and professional codes of ethics (Nderitu,1989).

Nderitu (1989) further states that these restrictions started a long time ago. For example the Pure Food and Drug Act (1906) and the Federal Trade commission Act (1914) of the USA were among the earliest laws made to protect one businessman from the unscrupulous behaviour of another. Self-regulation was also used for such protection.

In Britain, in 1959, the advertising business took the decision to draw up a single unified advertising code to replace the many, sometimes-conflicting codes, that existed at the time. The basic message in both the legal restrictions and self-regulating codes was that advertising was prohibited for professionals.

The competitive environment however has greatly changed. The professionals have been forced to relax some of these restrictions in order to keep abreast with the environment. Consequently, in the USA and later in Britain, advertising codes were relaxed and some advertising allowed. Other countries that followed suit were Canada, Australia and Zimbabwe (Nderitu .1989).

1.2 RELAXATION OF PROFESSIONAL ASSOCIATION STANDARDS

In the USA, there has been government and/or legal pressure to force professional associations to remove or relax bans on advertising and promotional activities. This has been copied in other parts of the world. Kenya included. Among the types of professionals affected by such rulings are accountants, architects, doctors, lawyers, and optometrists whose practices now engage in much more vigorous competitive activity than previously. The freedom to engage in advertising, promotion and overt selling activities is, after all, essential in bringing innovative services, price cuts and new delivery systems to the attention of prospective customers. However, critics worry that the huge surge in legal advertising in the U.S simply encourages people to file more and more lawsuits, many of them frivolous (Lovelock, 1994). According to Lovelock (1994), among the effects of reduced regulations and changes in professional standards are:

- ◆ easier entry to specific product markets

- ◆ more freedom to compete on price
- ◆ removal of many geographic restrictions on service delivery.
- ◆ incentives to differentiate services in meaningful ways.
- ◆ the ability to use the mass media to promote professional services

1.3 BRIEF OVERVIEW OF HOSPITALS IN KENYA

According to NHSSP(1994-2004), there are 4207 health facilities in the country. Of this, 420 are hospitals, 579 health centres, 3146 health sub sectors and dispensaries. The facilities are well distributed throughout the country with the exception of North Eastern Province. The government dominates the market with 56% of the total infrastructure while the private sector has the rest, that is, 44%. However, the report does not indicate the capacity of the facilities.

The per capita expenditure has been declining over the years from \$ 9.50 in 1980/1 to \$ 3.40 in 1997. Despite this decline the amount allocated to MOH in 1997 accounted for 9.7% of the total country budget. A welfare monitoring survey done in 1994 revealed that 74% of Kenyans who fall sick get medication from pharmacies, 21% visited health facilities and 1.4% sought care from herbalists. 3.7% took no action (NHSSP, 1999-2004).

Hospitals in Kenya can generally be divided into three main categories:

- ◆ Government hospitals
- ◆ Church/NGO/Community based and
- ◆ Private hospitals.

The health industry is dominated by the government hospitals providing 60% of the health care services and the rest been shared by the church/private hospitals (NHSSP, 1999-2004). The government hospitals are faced with more demand than they can ever hope to cope with,

partly because the services are free to the patients. The church/NGO hospitals came in very handy to assist the over crowded government hospitals in providing parallel or competing services. They also give free services or charge nominal fees just for survival purposes. For these two categories, promoting their services to their prospective clients is not important, they can only try and de-market their services in order to shorten their queues, with the exception of certain services which are a major threat to mankind or national interests. For example, AIDS and family planning services.

The private hospitals' growth in Kenya is a recent phenomena, booming in the 1990's. Despite the fact that hospitals are generally viewed as social entities rather than business entities, the private hospitals depend entirely on the fees they collect from their clients for their survival and growth.

Naturally, where consumers have a choice, the providers must try and outdo one another in order to win and retain a loyal clientele base. One way which has proved useful over the years in other industries is advertising and it would go without saying that with the intensifying competition, hospitals are expected to be using this powerful marketing tool.

1.4 STATEMENT OF THE PROBLEM

As stated by Everest (1969), many persons in the field of professional services take the view point that marketing methodology which has proven so effective with products is not applicable to the field of professional services. He asserts that professional services can be effectively and ethically marketed in the conventional sense through proper use of tested methods. This test has come to pass.

During the 1990's, advertising by professionals has become a reality with more advertising occurring on a regular basis. A number of studies have examined the use of advertising by professionals in the developed countries as compared to the local scene where only a few

studies have been done. Nderitu (1989), examined the attitude toward advertising by certified public accountants in Kenya, and found out that the younger professionals were more positive towards advertising as compared to the older professionals.

Traditionally, hospitals have used several advertising strategies. For example, supplements in the daily newspapers have been a very popular method of hospitals launching new services or clinics. The hospitals either pays for the entire space or they invite their business partners to advertise their services.

Another commonly used route is advertising through specialised/industry journals: for example Kenya Medical Directory, East African Medical Directory, The Medical Review magazine e.t.c.

In the recent past, hospitals have departed ways with the doctors regarding the issue of advertising. Hospitals have started placing advertisements in the newspapers and other media. For example, on 1st April 2000, Nairobi hospital placed an advert on the front page of Nation Newspaper and the subsequent days with an eye-catching title “ Believe it or not, it’s true”, we have reduced our consultation fee. It looked like other hospitals were waiting for the first institution to test the waters and after a few days of silence from all the authorities concerned, M.P Shah Hospital followed with their advert advising its clients it had reduced its ward charges. Thika based Central Memorial was third. Other have also followed suit.

Another noticeable departure from the old traditions are sign posts. In many hospitals like Mater, Guru Nanak, Avenue e.t.c they are much bigger than the recommended sizes and are neon lit. The other trends include advertising of services in the radio especially the new stations and putting up banners in the city highways announcing of new locations of newly established clinics.

The question to be asked at this point is: have hospitals suddenly realised the value of advertising now or have they been advertising their services in less visible ways?.

It is with the foregoing background, that the researcher intends to conduct a study to investigate the state of advertising by private hospitals in Nairobi. The study will specifically address the following questions;

- ◆ What are the most dominant advertising practises by private hospitals in Nairobi.
- ◆ What are the main objectives for advertising by these private hospitals?
- ◆ What type of advertising do the private hospitals use?
- ◆ Which advertising media are they using?

1.5 IMPORTANCE OF THE STUDY

The findings of this study maybe useful to;

- ◆ The policy formulators, especially marketing heads in hospitals who will be able to make more informed advertising decisions.
- ◆ Policy formulators in the Ministry of Health, Kenya Medical Association, Kenya Medical & Dentist Practitioners Board when formulating policies regarding advertising. They will have a baseline study which will have documented the current advertising practises in the industry.
- ◆ The advertising agencies and marketing consultants who will be able to understand better advertising issues in hospitals.
- ◆ Other scholars and researchers who might have an interest in developing the findings further or taking other related field of the healthcare promotion. Lastly, the research should act as a source of reference in future.

CHAPTER TWO

2.0 LITERATURE REVIEW

As stated by Levitt (1993), advertising gets on everybody's nerves, intrudes everywhere, invariably and by design. It's job is to get at you, whether you are ready or not, in the mood or not, especially when you are off guard and in places you least expect or want it.

It's for this reason organisations world over allocate billions of dollars for advertising as stated by Ravens, et al (1996) and each year the amount allocated for this purpose reaches a new higher level. In Kenya, for example, according to the steadman monitoring report 1999, the total advertising revenue was Kshs3.5 billion. This spending is a note of confidence in advertising as a marketing tool.

This chapter will basically review the advertising literature; that is, the definition of advertising, Types of advertising, Functions of advertising and the Media strategy.

2.1 DEFINITION OF ADVERTISING

As noted by Jefkins (1992), people outside the advertising business use the word advertising as a simile for various forms of communications such as publicity, sales promotion, propaganda and public relations, none of which is a form of advertising. So, exactly what is advertising?

Even though several authors have defined advertising differently, there are no major differences between the various versions. Engel defines advertising as "paid, non-personal communication through various media by business firms, non-profit organisations, and individuals who are in some way identified in the advertising message and who hope to inform and/or persuade members of a particular audience; includes communication of products, services, institutions, and ideas".

