

**Study to Understand Customer Satisfaction and Brand
Awareness for Products and Services of AK Pvt. Ltd.,
A Bio-Medical Firm**

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Comments by the Faculty

The Indian healthcare industry was valued at US\$79 billion in 2012 and is expected to reach US\$160 billion by 2017 (Indian health care industry, 2013). The bio-medical devices and equipment industry, valued at US\$2.5 billion, contributes 6% to India's healthcare sector. The need for sophisticated equipment, which can provide accurate treatment to individuals, is constantly on the rise due to the growing number of hospitals and the greater need for healthcare facilities. Amidst all this, there is also the need for companies to understand how to better meet customer requirements.

AK Pvt. Ltd.* (AKPL), for whom this study was carried out, is a bio-medical firm that was founded in 1987 and is one of India's largest blood bag manufacturers. A B2B company, it largely caters to blood banks at hospitals. It has a wide product portfolio comprising of blood bags, blood collection monitors, platelet agitators, deep freezers etc. With increasing competition and ever increasing demand for quality healthcare, AKPL is committed to serve their customers in the most effective way. AKPL wished to understand what their customers felt about them and wanted to learn what more they could do to meet their customers' requirements. Hence, this study was commissioned with the following objectives:

1. To understand the parameters considered by customers to select a vendor
2. To study the effectiveness of customer service and gauge the level of customer satisfaction for AKPL products and services
3. To find the level of awareness for AKPL products and services

The study involved a market research across four districts in Southern Kerala. During the survey, the student had a chance to interact with officials at 30 blood banks and gain first-hand knowledge of the bio-medical industry. This has helped him to suggest to AKPL the approach that they could use to ensure greater customer satisfaction and increase their business. The student has done a good job of applying his learning in class to a real world example and has demonstrated how theory can be put into practice. This study would be useful to the company in deciding on their future plans.

Neetu Ganapathy

(*The name of the company and other details have been masked for reasons of confidentiality.)

Study to Understand Customer Satisfaction and Brand Awareness for Products and Services of AK Pvt. Ltd., a Bio-Medical Firm

Introduction

The global healthcare market, which comprises of hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment, is forecast to reach \$3 trillion by 2015, according to a research from Global Industry Analysts. Spending in the sector continues to climb, partly due to the availability of new drugs, higher health insurance premiums and advanced technology services. Demographic profiles also play an important role in the industry, with demand created by lifestyle-related medical conditions.

The Indian healthcare industry, is expected to reach US\$160 billion by 2017 (Indian health care industry, 2013). The Bio-medical devices and equipment industry contributes only 6% of India's total healthcare sector and is quite wide with more than 14,000 different products types, as per the Global Medical Device Nomenclature (GMDN). The major global players in the bio-medical manufacturing industry are GE Healthcare, Siemens Healthcare, 3M Healthcare. In India, the major players are Wipro bio-medical, Instromedix India Private Limited and BPL Healthcare. In Kerala, where the study was carried out, HLL, Remi, Baxter, Span Healthcare Private Limited and AKPL are the major players in the market.

Via this study, the researcher attempts to find out the customer satisfaction and brand awareness for products and services from AKPL. Based on the research and analysis a few suggestions are put forth which would be useful to AKPL. In this paper, in the next few sections, the author elucidates the research methodology used and presents the findings and recommendations of the study.

Company Profile

AK Pvt. Ltd. (AKPL) is a bio-medical manufacturing company headquartered in Trivandrum, Kerala. It is one of India's largest blood bag manufacturers. The company, which was initiated in 1987, has pioneered the manufacture of blood bags in India and successfully launched a range of medical electronic products required for blood transfusion centres. It is a B2B company (business to business) and it caters to blood banks.

The company has a wide product portfolio consisting of blood bags, donor couches, blood collection monitors, portable tube sealers, platelet agitators, deep freezers and apheresis equipments to meet the requirements of the customer. Continuous medical education (CME) is a strategy adopted by AKPL to generate brand awareness and knowledge about the new innovations in the industry and help those in the medical field maintain competence and learn about new and developing areas in their field.

