

Use of Net Promoter Score (NPS) in Hospital Marketing Strategy to Increase Patient Satisfaction and Loyalty

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ABSTRACT

Net Promoter Score (NPS) in healthcare settings is scrutinized for its effectiveness in enhancing patient loyalty and service quality. This review explores its application in hospitals, aiming to elevate service quality, satisfaction levels, patient experience, and loyalty. Utilizing a comprehensive literature search spanning November 2013-2023, it examines NPS in hospital marketing strategies, highlighting its conceptualization and utilization. While NPS integration in hospitals globally is prevalent, criticisms persist regarding its validity and relevance, particularly concerning biases and predictive capabilities for sales growth. Despite its benefits in improving healthcare services, NPS demonstrates limitations in supporting healthcare enhancement initiatives. Its suitability as a tool for measuring satisfaction, predicting loyalty, and assessing patient experience remains uncertain and contingent upon contextual factors and service nature.

INTRODUCTION

In Southeast Asia, the health sector is proliferating due to the rapid growth of the medical tourism sector and organized travel abroad to receive medical care (Alizadeh et al., 2016). Quality of service has become the focus of attention of health institutions due to increased competition. In most hospitals, superior quality is at the core of their business strategy. Quality and care are the main factors that distinguish a health institution (D’Cunha & Suresh, 2015). The challenge for healthcare institutions is to ensure the quality services that customers want and expect at all times (Mosadeghrad, 2014; Wanjau et al., 2012).

In Indonesia, the assumption of superior service with better service quality is why many people seek treatment abroad. In a period of 9 years, the number of Indonesian patients seeking treatment abroad jumped almost 2 times. In 2015, people seeking treatment abroad reportedly reached 600,000 patients. Treatment of critical illnesses such as cancer and heart disease is the type of treatment most sought after by Indonesians abroad (source: katadata.id). According to the results of a study reported by Patients Beyond Borders, Malaysia and Singapore are the main destination countries for patients from Indonesia for treatment. In addition, several Southeast Asian countries, such as Thailand, Singapore, and Malaysia, began to take advantage of these opportunities by working on health tourism. Indonesia is also the largest contributor to the health tourism sector abroad. The average Indonesian spends US\$ 11.5 billion per year to undergo treatment abroad. This is, of course, a big foreign exchange loss for the country, including the non-optimal use of health facilities, especially hospitals in Indonesia. Improve service quality and good hospital performance is needed to reduce the improvement of treatment abroad (Alsharif et al., 2010).

One specific issue is the substantial increase in the number of Indonesian patients seeking treatment abroad, particularly for critical illnesses such as cancer and heart disease. Over a period of nine years, the number of Indonesians seeking treatment overseas nearly doubled, reaching 600,000

patients in 2015. This trend reflects a lack of confidence in the local healthcare system and a perception that superior service and better quality care are available abroad.

Previous research has shed light on the main destination countries for Indonesian patients seeking treatment abroad: Malaysia and Singapore. Additionally, studies have highlighted the significant financial impact of this trend, with Indonesians spending an average of US\$11.5 billion annually on medical treatment abroad. This not only results in a loss of foreign exchange for the country but also signifies the underutilization of local healthcare facilities, particularly hospitals.

In improving service quality so as to improve overall hospital performance, patient satisfaction surveys are needed to improve the hospital environment, patient facilities, and facilities in the context of consumerism (Jiang et al., 2020). Effectiveness is measured based on patient feedback to improve healthcare provider skills and controversial practices (Aryska & Kasmirudin, 2017). Quality of health services refers to the level of perfection of health services in causing satisfaction in each patient. The more perfect the satisfaction, the better the quality of health services. However, relatively good service quality may not necessarily satisfy patients. In general, patients cannot assess technical competence, so they judge the quality of service by non-technical characteristics or interpersonal relationships and service comfort (Supartiningsih, 2017). Patient loyalty combines good clinical quality and good patient satisfaction and experience (Nguyen et al., 2021). The combination of elements between clinical quality and patient satisfaction and experience as a top priority will pave the way for patients to become loyal to the hospital.

Evaluating patient satisfaction and experience feedback is one way for hospitals to improve aspects of service that need improvement and ultimately maintain patient loyalty and increase the number of hospital users. Various instruments have been developed to assess customer satisfaction, experience, and loyalty from various industries, including service industries such as healthcare (Baehre et al., 2022). Previous studies have shown that a simple metric, Net Promoter Score (NPS), is more powerful predictor of growth than more complex and expensive customer satisfaction measurements. These findings have led to the widespread use of NPS by global companies (Baquero, 2022; Fisher & Kordupleski, 2019). Although it does not escape criticism, NPS is widely used because of its simplicity, simple way of implementation, and its potential for industry benchmarking, competition analysis, and internal performance evaluation between products, locations, and over time (Hamilton et al., 2014). As the evidence grows, organizations in the social sector and other sectors, such as healthcare, are now beginning to integrate NPS into their research, testing ways to adapt and use them in the context of nonprofits.

