Effect of Strategic Foresight on the Success of Healthcare Marketing

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Abstract

After a decade of war, Iraqi government embarks in the strengthening of private firms after years of sanctions. The government of Iraq for the preceding period after the international war and a series of several sanctions that negatively affected medical system focused on the development of the old medical system. And searching for factors that can contribute to the development of the healthcare system. Studies show that strategic foresight contributes to the success of organizations. Hence, this study aims to identify the impact of strategic foresight on the success of healthcare marketing in Iraq. A total of 171 respondents collected from private hospitals and clinics. The results revealed that strategic foresight with customer, market, competitive and technology foresight has a positive impact on healthcare marketing.

Keywords: Iraq Healthcare ,Customer Foresight ,Market Foresight ,Competitive Foresight ,Technology Foresight.

Introduction

Iraqi economy and general healthcare system are emerging from a long term conflict that dwelled for many decades. The government has the role of providing medical services to its citizens through government-owned hospitals or facilitation of the private hospitals and healthcare firms[1] . The marketing of the private medical firms in Iraq was put on course after the subsidence of the 2003 US invasion[2] . The stabilization of peace after the arrest of the dictator Sadam Hussein lead to re-awakening of the Iraqi medical system which had been dilapidated after decades of war and chaos. The medical system of Iraq is run by the Iraqi government, but the more substantial portion is left to the private sector[3] . The growth of the private health sector in Iraq depends on the invitation of the private investors who will facilitate the growth and development of the customer-driven medical system[4] .

Many authors and researchers have written articles and journals regarding Iraqi future medical system. The researchers have focused on the independent topics of patient's foresight, market prediction and competition[5]. Others have significantly focused on the needs of the technology and the roles it plays in impacting needs of the Iraqi medical market amid the rising number of private hospitals[6] .

Private hospitals market themselves with three different purposes. First, they want to understand their patients well. The hospital search to have a deeper insight into their customers and buyers[7]. Marketing helps in identifying the needs of customers and finding a suitable fit for the need. Marketing ought to communicate in a clear way that provides enough information and customers decide to make purchases by been convinced that the product will fulfill their needs.

There is a need to improve the marketing of private hospitals in Iraq. The reason has been that most of them have been ineffective for various reasons [8] . This includes lack of cohesion between business strategy and the marketing strategy

employed, and failure to establish a marketing strategy that is unique[9] . A unique strategy helps the customer to distinguish one business from its competitors. Marketing fails when resources are not committed to ongoing marketing program and once the market engine shutdown, it takes time to put it on again.

This literature review develops a conceptual framework that is meant to discuss how a strategy can be used to improve private hospitals marketing in Iraq[10]. The review is organized in a way that it begins by critically analyzing the marketing strategies used in the healthy organization.

The purpose of this study is to show how a private hospital can use strategic foresight to improve its marketing[11].The private hospitals market their services with an aim of increasing their revenues. These hospitals have not done all there is to do in there marketing [12,13] .Thus, there is a need to improve the current marketing models by applying appropriate strategic tools.

Literature Review

Strategic Foresight

According to (Rohrbeck et al., 2013)[14], they voiced out that strategic foresight originates from the two words strategy and foresight. Foresight is the ability of an institution or a firm to judge and predict correctly what is going to happen in the future and so as to plan its actions based on this knowledge[15].

In studies, termed strategic foresight as a strategy tool that gives a clear picture of the true nature of something of product [16]. He went ahead and explained that strategic insight entailed the act of carrying out product testing sessions to clearly evaluate and get a clear insight of a type of product. According to(David,2012)[17] Strategic foresight includes four dimensions (Customer (CUF),Market (MAF),Competitive (COF),Technology (TEF)) as it shown in figure 1.

Figure 1. Strategic Foresight Dimensions

The aspect of customer foresight can be observed from a different perspective, but for marketing purposes, private medical firms are driven by a single agenda of profitability. A private hospital in Iraq partners with international pharmaceutical firms in the provision of medical services[18].

Market foresight is one of the key factors in the formulation of the organization's strategy. It varies with the nature of the organization and its needs when it comes to strategy but the essence of any strategy must be about building the future. Thus, strategic planning should always include consideration of potential and potential scenarios in the relevant business environment; hence the market foresight must be systematic and planned[19].

Technology is a significant component of the medical facility. As an independent variable, technology influences the growth of medical and healthcare growth. For instance, communication plays a significant role in connecting people and medical facilities[20]. The awareness's need for private hospitals to reach people depends on the level of technology.