Methodology Adopted

For the purpose of this study, a survey was conducted at thirty blood banks who were selected using the convenience sampling technique. These blood banks are in southern Kerala mainly in four districts namely Trivandrum, Cochin, Kollam and Kottayam and many other smaller towns. The objective here was to limit the number of blood banks and try to obtain quality and in depth information from the individual blood banks.

Since the respondents were blood bank officers/lab technicians, focussed individual interviews (V.kumar, 2012) were conducted. A mix of both quantitate and qualitative methods were adopted for data collection. For this purpose a questionnaire was designed based on the research objectives. The questionnaire contained questions, which for the purpose of the analysis have been divided into 3 parts, which represent different dimensions of the study, as shown below:

- Part 1: Customer expectations and Customer satisfaction.
- Part 2: Effectiveness of customer service quality.
- Part 3: Brand loyalty & Brand Awareness.

The data thus collected was analyzed using Microsoft[®] Excel.

Findings

The major findings from the research are described below in detail.

Most Important Parameter for Vendor Selection

The respondents were asked what parameters they considered the most important for vendor selection. The responses are shown in the bar chart below:

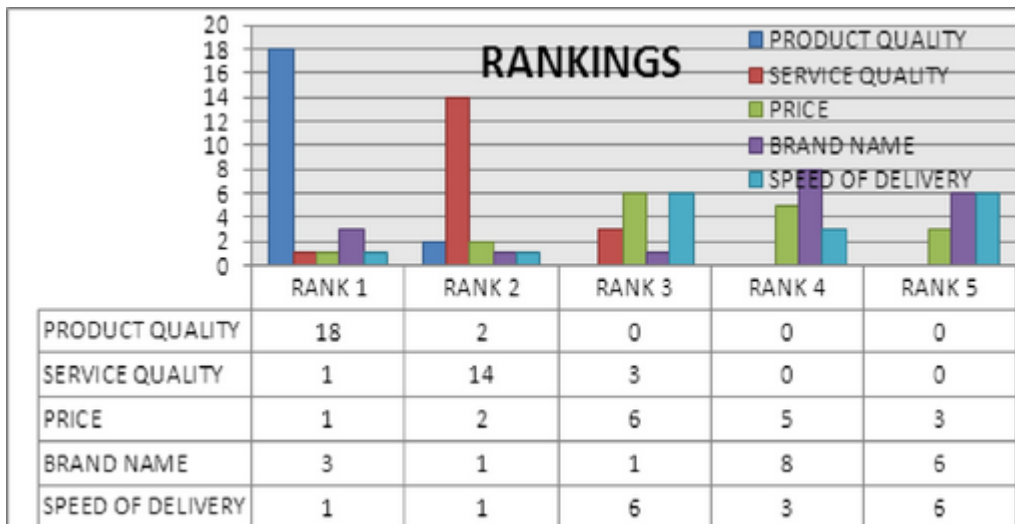


Figure 1: Parameters for vendor selection

Inference

- Product quality was considered the most important parameter for vendor selection by majority of blood banks followed by Service quality. It was difficult to categorize price, brand name and speed of delivery as all of them were given equal importance.
- This clearly indicates that product and service quality and not the brand dictate the selection of the vendor.

Customer Satisfaction

The satisfaction levels of customers were evaluated using the following three parameters:

1. How blood banks rated AKPL compared to other brands.
2. Individual product rating on attributes such as quality, design, features and ease of use.
3. Overall satisfaction levels.

Comparison with Other Brands

The respondents were asked how they rated AKPL compared to other brands in the market and the responses are shown below using a pie chart.