Churchill defines advertising as paid, non-personal communication through various media by organisations that are identified in the message and seek to inform and/or persuade members of a particular audience.

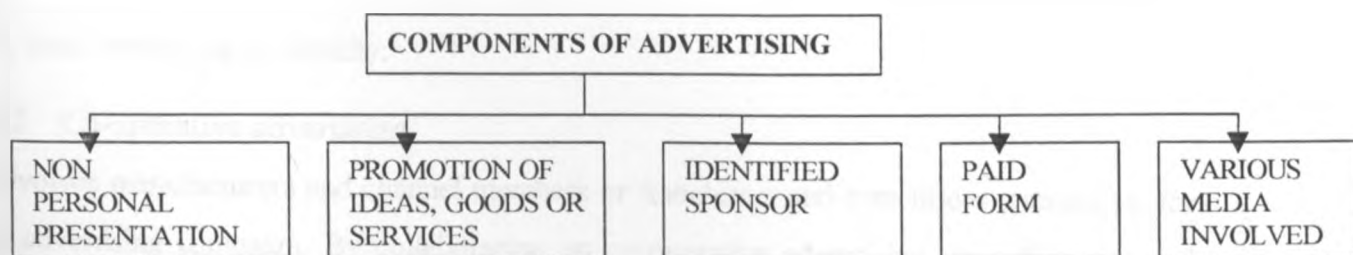
Kotler (1988) defines advertising as any form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor.” Advertisers include business firms but also museums, charitable organisations, and government agencies that advertise to various target publics.

In the above definitions the key theme is that an identified sponsor must pay for the ad, non personal communication is involved, involves promotion of idea/product/service and all organisations can possibly benefit by advertising their products/services, irrespective of their line of business/operations.

According to the Ministry of Health, advertising is defined as “a form of publicity that is particularly suspect, is frequency of mention of a practitioners name and reference to his being skilled in some particular form of treatment or department of medicine or in use of some specials apparatus or the performance of some particular operation. Anonymity should be observed by the medical and dental profession as a general principle. Departure from this principle is permissible only when the objective of publicity for a doctor or dentist or a group of doctors or dentists is apparent, paramount and justifiable for example; in the interest of the general public, e.g. regarding health education

When compared with the other definitions it looks like the MOH definition is too narrow and rigid.

In summary advertising constitutes the following;



2.2 TYPES OF ADVERTISING

2.2.1 Product advertising

Product advertising attempts to lead members of the target market to buy the advertiser's goods or services. It may be aimed at final users or channel members. Product advertising falls into three categories (McCarthy, 1991); Pioneering, Competitive and reminder advertising.

Pioneering Advertising

Seeks to develop primary demand, that is, demand for a product category rather than a specific brand. For example, dairy products, beef, Surgery, Internal Medicine etc. It is especially important for introducing an innovative product or one that is new to the target market. Pioneering is usually done in the early stage of the product life cycle.

Competitive advertising

Attempts to develop secondary demand – demand for a particular brand of products. Such ads are especially important for established products and when competition is heavy.

Competitive advertising, may be either direct or indirect. The direct type aims for immediate action. The indirect type points out product advantages to affect future buying decisions.

Reminder advertising

Reminder advertising reinforces early promotion. It maybe useful when the product has achieved brand preference or insistence- perhaps in the market maturity or sales decline stages. Here the advertiser may use “soft sell” ads that just mention or show the name –as a reminder (McCarthy,1991).

Reminder advertising basically seeks to keep a products' or organisations' name in the public eye. thus, reinforcing its identity.

2.2.2 Co-operative advertising

It involves manufacturers and channel members or franchisers and franchisees teaming up for one advertising campaign. By collaborating on co-operative advertising, manufacturers and channel members can reach the target market more efficiently than they could if they acted alone. The program may include suggested advertising formats, materials to be used to create actual ads, and money to pay a portion of the cost. (Aaker 1996)

The intent of co-operative advertising, in part, is often to stimulate short-term sales. However, it has other long-term sales objectives, namely, to reinforce the brand image of the original manufacturer, or service provider and to maintain the manufacturing company and leverage with retail trade.

2.2.3 Humorous Advertising

Humour appeals because of their amusement and pleasure which they evoke and can potentially affect information in a variety of ways such as attracting attention, improving memory of the brand name, creating a good mood, and distracting the audience from counter arguing. In recent years due to the increased amount of clutter, the ability of humorous ads to gain attention has become even more valuable.

Advertising testing results have confirmed that humorous ads have higher recall rates.

2.2.4 Comparative advertising

Comparative advertising is competitive advertising with a bite. These advertisements pit one brand against another, making comparisons to specific competing brands.

Comparative advertising is a form of advertising in which two or more named or recognisable brands of the same product class are compared and the comparison is made in terms of one or more product attributes. The comparisons can be implicit (brands named), can be verbal or visual. The claims can be of complete superiority, of superiority on some attributes but not on others, or of parity; and the advertised brand can have a market share smaller than, roughly equal to, or greater than the comparison brand.

Regulations and norms about comparative advertising vary around the world .In U.S.A, the laws were relaxed in 1970 and it is perfectly all right for comparative advertising that named the competitor brand (Aaker 1996). It is still illegal in Kenya for this kind of advertising.

2.2.5 Corporate Advertising

Institutional advertising promotes an organisation's image or philosophy. Organisations often use institutional advertising to improve public relations through positive messages.

Engel (1991), suggests that corporate advertising can be divided into three (3) major categories:

Issue or advocacy advertising, finance or investor relations programs, and general corporate image building.

Issue or advocacy advertising

When a company is faced with legislative or social activity deemed to be threatening, issue advertising is one way to present its side of the argument e.g. the tobacco companies, when faced with increasing public pressure to limit smoking, have been engaged in heavy advertising to present the case for less government regulation. (Engel 1991). Hospitals use this method quite a lot once faced with a negative publicity.

As stated by Aaker 1992, this is an interesting new form of advertising, which begun about 1973. Business institutions, take a public position on controversial issues of social importance, aggressively state and defend their view points, and criticise those of their own opponents.

Institutional advertising supports socially responsible messages, activities or causes.

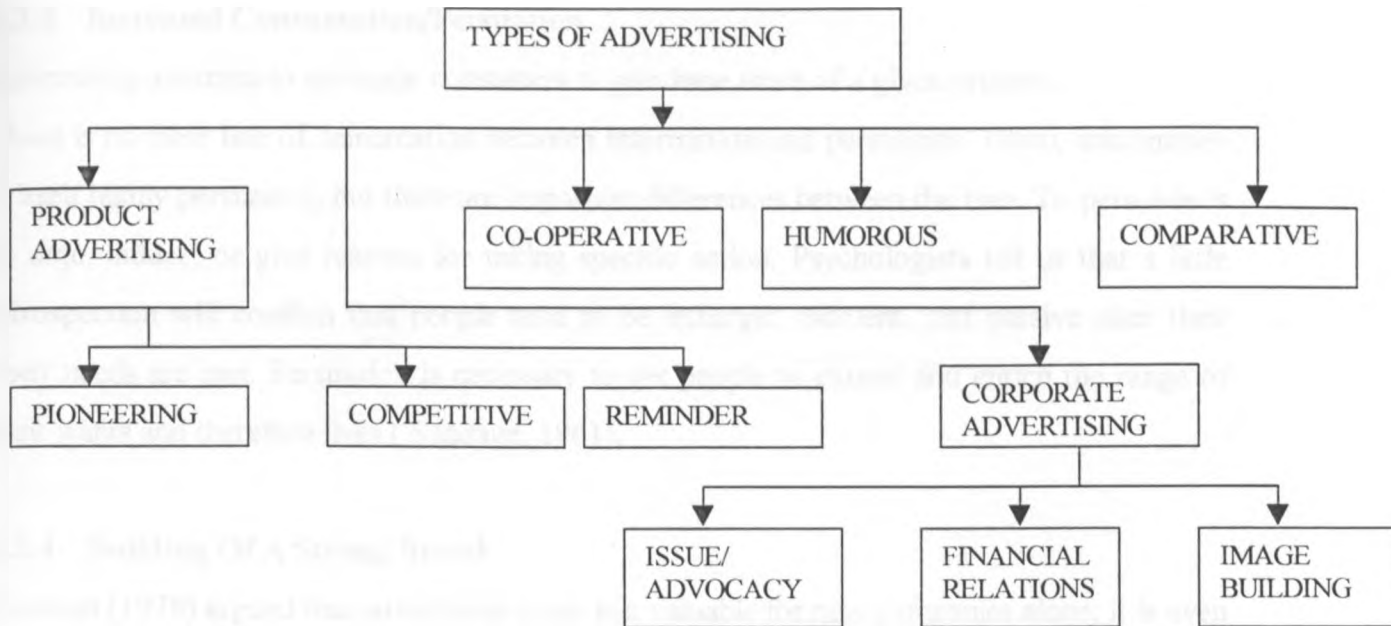
Financial relations advertising

This type of advertising strives to create awareness of and stimulate interest in a company or corporation among security analysts and potential investors. Many smaller companies find that corporate advertising of this type is their only means to attract the attention of their various publics and to build a favourable image among members of the financial community.