Reichheld introduced the Net Promoter Score (NPS) in the Harvard Business Review in 2003 as an excellent survey-based metric in predicting future sales growth. NPS is based on customer responses to a single question: "How likely are you to recommend [company X] to a friend or coworker?. Therefore, NPS is easy to retrieve and calculate. Reichheld considers NPS a measure of "intensive loyalty" because customers risk their reputation when giving recommendations to friends. Therefore, NPS is considered more powerful than measuring retention rates or repurchase intent because these metrics are not necessarily related to loyalty but rather can be influenced by the convenience or absence of alternative products

NPS-related statements can forecast sales growth as reasonable. For example, if customers spread positivity among their friends, some are expected to try the brand and become customers, which in turn will increase sales. The positive correlation between various customer metrics, such as customer satisfaction, and company performance is well established in the marketing literature. NPS has also been successfully associated with word-of-mouth behavior in studies conducted by Raasens and Haans. Meanwhile, Mecredy et al. show that NPS positively correlates with customer expenses. Intention retention, actual retention and NPS were put forward by Leisen Pollack, Alexandrov, and de Haan et al. All of the indicators described are important elements in the NPS-sales growth chain.

NPS, widely utilized in global healthcare, saw adaptation in the UK's NHS as the 'Family and

Friend Test' (FFT), mandating consumer satisfaction monitoring. However, concerns regarding its validity arise due to potential influences from system and service factors, as noted by Sizmur et al. Additionally, variations in NPS outcomes by condition and intervention highlight the need for cautious comparisons. Gender and age factors also impact NPS. Nonetheless, studies by Osmanski-Zenk et al. and Monu & Sunil validate NPS's adequacy in reflecting service satisfaction. Despite numerous reviews on NPS, discussions specifically addressing patient satisfaction, experience, and loyalty in hospital settings remain scant, essential amidst rapid industry growth and heightened competition. Hence, this review aims to assess NPS's role in hospital marketing strategies and pinpoint its service quality improvement limitations.

METHODS

The scoping review was conducted in accordance with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) Extensions for Scoping Review (ScR) [PRISMA-ScR] reporting standard to summarize literature related to the use of Net Promotor Score / NPS in marketing strategies in hospitals (RS). Literature searches using the PubMed database were conducted from November 2013 to November 2023, using the search terms "Net Promotor Score" OR (OR) "NPS" and NPS domains used as RS marketing strategies. The studies or literature included in this review are neither systematically selected nor a complete detailed review. The study and literature are then discussed through consensus among authors. The results are summarized on the theme of health facility marketing strategy as follows: (i) Definition and use of NPS in marketing in general, (ii) Use and advantages and disadvantages of NPS in health service marketing strategies, especially hospitals.

RESULTS

The use of NPS in healthcare marketing strategies opens up opportunities to measure and improve patient satisfaction as a key customer while building loyalty. The application of NPS is considered to provide an understanding of the level of patient satisfaction with the health services that have been provided. Analysis and grouping of open responses on NPS components enables the identification of areas of improvement, helping healthcare providers understand where quality of care can be improved (Mecredy et al., 2018; Osmanski-Zenk et al., 2023; Prakoeswa et al., 2022). Patients who give high scores tend to be loyal customers, potentially becoming strong references for healthcare services (Prakoeswa et al., 2022). By collecting feedback regularly, healthcare can continually make improvements to meet patient expectations. High NPS was also identified as being able to create a positive reputation, being an effective marketing strategy with positive testimonials attracting new potential patients (Colvin, 2020). This review summarizes and discusses the potential of NPS in healthcare marketing strategies, especially in hospitals, and identifies its limitations in improving service quality.

In this review, of the seven studies deemed appropriate, there was little evidence that NPS was successfully used in improving health services. Three studies show that NPS provides a large amount of information that can improve the quality of care. However, NPS has limited benefits in supporting meaningful healthcare improvement. Therefore, the researchers propose that more specific questions, besides NPS, are needed to gather actionable insights that will help improve services (Krol et al., 2015; Monu & Sunil, 2023; Viitanen, 2021). NPS has been compared to other evaluation methods, such as global ratings, which require patients to provide an overall assessment of their services using the question: 'How are you rating the hospital/clinic?' from 0 ('likelihood of worse hospital') to 10 ('best hospital'). The researchers concluded that global rankings have a stronger relationship with quality indicators and patient experience (as measured by the Consumer Quality Index survey) than NPS (Krol et al., 2015). In addition, the researchers also concluded that NPS may not support the prediction of

safety outcomes, and there are more accurate proactive patient safety measures, including patient measures of safety (PMOS).

Furthermore, the seven studies provided varying views, some demonstrating the benefits of using NPS in evaluating patient experience, particularly in the diversity of patient characteristics. However, related limitations are also not widely discussed, especially in areas with limited choices of health care providers. Several studies highlight that the most beneficial component of NPS is the patient comment section, although some note that patient responses are sometimes too general and lack detail (Marsh et al., 2019). The validity of NPS data is also a concern, with results that can be influenced by system and service factors and variations based on conditions and interventions. Therefore, considering demographic stratification and other characteristics, caution is needed when comparing NPS. Although NPS can be used effectively in some contexts, studies show that it is also necessary to consider more specific questions to gather deeper insights.

CONCLUSION

This review assesses the suitability of NPS in hospital marketing strategies by evaluating patient satisfaction and experience and identifying limitations to its use. Although NPS provides some immediate benefits, such as understanding by a wide range of patients and a large number of responses, staff attitudes towards NPS vary. The review found that NPS may be more appropriate for certain healthcare settings, especially in elective healthcare settings. The use of NPS for health performance comparisons can also be problematic, as external factors and cultural differences influence it. Although often implemented for healthcare improvement, this review shows that NPS has limitations in supporting healthcare improvement or improvement, and the accuracy of its use as a measurement tool for patient experience remains uncertain.

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