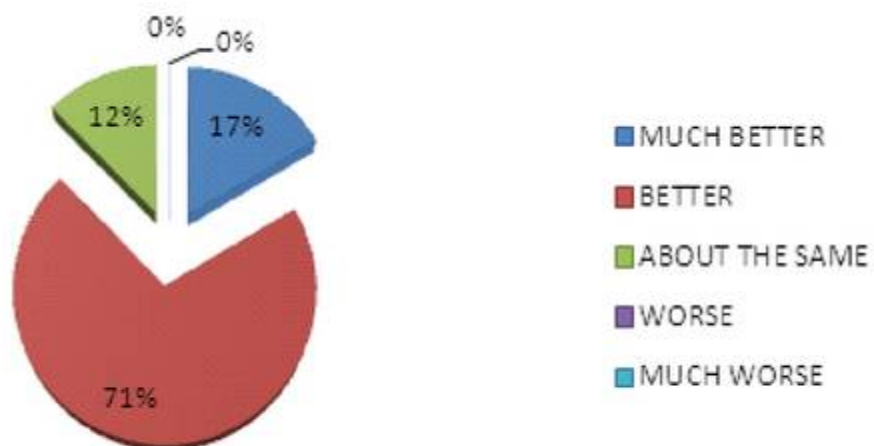


Figure 2: Comparison With Other Brands

Inference

- AKPL products and services were felt to be **much better** than others by 17% of the respondents, while 71% of the respondents stated AKPL products and services to be **better** than others.
- Nearly 12% of the respondents stated that they are same as other brands.

There is low brand satisfaction and trust here. AKPL is not considered to be much better than other brands.

Individual Product Rating

Respondents were asked to rate products of AKPL on a scale of 1 to 5, (5 being the best) on attributes such as quality, design, ease of use and features. This was done to understand the satisfaction levels of customers on various product attributes and to determine whether there is lack of satisfaction on any products or on specific attributes of the products. The response of customers towards individual products is represented in a line graph shown in figure 3.

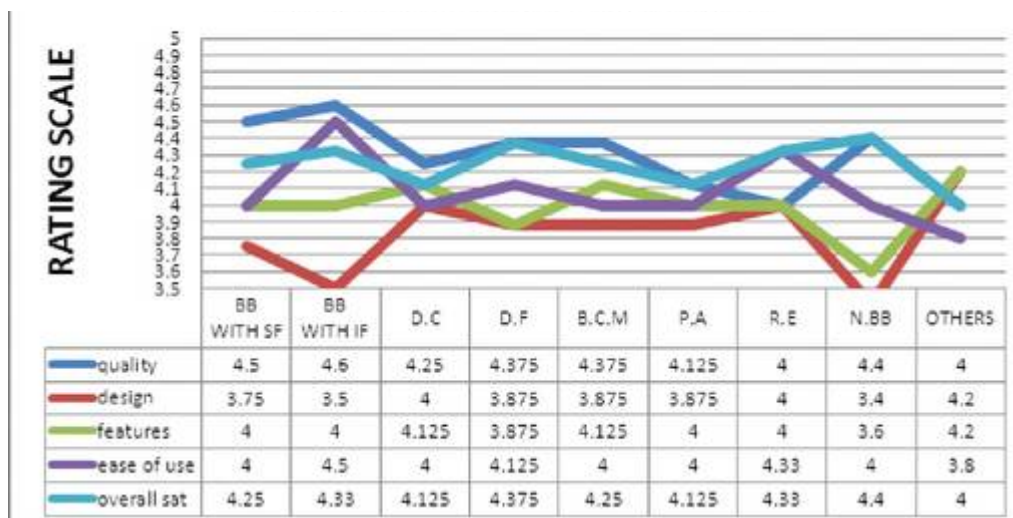


Figure 3: Individual product rating

Abbreviations

BB WITH SF- Blood bags with safety features; BB WITH IF=Blood bag with inline filters; D.C= Donor couch; D.F=Deep freezer; B.C.M=Blood collection monitor; P.A=Platelet agitator; R.E=Refrigerator; N.BB=Normal blood bag

Rating Scale

SCORE of LESS THAN 3.5=LOW SATISFACTION. SCORE 3.5-4.0=MEDIUM SATISFACTION SCORE 4-4.5=HIGH SATISFACTION; SCORE 4.5-5.0= VERY HIGH SATISFACTION.