Image building

Corporate advertising can be used to establish a company's identity to change an image held by its various publics.

The main types of advertising are as summarised in the diagram below;



2.3 FUNCTIONS/ROLES OF ADVERTISING

The institution of advertising has been assigned certain functions by society. The most important of these are; To communicate on a mass basis, Inform, Persuade, Educate consumers in respect of products, services and ideas. Kibera and Warungi (1988), fully concur with Sandage (1961), that advertising has many and varied functions. It informs, educates, persuades, reminds and assists other marketing activities.

2.3.1 Disseminate Information

Generally, advertising informs many people at once about available products and services and where to get them and at what prices. By so, doing, it saves the consumers time, money and effort to obtain information, which is needed for making purchase decisions.

Informative advertising figures heavily in the pioneering stage of a product category where the objective is to build primary demand.

2.3.2 Educates

People learn about organisations, products, services and ideas. People also learn from advertising how they can better their lives. Again, the advertising of public services helps foster the growth and understanding of important social causes. The Red Cross, St. Barnado's

etc. receive continuous support from people and institutions alike partly because of the power of advertising (Kibera, 1988).

2.3.3 Increased Consumption/Persuasion

Advertising attempts to persuade consumers to purchase more of a given product.

There is no clear line of demarcation between information and persuasion. Often, information is itself highly persuasive, but there are important differences between the two. To persuade is to urge, induce, or give reasons for taking specific action. Psychologists tell us that a little introspection will confirm that people tend to be lethargic, indolent, and passive after their body needs are met. Persuasion is necessary to get people to extend and enrich the range of their wants and therefore lives (Sandage, 1961).

2.3.4 Building Of A Strong Brand

Nariman (1978) argued that advertising is not just valuable for new companies alone, it is even more important for well established businesses in order to develop customer loyalty and corporate image –In Short, to build an intangible capital asset called “goodwill ”. Each piece of advertising influence sales today and at the same time adds another brick to the structure of “goodwill” that increases business tomorrow.

2.3.5 Assists Customers In understanding The Nature Of Service

The distinctive nature of a service often makes it difficult for customers to understand what is being offered, identify potential suppliers, and evaluate alternatives. “Advertising can play an important role in helping overcome these difficulties, through application of such concepts as vividness, interactive imagery and cognitive scripts” (D. Legg & J. Baker,1994).

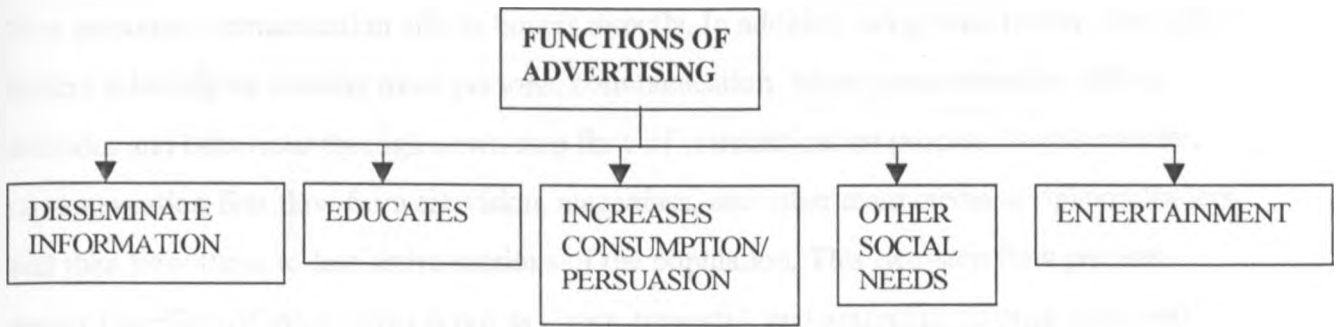
2.3.6 Entertainment

In advertising, entertainment is usually in the form of advertisements which are funny, aesthetic scenes and imagery. The entertainment quality built into the advert serves to increase consumer attention, comprehension and learning of the main message.

2.3.7 Other Social Needs

Advertising serves other social needs besides stimulating sales. For example, Newspapers, Magazines, Radios and Televisions all receive their primary income from advertising. This enables us to have a variety of newspapers and magazines at reasonable prizes among other things (Kibera. 1988).

The below diagram summarises the main functions of advertising;



2.4 MEDIA STRATEGY

According to Kotler (1994), there are two main types of communication channels - personal and non-personal. In personal communication channels, two or more people communicate directly with each other. They might communicate face to face, person to audience, over the phone, or even through the mail. Personal communication channels are effective because they allow personal addressing and feedback.

Some personal communication channels are directly controlled by the communicator; e.g. company sales people contact buyers in the target market. But other personal communications about the product may reach buyers through channels not directly controlled by the company. This might include independent experts making statements to target buyers, consumer advocates, consumer-buying guides, and others or they might be neighbours, friends, family members and associates talking to target buyers. The last channel, that is, word of mouth, has considerable effect in many product areas.

Non personal communication channels are media that carry messages without personal contact or feedback. They include media atmospheres, and events.

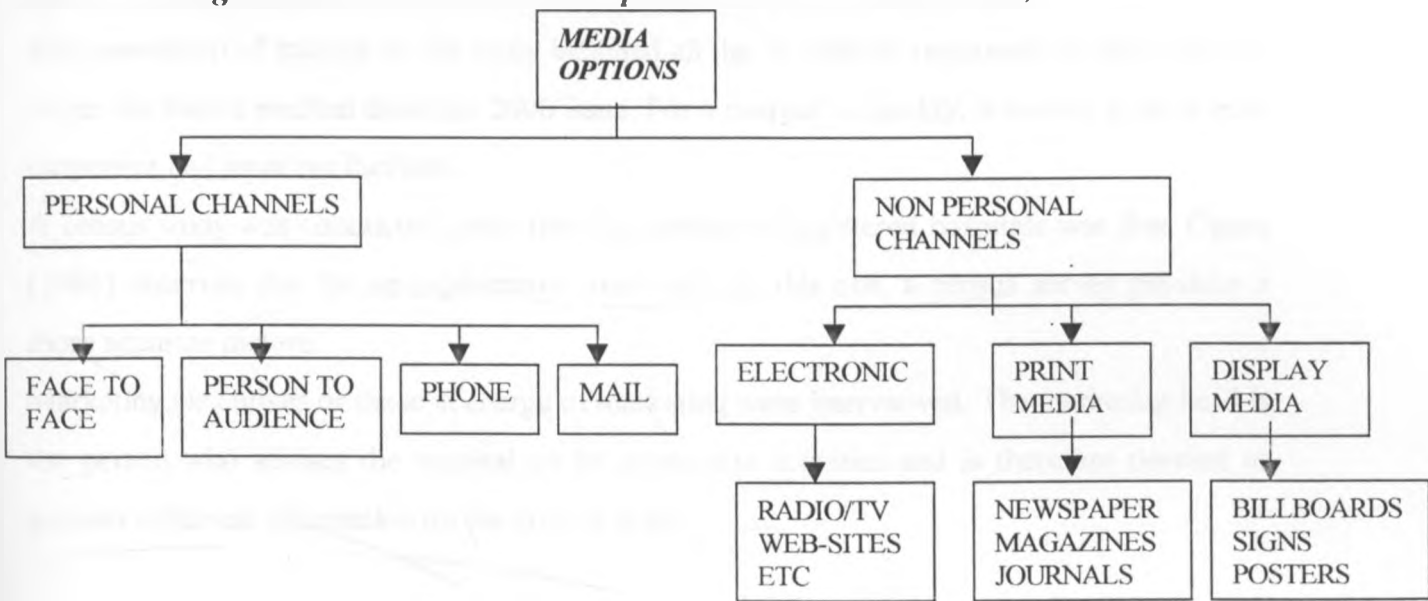
Major media consist of print media (newspapers, magazines direct mail), broadcast media (radio, television), and display media (billboards, signs, posters).