Competitive foresight is an important tool for developing the strategic vision required by analyzing competitors and developing future solutions that can represent a future competitive advantage that contributes to improving the competitive position of the organization[21].

Healthcare Marketing

Some scholar has an opinion that the marketing strategy model is not adequate to market both goods and services [22]. Goods and services have different characteristics like goods are tangible whereas services are intangible [23] .The 4Ps strategy has been extended to 7Ps by adding people, processes, and physical evidence. And there are so many services in healthcare as it shown in figure 2.

Figure 2. Healthcare services

According to Hill & Alexander (2017)[24], strategic priorities are concerned with long-term goals and highly rank customers satisfaction. Organizations have their vital focus on the customer and provide the goods and services which will satisfy their needs so as to create customer loyalty [25]. To achieve this. The marketing manager is at the pivot to ensure a proper marketing is conducted to convince customers that the product will satisfy their needs.

Private hospitals market themselves with three different purposes. First, they want to understand their patients well. The hospital search to have a deeper insight into their customers and buyers[7]. Marketing helps in identifying the needs of customers and finding a suitable fit for the need. Marketing ought to communicate in a clear way that provides enough information and customers decide to make purchases by been convinced that the product will fulfill their needs.

Material and Methods

Instrument

The instrument of this study was the survey it was used and conducted in private hospitals and clinics, the population for this study comprises of the physicians, random sample has been selected among them, the sample size is 171 . The first section deals with demographic sample. the second section deals with strategic foresight and its dimensions (CUF ,MAF,COF,TEF) , depending on the scale was developed and standardized by (David,2012)[17], the third section deals with healthcare marketing , depending on the scale was developed and standardized by (Kumar et al.,2014)[26]. Cronbach's Alpa coefficient was used to determine the internal consistency and it is refer to a good value of all the items and the value of Cronbach's Alpa was 0.952 in general which insures the reliability of the instrument, as it shown in Table 1.

Table: 1 Reliability Statistics

Variable	*Cronbach's Alpa*	*Variable*	*Cronbach's Alpa*
CUF	*0.834*	*SF*	*0.932*
MAF	*0.820*	*HM*	*0.897*
COF	*0.839*	*All*	*0.952*
TEF	*0.810*		

Normality

The normality test used to deciding use parametric or non-parametric tests, for this purpose Kolmogorov-Smirnov test is used for normality test, and when data is normal distribution, non-parametric statistical tests can be used to analyze and verse versa if distribution is not normal, parametric tests can be used . Results in Table 3 refer to that the data are normally distributed.

Table 2: Normality Test

Variable	*Kolmogorov-Smirnov*			*Shapiro-Wilk*		
	Statistic	*df*	*Sig.*	*Statistic*	*df*	*Sig.*
SF	*0.096*	*171*	*0.060*	*0.935*	*171*	*0.064*
HM	*0.115*	*171*	*0.063*	*0.936*	*171*	*0.057*

Factor Analysis

The questionnaire items of SF for each of dimensions were factor analyzed to establish the dimensions of the responses, as it shown from Table 3 the confirmatory factor analysis exceed 0.5 and refer to that the items relating to each of SF factors loaded onto the anticipated factors.

Table 3: Factor Loadings

Item	*Path*	*Factor*	*Loading*	*Item*	*Path*	*Factor*	*Loading*
CUF 1	<---	*CUF*	*0.647*	*COF 11*	<---	*COF*	*0.786*
CUF 2	<---	*CUF*	*0.741*	*COF 12*	<---	*COF*	*0.835*
CUF 3	<---	*CUF*	*0.726*	*COF 13*	<---	*COF*	*0.635*
CUF 4	<---	*CUF*	*0.766*	*COF 14*	<---	*COF*	*0.758*
CUF 5	<---	*CUF*	*0.676*	*COF 15*	<---	*COF*	*0.575*
MAF 6	<---	*MAF*	*0.703*	*TEF 16*	<---	*TEF*	*0.654*
MAF 7	<---	*MAF*	*0.630*	*TEF 17*	<---	*TEF*	*0.621*
MAF 8	<---	*MAF*	*0.778*	*TEF 18*	<---	*TEF*	*0.705*
MAF 9	<---	*MAF*	*0.716*	*TEF 19*	<---	*TEF*	*0.725*
MAF 10	<---	*MAF*	*0.621*	*TEF 20*	<---	*TEF*	*0.697*

Conceptual Framework

The Conceptual framework developed shall further conceptualize the impact of SF dimensions on HM, and it developed according to the literatures and scales, as it is presented in Figure 2.