Table 1:
Satisfaction Levels of Individual Products

PRODUCTS	QUALITY	DESIGN	FEATURES	EASE OF USE	Overall
BB WITH SF	Very high satisfaction	Medium satisfaction	High satisfaction	High satisfaction	High satisfaction
BB WITH IF	Very high satisfaction	Medium satisfaction	High satisfaction	High satisfaction	High satisfaction
D.C	High satisfaction	High satisfaction	High s satisfaction	High atisfaction	High satisfaction
D.F	High satisfaction	Medium satisfaction	Medium satisfaction	High satisfaction	High satisfaction
B.C.M	High satisfaction	Medium satisfaction	High satisfaction	High satisfaction	High satisfaction
PA	High satisfaction	Medium satisfaction	High satisfaction	High satisfaction	High satisfaction
R.E	High satisfaction	High satisfaction	High satisfaction	High satisfaction	High satisfaction
N.BB	High satisfaction	Low satisfaction	Medium satisfaction	High satisfaction	High satisfaction

From the line graph and the rating scale, inferences can be drawn on the satisfaction levels of customers towards each of the products of AKPL which is described in table 1 above.

Inferences

- Most of the products have high levels of customer satisfaction.
- Quality wise, blood bags with safety features have very high customer satisfaction levels.
- In various blood banks, normal blood bags had various problems due to design issues which have led to low satisfaction level in that aspect.
- In all the products rated, quality received the greatest rating across all products which further backed the company's policy of providing premium quality products.

Overall Satisfaction

The overall satisfaction levels of customers towards AKPL is shown in the pie chart below. Thus, it is clear that customers are well satisfied with the products and services of AKPL.



Figure 4: Overall satisfaction

Customer Service Quality

Customer service quality was evaluated based on four major parameters and also on the overall satisfaction rating as shown below:

1. Swiftness in delivering the agreed material.
2. Knowledge level of customer service representatives.
3. Attitude and behaviour of customer service representatives.
4. Training on how to use the equipment and its maintenance.
5. Service quality.

The results are displayed below:

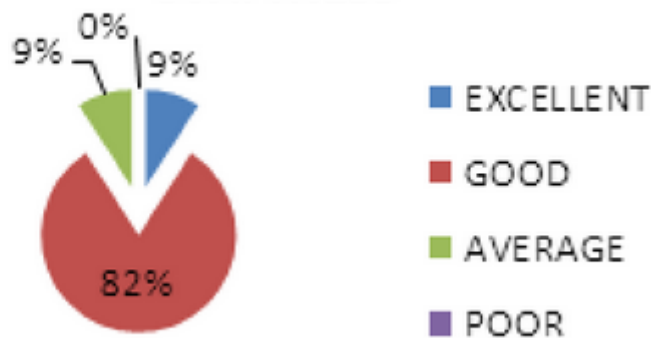


Figure 5: Swiftness in delivering the agreed material

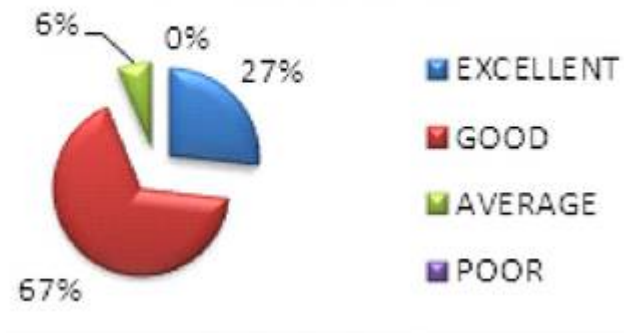


Figure 6: Knowledge level of service staff

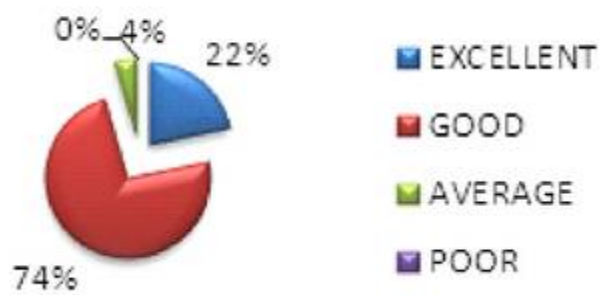


Figure 7: Attitude and behaviour of customer service staff

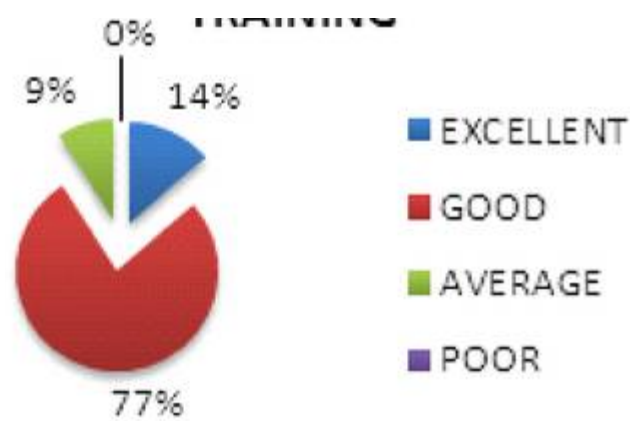


Figure 8: Training quality

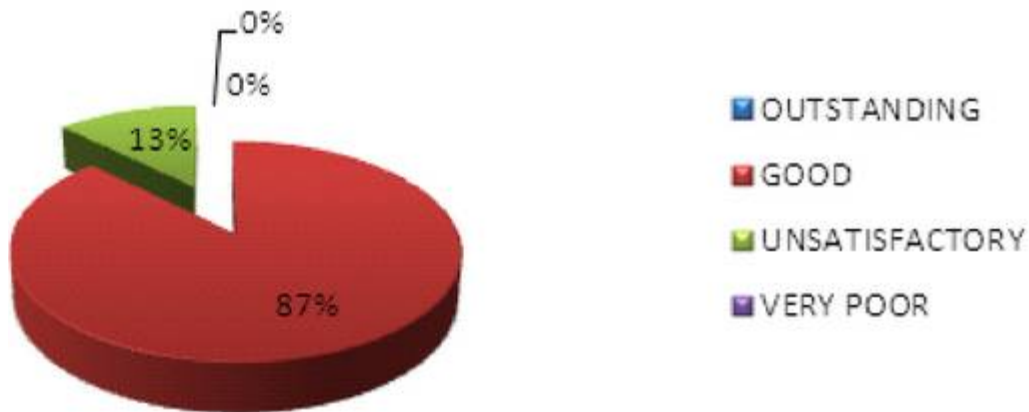


Figure 9: Service quality

Inference

- Swiftiness in delivering the agreed material, knowledge level of customer service representatives, attitude and behaviour and the quality of training provided gave a clear picture of the effectiveness of the customer service. There were no responses stating poor satisfaction in any of the parameters mentioned.
- There were some complaints regarding customer service representative’s attitude and their lack of commitment.
- Customer service quality was rated by 87% of the respondents as good.
- No one rated customer service as outstanding, which is a bit of concern.
- Thirteen percent stated that customer service quality was unsatisfactory.

Brand Loyalty

Brand loyalty is the extent of faithfulness of customers to a brand experienced through repeat purchases, irrespective of the marketing pressure generated by the competing brands. Brand loyalty was evaluated using two major parameters namely:

- Customers who have shifted to other brands.
- Future buying behaviour.