Atmospheres are designed environments that create or reinforce buyers leaning toward buying a product. Thus, doctors', lawyers, offices and banks and hospitals are designed to communicate confidence and other things that might be valued by the clients.

Events are occurrences staged to communicate messages to target audiences, public relations departments, conferences, grand openings, public tours, and other events to communicate with specific audiences.

Non personal communication affects buyers directly. In addition using mass media often affect buyers indirectly by causing more personal communication. Mass communication affects attitudes and behaviour through a two step flow of communication process. In this process, communication first flow from television, magazines, and other mass media to opinion leaders and then from these to less active sections of the population. This two-step flow process means the effect of mass media is not as direct, powerful, and automatic as once supposed.

The below diagram shows the main media options available to advertisers;



In conclusion as stated by Kotler (1994), organisations must do more than make good products. that is, they must inform consumers about product benefits and carefully position products in consumer's minds. To do this, they must skilfully use the mass promotion tools of advertising, sales promotion and public relations.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The study was an exploratory one meant to elicit information on the state of advertising by hospitals in Nairobi. The objective of the research was to gain insights, better comprehension of the current situation and clarification of concepts and as such an exploratory study suffices (Naresh, 1996).

The research was basically an ex-post facto, since the researcher is not capable to manipulate the respondents. As argued by Emory (!985), investigators have no contact over the variables in a sense of being able to manipulate them. They can only report what has happened or what is happening, He goes further to state that, in fact, it is important in this design that researchers not influence the variables; as to do so is to introduce bias.

3.2 POPULATION

The population of interest in this study included all the 51 Nairobi registered private hospitals as per the Kenya medical directory 2000 issue. For a hospital to qualify, it needed to have both outpatient and inpatient facilities.

A census study was conducted given that the number of registered hospitals was few. Ogutu (1983) observes that for an exploratory study such as this one, a census survey provides a more accurate picture.

Marketing executives or those in charge of marketing were interviewed. The marketing head is the person who advises the hospital on its promotion activities and is therefore deemed to possess sufficient information on the area of study.

3.3 DATA COLLECTION METHOD

Both primary and secondary data were used. Primary data was collected from the respondents and secondary data come from official hospital publications.

The survey method was used. Personal interview was used to collect primary data. This helped to eliminate the possible non-response rate of the executives and facilitate clarification of issues.

The research instrument that was used to collect data was the questionnaire. To help eliminate the possible non-response rate of the executives and further clarification of issues the questionnaire was personally administered.

The questionnaire had both open-ended and structured questions and had six parts. Part A contains the general information regarding the hospital. Part B endeavors to find out what are the dominant advertising practises by hospitals in Nairobi while Part C seeks to establish the role of advertising in hospitals. The fourth part seeks to establish the various media of advertising the hospitals are using and Part E, seeks to establish the various types of advertising used. Lastly, the last section seeks to find out the major external and internal problems hospitals are facing in their advertising efforts.

Pre-testing of the questionnaire was done in order to determine its appropriateness before administering it to the entire population.

3.4 DATA ANALYSIS TECHNIQUES

The data collected was analysed by use of descriptive statistics such as tabulation, cross tabulation, proportions, frequency, and percentages.

As stated by Frankfort (1996), descriptive statistics will enable the researcher to summarise and organise data in an effective and meaningful way. They provide tools for describing collections of statistical observations and reducing information to an understandable form.

CHAPTER FOUR

4.0 DATA ANALYSIS

This chapter deals with the analysis and findings of data collected from the respondents. Data collected was analysed using tabulation, cross-tabulation, percentages and frequencies techniques.

The likely implication on the advertising practises by hospitals will also be discussed briefly in this chapter.

There will be six main areas of data analysis namely;

- Dominant advertising tools
- Functions of advertising
- Media Options
- Types of advertising
- Factors affecting advertising practises by hospitals

Four key characteristics namely, Financial motives, Age of the hospital, Ownership and Size of the hospital were identified as having some effects on the advertising practises by hospitals.

Institution with over 50 beds and 50 employees were classified as big, whereas those with below 50 employees and 50 beds were classified as small. Using this classification, 11 hospitals emerged as big and 28 as small hospitals. The reason why beds and employees were used is that hospitals are labour intensive organisations thus big hospitals will always have many employees. especially in nursing division.

The total population targeted was 51 hospitals. The successful response rate was 39 hospitals, eleven hospitals did not respond and one closed down before they had completed the

questionnaire. However, out of this, all the 11 (eleven) major hospitals responded thus in terms of market representation majority of service capacity was captured.

In order to determine the most popular advertising tools in hospitals the respondents were given twelve choices to indicate which ones they use and those hospitals who scored more than six out of the twelve factors were considered to be actively involved in advertising their services. Consequently 20 out of 39 (51.3%) hospitals were found to be actively advertising their services, and throughout the project, are referred to as **hospitals that advertise**.

4.1 DOMINANT ADVERTISING TOOLS

In order to determine the most popular advertising tools in hospitals the respondents were given several choices to indicate which ones they use.

In this section the hospital which scored more than six out of the twelve factors were considered to be actively involved in advertising their services. Consequently 20 out of 39 (51.3%) hospitals were found to be actively advertising their services, and throughout the paper are referred to as **hospitals that advertise**.

The results are represented below.

Table 1: Advertising Tools

Advertising Tools	No. of Hospitals
Names, description and addresses on prescription pads, Laboratory request forms, X-ray etc	33
Names, description and addresses on envelopes, complementary slips	28
Booklets specifying services offered, name and address of the hospital	24
Communications with non-clients prospecting for business	23
Motor vehicles/ambulance which are painted with the hospital name	19
Notification through the media of your services	15
Written health articles which are distributed to the public	14
Brochures and hospital directories which you distribute to non-clients	12
Education programs, presentations in schools, companies, colleges e.t.c. Regarding certain health issues.	12
Award giving ceremonies with press coverage.	9
Training courses and seminars for non-clients	8
Health education programs aired through the radio or television	5

The above table shows that the most popular way of advertising is by having names, description and addresses on prescription pads, laboratory, X-ray etc request forms with 84.6% of respondents using it. This is followed by names, description and addresses on envelopes, complementary slips with 71.8% of the hospitals using it.

The least common used tool of advertising is health education programmes aired through the radio or television with only 12.8%. This is followed by training courses and seminars for non-clients with 20.5%.

4.2 FINANCIAL GOALS

The financial objectives of a hospital was deemed to be a major influencing factor on the advertising practises of the hospitals. Respondents were asked to classify their financial goals as whether they are profit or non profit seeking hospitals. The results are presented in the table below;

Table No. 2: Financial Motives

Type	No.	Percent
For Profit	23	58.9
Not for Profit	16	41.1
Non Response	12	
Total	51	100.0

N=51

Majority of the respondents 23 or 58.9% are profit-seeking institutions while 41.1% are not profit seeking hospitals. The likely implication is that if the majority are profit seeking they will be engaged actively in looking for clients and doing everything possible to retain them, in order to remain profitable.

4.2.1 Financial goals compared to whether hospitals advertise

In order to establish the impact in the two categories of hospitals, cross tabulation was done against the category of hospitals that advertise and those that do not advertise. The results are tabulated below;

Table No.3: Financial Goals versus Advertising.