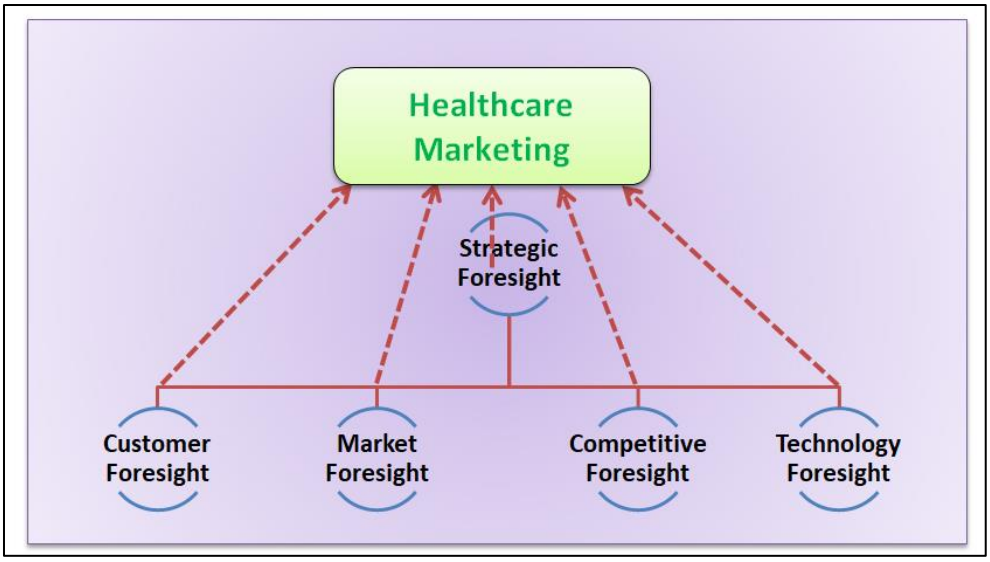

Figure 2: Conceptual Framework

Findings

The results in Table 4 describe the profiles of survey respondents. Most of them are male (74.8%) ,this could be because in education the majority of the medicine colleges were male , the majority of the respondents are old (75.3%).

Table 4 Respondent Profiles

Variables	*Frequency*	*%*
Gender		
Male	*128*	*74.8 %*
female	*43*	*25.1%*
Age		
30 or less	*25*	*14.6%*
31-40	*17*	*9.9%*
41-50	*33*	*19.2%*
51 and above	*96*	*56.1%*

The results of Table 5 show that there is a positive significant relationship between SF and HM ($r=0.795$,$t=17.050$,$P<0.05$) . This result is consistent with (Wayland,2015)[27] study where SF has been considered as a success factor to

improve the performance. Regarding the dimensions the results show that there is a positive significant relationship between CUF and HM (r=0.620 ,t=10.272 ,P<0.05) . This result is consistent with (Jaworski & Kohli,1996)[28] study where CUF has been considered as critical success factor of HM .Moreover , the obtained results point out that there is significant association between MAF and HM (r=0.732 ,t=13.970 ,P<0.05), and this result is compatible with (Rohrbeck,2007)[29] recommendation where it stressed that MAF has a high effect on HM .Regarding COF the results show that there is a positive significant relationship between COF and HM (r=0.691 ,t=12.416 ,P<0.05) . This result is consistent with (Calof & Smith ,2010)[30] study where COF has been considered as critical success factor of HM .Moreover , the obtained results point out that there is significant association between TEF and HM (r=0.685 ,t=12.217 ,P<0.05), and this result is compatible with (Anderson,1997) [31] recommendation where it stressed that TEF has a high effect on HM .