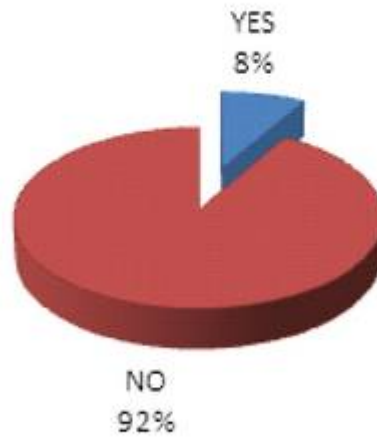


Figure 10: Customers shifted to other brands

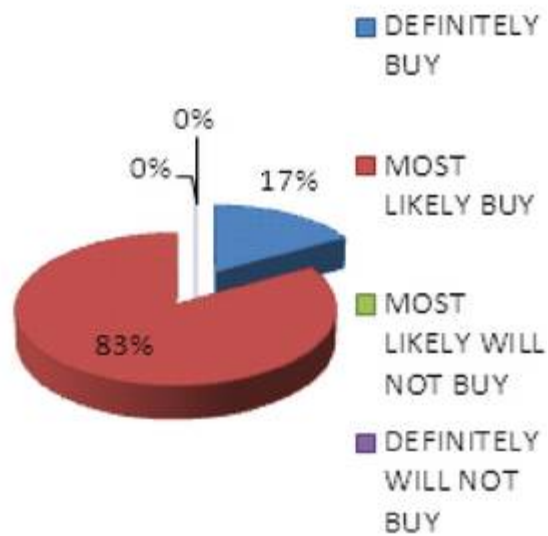


Figure 11: Future buying behaviour

Inference

- Almost 92 % of the blood banks surveyed haven't shifted from AKPL products till date. This 92% comprises of hard core loyals and split loyals. (Hard core loyals are those who buy the particular brand always, split loyals are those who are loyal to 2 or more brands)

- Two blood banks have shifted due to price, quality and availability issues. They can be categorised as shifting loyals. (Kotler, 2012)
- Aim of the company should be to reduce shifting loyals to nil in the near future. This can only be achieved by continuous improvement in all aspects of business and an efficient C.R.M. system.
- Nearly 17% of customers said that they will definitely buy products from AKPL in the near future and almost 83% of customers said that they will most likely buy their products in the near future. No respondents were of the opinion that they will not buy AKPL products in the near future.
- An important point to note here is that this is a kind of business where there is less repeat purchases because the products are long term purchases so it is imperative to provide top quality awareness, quality and services to create a strong brand image so that customer will ask for products of AKPL.

Brand Awareness

Brand awareness was evaluated using the following parameters:

- Product awareness levels
- Awareness medium

Product Awareness Levels and Awareness Medium

AKPL offers a variety of medical electronic equipments but there was no information regarding the awareness levels of customers towards these products. Awareness levels of customers towards AKPL products and the medium of awareness was studied and 24 useful responses were obtained. The results are shown below.

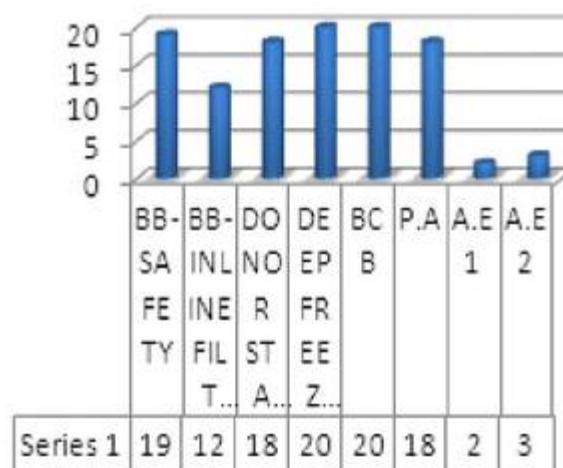


Figure 12: Product awareness

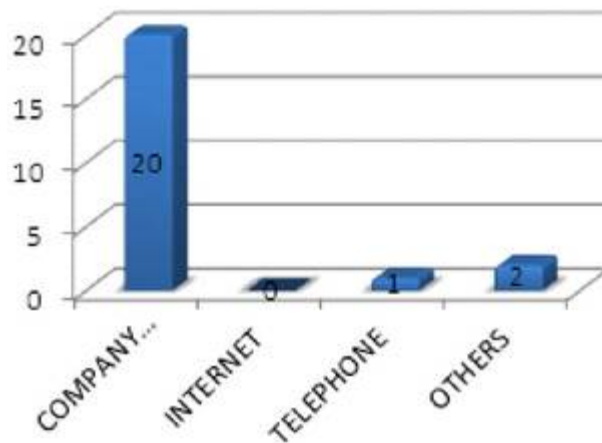


Figure 13: Awareness medium

Inference

- The most important finding is the very low awareness levels for apheresis equipment 1 and 2. Less than 10 % were aware of Apheresis equipment 1 and around 12 % were aware of Apheresis equipment 2. This shows very low awareness levels.
- Most of the respondents were not aware of blood bags with inline filters.
- Most of the blood banks came to know about the company through communication with the company staff in person.
- Very low percentage of respondents came to know about the company through telephone and other sources indicating the lack of appropriate measures for publicity.