			For Profit	Not for Profit	
	Those that do not advertise	No. % of Total	12 30.8%	7 17.9%	19 48.7%
	Those that advertise	No. % of Total	11 28.2%	9 23.1%	20 51.3%
		Total No. % of Total	23 59.0%	16 41.0%	39 100.0%

The profit seeking hospitals overall advertise more compared to the non profit organisations, 11 out of 39 profit seeking hospitals advertise as compared to 9 out of 39 who do not advertise.

However as indicated in the above table, when compared within the sub classes of profit seeking and not profit seeking, 11 out of 23 (48%) profit seeking do advertise, and 9 out of 16 (56%) non profit hospitals advertise. This maybe explained by two factors;

Firstly, many profit-seeking hospitals are small in size and owned by individuals who may not recognise the value of advertising.

Secondly, most of the hospitals, which classify themselves as non-profit, are among the biggest hospitals in size and most expensive; they carry on their business as any other profit seeking organisation. They sustain themselves through the fees they collect from their clients/patients.

4.3 AGE OF HOSPITALS

The researcher found it necessary to determine the age of hospitals because different entry timing in the market may have an influence on the advertising practises a hospital adopts.

The table below summarises the age profile of the various respondents;

Table 4. Age Profile

Age (Years)	Frequency	Percent (%)
0-10	23	59.0
11-20	4	10.3
Above 20	12	30.8
Total	39	100.0
Non Response	12	

N= 51

As the above table shows, majority of the respondents are new entrants in the market composing of 59% who are less than 10 years old. The industry has 12 (30.8%) mature hospitals that are above 20 years old. Minority percentage 10.3% are between 11-20 years meaning, very few hospitals were opened between 1980-1990.

The most likely implication with the entrance of these new players in the market is that advertising activities are expected to increase with hospitals trying to outdo one another. It would also be expected that since we have old and well established hospitals in the market they would hit back at the new entrants with a lot of force since they have a well financial and other resources base.

4.3.1 Age of the hospital and whether they advertise

A cross tabulation was done to establish if age of the hospital has any impact on whether hospitals advertise or not. The following results were obtained:

Table No 5: Age versus Advertising

			AGE			Total
			0-10	11-20	Above 20	
Those that do not advertise	No.		11	3	5	19
	% of Total		28.2%	7.7%	12.8%	48.7%
Those that advertise	No.		12	1	7	20
	% of Total		30.8%	2.6%	17.9%	51.3%
Total Count			23	4	12	39
% of Total			59.0%	10.3%	30.8%	100.0%

When age of the hospital was compared with the advertising practises, it came out that young hospitals (0-9 years) have the biggest share of advertising, 30.8%, followed by the mature hospitals with 17.9%. This may be explained by the fact upcoming hospitals are trying to secure themselves a share of the market while the old ones are scared of the new forces in the market thus resulting into advertising to remind their clients that they exist.

4.3.2 Age of the Hospital & Type of Advertising

Age factor was also cross tabulated by the type of advertising carried out by hospitals and the results are as presented here below;

Table No.6: Age Versus Type Of Advertising

Type of advertising	Age 0-10yrs		Age 11-20yrs		Above 20Yrs	
	No.	%	No.	%	No	%
Product	16	44.4	1	2.8	3	8.3
Reminder	18	51.4	1	2.9	5	14.3
Co-operative	13	36.1	-		7	19.4
Humorous	6	17.6	-		2	5.9
Comparative	1	2.9	-		1	2.9
Corporate	9	26.5	3	8.8	4	11.8
Issue/ Advocacy	3	8.6	1	2.9	2	5.7
Financial	5	15.2	2	6.1	3	9.1

The most popular type of advertising is reminder advertising (51.4%) among the young hospitals while co-operative advertising among the old hospitals. This may be explained by the fact that young hospitals have to keep reminding their customers that they exist, while the old (above 20 years) have developed good business rapport with their business partners thus use co-operative advertising a lot.

Product advertising is second with 44.4% among the young hospitals while reminder is second in the class of mature hospitals.

The least popular among all hospitals is comparative with 2.9% and Issue/Advocacy among the old hospitals.

4.3.4 Age And Media Used

In order to establish whether age had any influence on the media used, age factor was cross-tabulated with media options. The results are tabulated below;

Table No.7: Age Versus Media Used

MEDIA OPTION							
Age		Newspapers	Trade Journals	Radio TV	Internet	Word of mouth	Sales Rep
0-10 years	No.	8	10	6	2	23	9
	% of Total	23%	30%	17%	6%	59%	25.7%
11-20 years	No	1	1	-	-	4	1
	%	3%	3%	-	-	10.5%	2.9%
Above 20 years	No	7	5	5	3	12	3
	% Total	20%	15%	14%	9%	31%	8.6%

The above table shows that, young hospitals are using sales representatives more than the old hospitals. This maybe explained by the fact that they have realised that marketing is for every organisation irrespective of the industry one is in. Out of the 20 young hospitals 9 have marketing representatives. The implication is that in the near future a lot of marketing

activities will be going on in the hospital since marketing professionals have being employed. As this young hospitals grow older, they are expected to increasingly employ more resources in this area and the old hospitals are expected to overcome the initial change resistance they are having now. The old hospitals in the market feel that marketing is for other industries and not for them.

4.4 FORM OF OWNERSHIP

It was found necessary to determine the form of ownership of the various hospitals and this was thought to be useful because different forms of business will engage in different advertising practices and generally different business practises. The findings are presented in the table below;

Table No. 8 Ownership Profile

Type of ownership	No. of hospitals	Percent(%)
Partnerships	18	46.1
Sole proprietorships	10	25.6
Religious organisations	7	18
Charitable Trusts	2	5.1
Public Owned	2	5.1
Non Response	12	23.5
Totals	51	100.00

N=51

From the table above, it can be seen that majority of the hospitals, that is 18 out the 39 who responded are Partnerships, followed by sole proprietorships with 10 out of 39.

The least popular form of ownership is Charitable and Public with only 2 hospitals.

The likely implication according to the above results would be, since, many hospitals are privately and individually owned, we expect a lot of advertising activities to be going on in the market.

The non-response rate of 12 hospitals would have a likely impact of the fact that, a full view of the possible respondents was not captured. However, the researcher knows from secondary data that many of them are sole proprietorships

Hospitals That Advertise Compared To Form Of Ownership

A cross tabulation was done between form of ownership and hospitals that advertise and the results are presented in the table below.

Table No 9: Form of Ownership Versus Advertising

			Form of Ownership			
			Partnership	Privately Owned	Religious Organisation	Sole Proprietor
	Those that do not advertise	No % of Total	-	9 23.1%	3 7.7%	6 15.4%
	Those that advertise	No % of Total	2 5.1%	10 25.6%	4 10.3%	3 7.7%
Total		No % of Total	2 5.1%	19 48.7%	7 17.9%	9 23.1%

The results indicate that partnerships are leading in advertising practises with a frequency of 10 out 19. This is followed by religious organisations with 4 out 7 advertising.

Individual owned hospitals come third with 6 out of 9 hospitals not advertising. This can possibly be explained by the fact that, these individual hospitals are mostly owned by professional doctors who may not realise the full value of advertising.

4.5 SIZE OF THE HOSPITAL

It was found necessary to classify the hospitals in terms of their size, that is, whether small or big, because the size of an organisation can greatly influence it's advertising practises. As indicated earlier 11 hospitals were classified as big while 28 as small hospitals.

Size Compared With Hospitals That Advertise

In order to establish whether the size of the hospital had any impact on the advertising habits a cross tabulation was done and the results are as represented in the table below:

Table No.10: Size versus Whether Hospitals Advertise

			Size of the Hospital		
			Small	Big	Total
	Those that do not advertise	No. % of Total	18 46.2%	1 2.6%	19 48.7%
	Those that advertise	No. % of Total	10 25.6%	10 25.6%	20 51.3%
	Total	No. % of Total	28 71.8%	11 28.2%	39 100.0%

The table above shows that big hospitals advertise more than the small hospitals. 10 out of 11 big hospitals advertise their services as compared to 10 out of 28 small hospitals that do advertise for their services.