Table 5: Correlation Coefficient Results

IV	*r*	*T*	*sig*	*DV*
SF	*0.795*	*17.050*	*P<0.05*	*HM*
CUF	*0.620*	*10.272*	*P<0.05*	
MAF	*0.732*	*13.970*	*P<0.05*	
COF	*0.691*	*12.416*	*P<0.05*	
TEF	*0.685*	*12.217*	*P<0.05*	

Table 6 results show that SF has a positive impact on HM, SF explains 63.2% of the variance and predict 0.805 increase in HM , the significant level is <0.05 and (F=290.686) , and the regression equation is (HM=0.874+0.805 SF) therefore the results support the hypothesis 1. Regarding the dimensions the results show that there is a positive impact of CUF on HM, CUF explains 38.4% of the variance in

HM and predict 0.591 increase in HM , the significant level is <0.05 and (F=105.509) , and the regression equation is (HM=1.738+0.591 CUF) therefore the result support the hypothesis 2 there is statistically significant impact of CUF on HM. Moreover , the obtained results point out that there is a positive impact of MAF on HM, MAF explains 53.6% of the variance in HM and predict 0.609 increase in HM , the significant level is <0.05 and (F=195.166) , and the regression equation is (HM=1.765+0.609 MAF) therefore the result support the hypothesis 3 : there is statistically significant impact of MAF on HM. Also results refer to positive impact of COF on HM, COF explains 47.7% of the variance in HM and predict 0.583 increase in HM , the significant level is <0.05 and (F=154.155) , and the regression equation is (HM=1.826+0.583 COF), therefore the result support the hypothesis 4 : there is statistically significant impact of COF on HM . Finally, the results show that there is a positive impact of TEF on HM, TEF explains 49.9% of the variance in HM and predict 0.590 increase in HM , the significant level is <0.05 and (F=149.263) , and the regression equation is (HM=1.822+0.590 TEF) therefore the result support the hypothesis 5 there is statistically significant impact of TEF on HM. Accordingly, the results support the study hypothesis and sub hypothesis .

Table 6: Regression Analysis Results

IV	*β0*	*β1*	*R^2*	*Adj-R^2*	*F*	*sig*	*SE*
SF	*0.874*	*0.805*	*0.632*	*0.630*	*290.686*	*0.000*	*0.315*
CUF	*1.738*	*0.591*	*0.384*	*0.381*	*105.509*	*0.000*	*0.408*
MAF	*1.765*	*0.609*	*0.536*	*0.533*	*195.166*	*0.000*	*0.354*
COF	*1.826*	*0.583*	*0.477*	*0.474*	*154.155*	*0.000*	*0.376*
TEF	*1.822*	*0.590*	*0.469*	*0.466*	*149.263*	*0.000*	*0.379*

Discussion and Conclusion

In recent years, the public healthcare sector in Iraq has suffered from the conditions of the war on terror, which have affected the provision of logistical and financial capabilities, Therefore, the private healthcare sector has emerged as a competitive alternative, requiring effective strategic tools [32].

Many studies ensures that it is beyond doubt that there is indeed a need to bridge the knowledge gaps by examining the relation between SF and HM . as such this study aims to identify the relationships that are significant for SF and HM , including the notion of how such this relationship can enhance HM.

Iraq has undergone decades of war and unwavering sanctions from the United Nations. For example, Power failure grids as a result of the Gulf War in the 1990s and a decade of sanctions [33] were among the side effects on the hospitals and water; sanitary installations on which it depends on sufficient electricity supply[34]. Additionally, Long power interruptions that are still common can be extremely damaging, especially during the hot summer months. Many hospitals already have their generators, which would allow them to work for short periods, but would not allow hospitals to sustain prolonged demand from the clients.

Iraq is in the middle of the desert and therefore, traveling for most households and families in search for medical services is a huge challenge. The future of the Iraqi population is heavily dependent on the out of the pocket medical services which is provided by private firms [35]. Therefore having a medical system that is regulated by the government through subsidies and the provision of necessary facility promotes the growth of private sectors. The re-emergence of the medical facilities of Iraq is faced by many challenges among them is inadequate medical personnel [36].

The future of the Iraq medical system and marketing of private firms is positively modified by the factor of technology, competition, and clients. The

donations of equipment from international organizations do little towards the improvement of the dilapidating medical system. Iraqi medical system requires substantial financing both human resources and equipment to match the modern technological needs of the hospital [37]. The country has enough natural resources to convert the war Thorne country into a developed country with modern technological equipment in medical facilities[38]. The entrance of the private firms into the Iraqi medical systems is new beginning and re-awakening of the destroyed medical system. The results indicate that customer and market foresight have a positive impact on the success of healthcare marketing. Paying attention to the customer, providing good service, with a true vision of marketing positively affects the success of healthcare marketing. In addition to employing technology and enhancing competitiveness.

Consequently, It is pretty clear that these tools play a vital role in healthcare marketing and therefore the health institutions should try all means available to invest on these four tools.

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