Continuous Medical Education (CME) Programs

Through the course of the research CME effectiveness was also studied. The responses are shown below using a pie chart.



Figure 14: Need for improved CME

Majority of blood banks officers reported that AKPL should conduct CME programs at least once in 3 or 4 months for them to be in sync with the latest innovations in medical field and also be aware about new products in bio-medical industry. They also wanted CME programs to be conducted at more frequent intervals.

Recommendations

Based on the study, the following recommendations were made to AKPL. Specific recommendations from individual blood banks were conveyed to the company separately. These are the general recommendations based on the overall study.

Improve Brand Visibility and Product Awareness

- AKPL should conduct their own CMEs. This will help them to improve their brand visibility. Presently they are just sponsoring CME programs.
- Training programs have to be conducted for blood bank technicians and staff on various topics, mainly apheresis and other latest topics in this area.
- Immediate awareness programs for apheresis equipments such as A.E 1 and A.E 2 should be considered.
- The company needs to conduct product exhibitions to increase awareness about company's new products. This can also be a platform to disseminate information on latest technology innovations in the field of medical science.
- Create a very good social media presence. Social media sites such as Facebook and Twitter should be used to a greater degree. Create customer interaction forums and complaint forums to better connect with your customers.
- Organize more voluntary blood donation campaigns regularly and use more creative and thought provoking posters.

Improve Customer Service Quality

There was some sense of complacency at AKPL regarding customer service. This may affect the brand very badly. It is necessary to be proactive and stay ahead of competition. For this, it is important to serve customers better. Some steps they could take are:

- Establish an environment where great service is recognized and rewarded and poor service is challenged and rectified.
- Be in contact with the customers more often through telephone calls, emails or personal meetings.
- Have weekly fun staff meetings where good service elements are discussed.
- Create a customer focus group. Meet ten to twenty most loyal customers regularly. They will give ideas and input on how to improve customer service.

- Conduct customer satisfaction surveys once in 6 months on a broader and wider scale than being conducted at present.
- Make it easy for customers to contact AKPL. Offer as many contact methods as possible. Allow customers to contact the company by e-mail which can be provided as a hyperlink. This will not require customers to type it as they could go wrong with that.
- Visit customers once in six months. Most of the blood banks reported that AKPL officials had neither visited the blood banks nor communicated in any other way with them for the last 2 years.
- Choose an efficient C.R.M (customer relationship management) vendor and implement CRM software for managing customers in the most efficient way. This will allow AKPL to understand each customer and their needs better and thus serve them.

Conclusion

Quality of healthcare in India has always been below par compared to other major countries. India has named this decade (2010-2020) as innovation decade and a national council for innovation has also been established. But the disappointing fact is that healthcare sector is one of the least innovative sectors in the country. Non-consumers of healthcare in India are close to 90% (Govindarajan, 2013) and to find a solution to this problem our country needs breakthrough strategies in the field of healthcare. Slowly but steadily the industry is growing with impetus from government schemes and FDI inflows which will spur R&D and manufacturing innovations, in turn increasing efficiency and effectiveness of medical electronic products. This also means entry of new players in the industry which may create strong competition for AKPL.

In light of the above, AKPL should be proactive in their approach and decision making. They should not rest on their laurels and any laid-back approach will affect their business. Continuous improvement efforts to improve products, processes and services are of paramount importance to retain their position in the market space as one of the strongest players in the bio-medical manufacturing segment. AKPL has a major contribution to make in the healthcare industry and can truly crack the innovation code in this sector.

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