This may be explained by three factors;

- a) The fact that big hospitals are targeting larger clientele base in order to achieve economies of scale, thus they must advertise more to capture the big numbers.
- b) The other factor maybe is that big hospitals have the resources to advertise. This includes the financial and personnel who values and recognizes the importance of advertising.
- c) The big hospitals relay a lot (some have over 90%of their turnover) from the corporate world. The implication is that a lot of promotion activities must be done in order to retain their business.

4.6 FUNCTIONS OF ADVERTISING

Since advertising has several functions, the researcher felt it necessary to ask the respondents to rank the importance of each advertising function to their firms. A ranking of 1-5 was used starting with very important to least important.

The results are presented below.

Table No.11: Functions of Advertising

FUNCTIONS	Very high %	High %	Moderate (%)	Low %	Very Low %
Dissemination of Information	46.2	30.8	12.8	5.1	2.6
Education	38.5	30.8	20.5	5.1	-
Increase your clientele base	28.2	28.2	28.2	7.7	2.6
Assists your customer in understanding your existing services	28.2	48.7	17.9	2.6	-
Market penetration of new products	25.6	20.5	28.2	15.4	2.6
Enables differentiation of services from Your competition	23.1	28.2	23.1	17.9	2.6
Reaches a bigger number of your existing and new customers	25.6	35.9	23.1	7.7	2.6
Assist in the general development of our economy	15.4	30.8	28.2	12.8	2.6
Helps in building the hospital goodwill	33.3	35.9	12.8	5.1	2.6

Advertising biggest function as indicated in the table above is that of informing customers with 77% (30) rating it as above high. It was followed by education to clients of new services and products to customers with 27 respondents (69.3%) rating it as above high.

Advertising was seen as least useful for the general development of our economy with only 46.2% ranking it as above high and penetration of new products in the market with 46.1%.

4.7 MEDIA OPTIONS

It was found necessary to establish the media options the hospitals use when advertising their services. The respondents were given a range of options to indicate whether they use them or not. The results are tabulated below;

Table No. 12 Media Options

Media	Used %	No.	Not Used	No.
Word of Mouth	100	39		
Daily Newspaper	41	16	48.7 %	19
Magazines/Trade journals	41	16	46.2%	18
Direct Mails	41.0	16	48.7 %	19
Sales Representatives	33.3	13	22%	56.4
Radio /Television	28.2	11	64.1 %	25
Internet/Web site	41.0	16	48.7%	19

Word of mouth is the most popular way (100%) managers expect their clients to know about their services.

This is followed by trade journals, 41%, Direct Mails (41%) and Daily Newspaper. The least used media is the internet/web site with 12.8% probably because many of the small hospitals are yet to be computerised.

4.7.1 Those That Advertise And Media Used

The researcher found it necessary to establish which media is used by hospitals that **advertise** in order to see which are the most media by those that advertise.

When cross tabulation was done between the hospitals that were considered as advertising hospitals and media used, word of mouth still emerged as the most accepted method of advertising as indicated by the table below.

Table No.13: Media Used By Advertising Hospitals

MEDIA	COUNT
Word of Mouth	20
Newspapers	12
Magazines (Trade Journals)	11
Radio/T.V	8
Sales Representative	8
Internet / Web-site	5

Word of mouth is followed by Newspapers with 34.3% and then trade journals with 32.4%.

The least popular media was the Internet with 14.3% followed by Sales representatives and Radio/TV with 23%. However, this is expected to pick with time as technology gets cheaper and many of the small hospitals will afford to install computer systems in their firms.

The likely impact is that, since word of mouth is most acceptable, then many of the hospitals would be expected to concentrate on giving quality service, hoping that their customers would spread the good word about their services.

4.7.2 Media Of Advertising & Size Of The Hospital

It was felt necessary to try and establish whether the size of the hospital has any impact on the media used. The results of the cross tabulation are presented here below;

Table No.14. Media used Versus the Size

MEDIA	SIZE: BIG	SIZE: SMALL
Word of Mouth	100%	100%
Daily Newspapers	25.7%	20%
Trade Journals	14.7%	32.4%
Radio/TV	19.4%	11.1%
Internet	8.6%	5.7%
Sales Rep	11.4%	25.7%

When the various media options were analysed, Word of mouth was found to be the most acceptable media of advertising to both small and big hospitals with 100% acceptance.

Big hospitals are using newspaper (25.7%) as compared to small hospitals with 20%. This may be explained by the fact that, the big ones may afford the high costs of advertising in the newspaper.

It is interesting to note that the small hospitals are using salespeople more than the big ones.

The other unique observation is that the small hospitals are using more of trade journals to advertise their services than the big ones. The most likely explanation for this may be that, these small hospitals, have limited resources, thus use most of their resources in the mostly likely effective media options, trade journals, being one of them.

4.8 TYPES OF ADVERTISING

It was found necessary to establish the various types of advertising used by hospitals.

Respondents were given a range of the types of advertising and were asked to indicate whether or not they use them. The results are tabulated here below;

Table No.15 Advertising Types

Types of advertising	Yes %	No. of Hospitals
Product	53.8	21
Reminder	64.1	25
C-operative	53.8	21
Humorous	23.5	9
Comparative	2.6	1
Corporate	43.6	17
Issue / Advocacy	18.0	7
Financial Relations	28.2	11

The results of this section of the questionnaire shows that the most popular type of advertising is reminder/competitive advertising with 64.1% (25). It is followed by product advertising with 53.8% and co-operative advertising also with 53.8%.

The least popular is comparative advertising with 2.6%. This maybe explained by the fact that, comparative advertising is illegal in many countries, including Kenya.

The second least popular type of advertising is issue /advocacy with 18.0%

4.8.1 Those That Advertise & Type Of Advertising

The researcher found it necessary to compare the hospitals that advertise and the type of advertising used. The results of the cross tabulation are represented here below;

Table No16: Type Of Advertising by the advertising hospitals

	No	%
Reminder	13	37.1
Co-operative	13	36.1
Product Advertising	10	27.8
Corporate	10	29.4
Humorous	6	17.6
Financial	6	18.2
Issue /Advocacy	4	11.4
Comparative	1	2.9

When a cross tabulation was done between those hospitals that advertise and type of advertising, it was found out that the most popular type is the reminder advertising with 37.1%, followed by co-operative advertising with 36.1%.

Corporate advertising is third with 29.4%. This is probably due to the fact that in the service industry the organisation has to make a reputable name as a whole, before it can even think of advertising specific services.

The least popular is this category was comparative with 2.9% followed by issue/advocacy advertising with 11.4%.

4.8.2 Type Of Advertising & Size Of The Hospital

In order to establish whether the type of advertising was in any way affected by the size of the hospital, a cross tabulation was done and the results are shown here below;

Table No.17. Types Of Advertising Versus Size

Type of Advertising	Small size		Big Size	
Product Advertising	17	47.2%	3	8.3%
Reminder	18	51.4%	6	17.1%
Co-operative	14	38.9%	6	16.7%
Humorous	6	17.6%	2	5.9%
Comparative	1	2.9%	-	
Corporate	11	32.4%	5	14.7%
Issue/Advocacy	3	8.6%	3	8.6%
Financial	8	24.2%	2	6.1%

The table above shows that reminder advertising is very popular among small hospitals with 51.4%, followed by product advertising with 47.2%. The big hospitals indicated that they are using reminder advertising with a rating of 17.1% and co-operative advertising with 16.7%. The results of this table show that most of the big hospitals deny the fact that they advertise their services. This is indicated by the fact that majority of them did not indicate what type of advertising they do.

4.9 ADVERTISING CONSTRAINTS FACED BY HOSPITALS

In order to establish the factors that respondents felt were hindering/constraining their advertising practises, eight of them were identified and respondents were asked to rank them.

The table below summarises these factors:

Table No. 18 Constraining Factors To advertising

Constraining Factors.	Very High (%)	High %	Moderate %	Low %	Very Low %
Societal Expectations	26.7	30	26.7	13.3	3.3
Government regulations	35.3	8.8	17.6	17.6	20.6
Ethical guidelines	31.4	34.3	20	5.7	8.6
Practice by other hospitals	8.8	11.8	44.1	32.4	2.9
Lack of funds	26.5	23.5	23.5	14.7	11.8
Lack of top management commitment	18.2	9.1	15.2	30.3	27.3
Difficulties in evaluating advertising effectiveness	8.8	23.5	20.6	23.5	23.5
Organisation policy	14.3	14.3	28.6	28.6	14.3

The most constraining factor is ethical guidelines with 65.7% (22) rating it above high followed by societal expectations 56.7% rating above high. This was followed by lack of funds with 50% rating it as above high.

The least constraining factor is practice by other hospital with only 7 (20.6%) rating it as high or very high. This is followed by lack of top management commitment with 28.6%

CHAPTER 5.0

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.

5.1 DISCUSSIONS

This study aimed at determining several key issues. Among them was to establish the most dominant advertising tools used by hospitals, the main advertising functions as viewed by the hospitals. Thirdly, to establish and determine the main advertising types used by hospitals and lastly, to establish the main advertising media used.

In order for more comprehensive analysis to be done various key hospital aspects were looked at; these included; form of ownership, size, financial goals and age of the hospitals.

Finally the findings of the factors that are constraining the advertising efforts by hospitals were discussed.

DOMINANT ADVERTISING TOOLS

It was established that most hospitals use below the line advertising. This could be attributed possibly to several factors; Firstly the ethical guidelines governing the advertising activities of hospitals are very restrictive on what kind of advertising can be done as the following definition of advertising by MOH illustrates “a form of publicity that is particularly suspect, is frequency of mention of a practitioners name and reference to his being skilled in some particular form of treatment or department of medicine or in use of some special apparatus or the performance of some particular operation. Anonymity should be observed by the medical and dental profession as a general principle. Departure from this principle is permissible only when the objective of publicity for a doctor or dentist or a group of doctors or dentists is apparent, paramount and justifiable for example; in the interest of the general public, e.g. regarding health education

The research findings confirm this in the last section of the questionnaire where it is seeking to establish the main factors refraining hospitals from advertising and ethical guidelines which come first with 65.7% rating it as the most constraining factor.

Secondly, competition in the health sector has been minimal with the government hospitals providing free medical services to the public for a long time. Competition has increased in the last 10 years with an increase by the number of players in the market with 59% of the respondents being hospitals below the age of 10 years. This has brought about changes in the advertising habits of hospitals and more explicit adverts are seen in the market.

The least popular tools are the ones that aim at reaching the mass. For example, airing health education programmes through the media (radio/TV) and award giving ceremonies with press coverage. The likely implication is that hospitals are very poor in building their brand names beyond their existing geographical coverage. This may be possibly explained by the fact that many patients will not travel for long distances looking for general medical services, unless it is on a referral basis. Otherwise, patients will tend to seek for medical attention, possibly, in the nearest and convenient hospital next to them.

ADVERTISING FUNCTIONS

Advertising biggest function was seen as that of disseminating information to the hospital clients. This is in line with the generally accepted functions of advertising as indicated by Sandage (1961), where he says advertising biggest function is informing customers about available products and services to them and at what prices.

Since mass advertising is least used by hospitals one is then left wondering do consumers of health care services get the best in the market since little information is available for general consumption.

The second important function was educating customers followed by assisting customers to better understand the services being offered.

The least valued function is assistance in the general development of the economy with ratings of 46.2% (18). This maybe explained by the fact that many of the hospitals do not engage a lot of their resources in advertising, thus the perceived importance in this regard is low. This is in line with Kibera (1998), who ranked this function last considering the other functions of advertising in general.

In summary, when the mean was calculated to establish the value of advertising in a scale of 1-5 (very low to very high) the result was 3.66, meaning hospitals value the importance of advertising as moderate tending to high.

TYPES OF ADVERTISING

The study revealed that the most popular type of advertising is reminder with 64.1% of the respondents using it, which was followed by product advertising.

This may be explained by the fact that remainder advertising seeks to “keep a product or organisations name in the public eye, reinforcing its identity” as stated by McCarthy (1991) and since hospitals do not engage a lot in direct advertising, they then prefer to use the reminder advertising. To use McCarthy words they “soft sell” to their consumers.

The least popular type of advertising is comparative. This may be explained by the fact that, since comparative advertising is still illegal in Kenya, and hospitals are still very conservative in their advertising practises, then there is, minimal use of comparative advertisements.

The second least popular method is Advocacy/Issue advertising. This is quite surprising because hospitals would be expected to be doing a lot of issue advertising as a result of the regular negative press coverage that hospitals go through especially in regard to financial

disputes with their clients who expect hospitals to be charitable organisations in their approach to money matters and not business organisations.

It would be expected that they do a lot to the public especially to educate them in many issues that the public is still ignorant about.

MEDIA OPTIONS

Word of mouth is the most popular way (100%) managers expect their clients to know about their services. As stated by Kotler (2000), “the best advertising is done by satisfied customer” and hospitals seem to agree 100% with this statement. Kotler, further states that “word of mouth source is most convincing as it is the only promotion method that is of consumers, by consumers and for consumers”. Having loyal, satisfied customers that brag about doing business with you is the dream of every business owner.

This may also be attributed to the fact that medical services are very sensitive and risky to many people and usually its only after recommendation by someone, new customers will have the confidence to go to a certain hospital for the first time.

This is followed by trade journals, 41%, Direct Mails (41%) and Daily Newspaper. Trade journals may be these popular because as stated by Kotler (2000), they are credible and prestigious. high quality reproduction, long life and good pass-along readership.

Direct mails may be preferred because of their audience selectivity, flexibility, no competition within the same medium and personalization.

The least used media is the internet/web site with 12.8%. Probably because this is relatively new media with low number of users . The other possible reason is that many of the small hospitals are yet to be computerised. However it is expected that as technology becomes cheaper and accessible to many people, the internet will be widely used.

FORM OF OWNERSHIP

It was established that majority of the hospitals were privately and individually owned (sole proprietors). The individual owned organisations might imply that these are small hospitals in size, offering limited resources due to lack of capital to expand. In terms of competition, which in turn leads to advertising, in order for one organisation to distinguish itself from the other one, it means that there may be limited activities from the individual owned hospitals. The privately owned hospitals are more or less similar to the individual owned hospitals in their advertising habits.

AGE

Majority of the respondents were new entrants in the market composing of 59% who are less than 10 years old. The entrance of these players in the market may be one of the major factors that have brought changes in the way business is being done in the industry. This is because with many new entrants, the market equilibrium will definitely be upset and organisations will have to fight and defend their market share. Increased promotional activities are expected, advertising being one of them.

Minority percentage 10.3% are between 11-20 years meaning, very few hospitals were opened between 1980-1990. This may be explained by the fact in those years the government was very actively involved in the provision of curative and preventive medical services compared to the last ten years. The demand for medical services outside the government institutions was minimal.

The industry has 12 (30.8%) mature hospitals that are above 20 years old. These are expected to be fully established hospitals and big in size. In terms of competition response, they are expected to hit back at the new entrants with a lot of force since they have the financial and other resources.

This may be explained by the fact that, in those years the government was very actively involved in the provision of curative and preventive medical services compared to the last ten years. The demand for medical services outside the government institutions was minimal.

5.2 CONCLUSIONS

From the research findings it was established that majority of the hospitals 51.3% or 20 out of 39 advertise their services. This is contrary to the common belief that hospitals do not advertise their services.

The other significant finding was that advertising biggest function (value to hospitals) was informing customers of their services, followed by education to the customers.

On the area of media options, it was established that word of mouth is most trusted and widely acceptable medium of advertising. Every hospital uses it.

Trade Journals and Newspaper with 41% of hospitals using it followed. The least popular was the Internet with only 12.8% of the hospitals using it.

Reminder advertising (64.1%) was found to be most popular type of advertising, followed by product and co-operative advertising with 53.7% each. The least common was comparative advertising with 2.6%.

Finally the hospitals rated ethical guidelines with 65.7% as the most constraining factor in their efforts to advertising, followed by societal expectations with 56.7%.

There seems to be a big gap between what is documented as the advertising guidelines by MOH in conjunction with the MDPB. In order to minimise this gap there is need to review this act urgently to be able to take into account the new market trends that have emerged.

One of the new trends is the emergence of Health Maintenance Organisations (HMO's) like AAR, Mediplus who advertise freely for their services including the clinics they run and yet no one is regulating them.

The other conspicuous gap in the market is the advertising practise by herbalists. The herbalists advertise all over, with no control over what they tell the public, claiming they are capable of treating all sorts of ailments and yet the authorities do not vet or control their actions. The question that begs an answer from the MOH is whether herbalists are better “trained” than the medical doctors and if not, why are they allowed to advertise and yet they target the same patients like the medical doctors.

The young hospitals (0-10 years) have set a trend of employing marketers (sales representatives) to market their services. This will be the way forward even for the old hospitals who are still resisting change and yet to realise that marketing is for all organisations, whether currently enjoying a big customer base or not.

The big hospitals do not have marketing departments and the hospital administrator co-ordinate their marketing activities. The administrator (unless the one with a marketing background) will usually view and treat marketing as a side-show and not their main responsibility thus proper customer needs will never be fully addressed.

Customer awareness is increasingly becoming very high in the Kenyan market and this has not spared the hospitality industry. Patients are increasingly demanding for their rights, thus quality and customer focus must be an issue the hospitals must deal with on a day to day basis. Hospitals will have no choice but to differentiate themselves and communicate the same to their customers.

Competition has increased in the health sector with the government withdrawal of its curative and preventive health care. This competition has led to more promotion activities in the market and it is expected that the promotion activities will keep increasingly in the future.

Trends in the international market where more advertising activities are being witnessed have led to an increase and change in the way we view advertising in Kenya. The environment that we are operating under is a very competitive one and all industries are changing with time in

order to fit in, otherwise they are rendered irrelevant by the ever changing customer needs and this reality has made hospitals to change the way they do their business.

5.2 LIMITATIONS OF THE STUDY

The study was constrained by a number of factors. The major limiting one was time and finance. In this regard it was not possible to include all the hospitals and medical clinics in Nairobi and anywhere else in the country. Also, due to time shortage, it was not possible to follow up and receive all the questionnaires sent out.

The second limitation was the nature of responses given. The idea of hospitals advertising is usually perceived as illegal and hospitals do not do it at a glance. The hospitals were therefore a bit hesitant when asked about their advertising practices- were shying away from saying what they are doing. Their responses must therefore, be interpreted with that constraint in mind.

5.3 RECOMMENDATIONS FOR FURTHER RESEARCH

The research covered only 51 hospitals, which are located within Nairobi area. It would be highly recommended that a study be done to cover a wider part and more institutions within the country. Again, it must be emphasised that, this study concentrated only with hospitals and it would therefore be useful if other participants in the health sector were included, for example doctors, pharmacists, nurses etc who have a big influence in the way things are done in this sector.

Since there is very little documentation about healthcare promotion activities in Kenya, it would be useful if a research was done to establish what other marketing/promotion activities goes on in the industry.

Research should be done to establish the state of advertising among other professions.

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QUESTIONNAIRE

Name of the hospital ----- (Optional)

PART A: GENERAL

Please answer the following questions by placing a tick against the correct choice.

1. Who owns the hospital?

(a) Publicly Owned []

(b) Partnerships []

(c) Religious organization []

(d) NGO []

(e) Sole Proprietorship []

2. How many employees do you have? -----

3. What is the bed capacity of your hospital? -----

4. For how long has your hospital been operating in Kenya? -----

5. How many branches do you have?

6. Do you have a Marketing Department/Public Relations Department?

YES [] NO []

If no to 6 above who co-ordinates your marketing/promotion activities? (Please give tittle) -----

7. How would you classify your financial goals

For Profit []

Not For Profit []

PART B: Please indicate whether your organisation has the following;

	Have	Have Not
(a) Booklets specifying services offered, name and address of the hospital		
(b) Names, description and addresses on envelopes, complementary slips		
(c) Names, description and addresses on prescription pads, Laboratory request forms, X-ray etc		
(d) Health education programmes aired through the radio or television		
(e) Communications with non-clients prospecting for business		

(f) Motor vehicles/ambulance which are painted with the hospital name		
(g) Award giving ceremonies with press coverage.		
(h) Brochures and hospital directories which you distribute to non-clients		
(i) Training courses and seminars for non-clients		
(j) Written health articles which are distributed to the public		
(k) Notification through the media of your services		
(l) Education programs, presentations in schools, companies, colleges e.t.c regarding certain health issues.		
Others (please specify)		

PART C: Please indicate by ticking the following the extent to which advertising is of value to your hospital.

	Very High	High	Moderate	Low	Very Low
(a) Informs your customers					
(b) Educates your clients of your new services and products					
(c) Increases your clientele base					
(d) Assists your customer in understanding your existing services					
(e) Enhances entry to the market of new products					
(g) Enables differentiation of services from your competition					
(h) Reaches a bigger number of your existing and new customers					
(i) Assist in the general development of our economy					
(j) Helps in building the hospital goodwill					
Others please specify)					

PART D: Below are some of the various types of advertising media available. Please tick the bracket to specify the one you use;

	YES	NO
(a) Daily Newspapers		
(b) Magazines/Trade journals		
(c) Radio/Television		
(d) Internet/Web site		
(e) Word of mouth		
(f) Sales Representatives		
(g) Direct Mails		
Any Other (please Specify)		

PART E: Please indicate as appropriate.

	YES	NO
(a) You usually advertise all range of your services at once.		
(b) You continue to advertising your services even after their introduction		
(c) You involve your business partners e.g. Suppliers and corporate clients while advertising.		
(d) Your adverts have some humour in them		
(e) You mention or imply any of your competitor's name or service in your adverts		
(f) You run adverts just to improve the profile of your hospital		
(g) You run adverts when faced with socially threatening issues		
(h) You run adverts to interest potential investors/financiers in your hospital.		

PART F:

Please rate the impact of the following factors on your advertising efforts ie how much do they constrain your advertising strategy.

	Very High	High	Moderate	Low	Very Low
(a) Societal Expectations					
(b) Government regulations					
(c) Ethical guidelines					
(d) Practise by other hospitals					
(e) Lack of funds					
(f) Lack of top management commitment					
(g) Difficulties in evaluating advertising effectiveness					
(h) Organisation Policy					
(i) Others (Please specify)					

THANK YOU VERY MUCH FOR YOUR COOPERATION.

APPENDIX 4: LIST OF RESPONDENT HOSPITALS

1. The Aga Khan Hospital, Nairobi
2. Avenue Hospital
3. City Nursing Home
4. Kenyatta National Hospital
5. Eastleigh Community Clinic & Maternity Nursing Home
6. Genesis Nursing & Maternity Home
7. Guru Nanak Ramgarhia Sikh Hospital
8. Huruma Nursing Home
9. Inder Nursing Home
10. Kasarani Maternity & Nursing Home
11. Kilimanjaro Nursing Home
12. Lions Sightfirst Eye Hospital
13. Madina Nursing Home
14. Masaba Hospital
15. Menelik Medical Center
16. Mother & Child Hospital
17. Nairobi West Hospital
18. Ngong Hills Hospital & Nursing
19. Park Road Nursing Home
20. Radiant Health Nursing Home
21. St James Medical Center Ltd
22. Umoja Nursing Home
23. Kiambu Cottage Hospital
24. Kikuyu Nursing Home
25. Nazareth Hospital
26. PCEA Kikuyu Hospital
27. Apha Maternity Home
28. Chiromo Lane Medical Center
29. City Park Hospital
30. Coptic Church Nursing Home
31. Equator Nursing Home
32. Gertrude's Garden Children's Hospital
33. Hurlingham Hospital
34. Ideal Nursing Home
35. Jamaa Home & Maternity Hospital
36. Kayole Hospital Limited
37. Komarock Nursing Home
38. M P Shah Hospital
39. Maria Maternity & Nursing
40. The Mater Hospital
41. Metropolitan Hospital, Nairobi
42. The Nairobi Hospital
43. Ngara Nursing Home
44. Nyina wa Mumbi Maternity Home
45. Prime Care Hospital
46. St James Hospital
47. South 'B' Nursing Home
48. Westlands Cottage Hospital
49. Limuru Nursing Home
50. P.C.E.A Kikuyu Hospital
51. Vicky Medical Clinic & Maternity