

Dissertation training

At

Aakash Healthcare

Delhi

On

PRICE POSITIONING OF OBS. & GYNAE DEPT. IN AN UPCOMING HOSPITAL IN  
DWARKA REGION

By

Dr. Jigisha Chawla

PG/15/036

Under the guidance of

Dr. Sumesh Kumar

Post Graduate Diploma in Hospital and Health Management

2015-17



**International Institute of Health Management Research**  
**New Delhi**

The certificate is awarded to

**Dr. Jigisha Chawla**

in recognition of having successfully completed her Internship in the department  
of OPERATIONS

**Aakash Healthcare Private Ltd.**  
and has successfully completed her Project on

**To devise price positioning strategy for Obstetrics and Gynaecology  
department of an upcoming 250 bedded super Speciality hospital in  
Dwarka region.**

**1<sup>st</sup> May, 2017**

**Dwarka, New Delhi**

She comes across as a committed, sincere & diligent person who has a strong drive  
& zeal for learning

We wish her all the best for future endeavors

Training & Development

  
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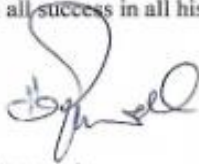
**TO WHOMSOEVER IT MAY CONCERN**

This is to certify that Dr. Jigisha Chawla student of Post Graduate Diploma in Hospital and Health Management (PGDHM) from International Institute of Health Management Research, New Delhi has undergone internship training at **Aakash Healthcare Private Ltd., Dwarka, New Delhi** from 20/1/2017 to 1/5/2017.

The Candidate has successfully carried out the study designated to him during internship training and his approach to the study has been sincere, scientific and analytical.

The Internship is in fulfillment of the course requirements.

I wish him all success in all his future endeavors.



**Dr. A.K. Agarwal**

Dean, Academics and Student Affairs  
IIHMR, New Delhi



**Dr. Sumesh**  
**Assistant professor**

IIHMR, New Delhi

### Certificate of Approval

The following dissertation titled 'To devise price positioning strategy for Obstetrics and Gynaecology department of an upcoming 230 bedded super speciality hospital in Dwarka region.' is hereby approved as a certified study in management carried out and presented in a manner satisfactorily to warrant its acceptance as a prerequisite for the award of **Post Graduate Diploma in Health and Hospital Management** for which it has been submitted. It is understood that by this approval the undersigned do not necessarily endorse or approve any statement made, opinion expressed or conclusion drawn therein but approve the dissertation only for the purpose it is submitted.

Dissertation Examination Committee for evaluation of dissertation.

Name

Dr. Suresh Kumar

Dr. Pankaj Talreja


Dr. Shyama Nayyar

Signature

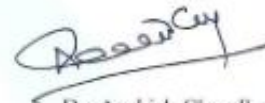
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**Certificate from Dissertation Advisory Committee**

This is to certify that **Dr. Jigisha Chawla** a graduate student of the **Post- Graduate Diploma in Health and Hospital Management** has worked under our guidance and supervision. She is submitting this dissertation titled 'To devise price positioning strategy for Obstetrics and Gynaecology department of an upcoming 250 bedded super Speciality hospital in Dwarka region.' in partial fulfillment of the requirements for the award of the **Post-Graduate Diploma in Health and Hospital Management**. This dissertation has the requisite standard and to the best of our knowledge no part of it has been reproduced from any other dissertation, monograph, report or book.



Dr. Sumesh  
Assistant Professor  
IIHMR, New Delhi



Dr. Aashish Chaudhry  
Managing Director  
Aakash Healthcare Private Ltd.

INTERNATIONAL INSTITUTE OF HEALTH MANAGEMENT RESEARCH,  
NEW DELHI

CERTIFICATE BY SCHOLAR

This is to certify that the dissertation titled 'To devise price positioning strategy for Obstetrics and Gynaecology department of an upcoming 230 bedded super Speciality hospital in Dwarka region,' has been submitted by Dr. Jigisha Chawla, Enrollment No PG/15/036 under the supervision of Dr. Sumesh Kumar for award of Postgraduate Diploma in Hospital and Health Management of the Institute carried out during the period from 20/1/2017 to 1/5/2017 embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other Institute or other similar institution of higher learning.



Signature

## FEEDBACK FORM

Name of the Student: Dr. Jigisha Chawla

Dissertation Organization: Aakash Healthcare Pvt Ltd.

Area of Dissertation: To devise price positioning strategy for Obstetrics and Gynaecology department of an upcoming 250 bedded super Speciality hospital in Dwarka region.

Attendance: 100%

Objectives achieved: I am having 6 trainees in my deptt; She is one of the best out of six always ready to take challenge & come with new ideas.

Deliverables: !- Ready to deliver task on time never letting down her seniors.

Strengths: very good listener, ready to learn new things.

Suggestions for Improvement: very introverts should be come up with these problems.

Suggestions for Institute (course curriculum, industry interaction, placement, alumni):

  
Signature of the Organization Mentor  
Aakash Healthcare Pvt. Ltd

Date: 30/5/17

Place: Aakash Healthcare

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A dissertation is a golden opportunity for learning and self development. I consider myself fortunate for having been provided with an opportunity to undergo my dissertation at Aakash Healthcare, Dwarka, New Delhi

I wish to express my deep gratitude and regards to Dr. Ashish Chaudhary (Managing director). I would also like to express my sincere gratitude to Dr. Aishwarya Bakshi (AGM Operations) for their continuous guidance. I would also like to thank Mr. Kanishak Gautam (Dy. Operations) who in-spite of being busy with their duties, took time to hear and guide me helpful advice, constructive comments throughout the project. Their valuable inputs made these projects possible.

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Thanking You

Jigisha Chawla

IIHMR, Delhi



## **DECLARATION**

I, Dr Jigisha Chawla, student of International Institute of Health Management Research, New Delhi, hereby declare that I have completed my project titled Price Positioning of Obs. and Gaynae Dept. In An Upcoming Hospital In Dwarka Region from February to April 2017. The information submitted herein is entirely true and original work.

The projects were undertaken and carried out by me, under the guidance of Dr. Sumesh, IIHMR Delhi, and it has not been submitted to any other university or institute or published earlier.

Place- New Delhi

Date- 15/4/2016

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## **ABBREVIATIONS**

S.NO.	ACROYNM	FULL FORM
1.	Obs.	Obstetrics
2.	Gynae.	Gynaecology
3.	SOC	Schedule of Charges
4.	LAP	Laparoscopy
5.	DIAG	Diagnostic
6.	LAVH	Laparoscopically Assisted Vaginal Hysterectomy
7.	I&D	Incision & Drainage
8.	HYSTERO.	Hysterectomy
9.	VAG	Vaginal
10.	RVF	Rectovaginal Fistula
11.	CPT	Complete Perineal Tear
12.	LEEP	Loop electrosurgical excision procedure
13.	LLETZ	Large Loop Excision of the Transformation Zone
14.	D & C	Drainage and Curettage
15.	TAH	Total Abdominal Hysterectomy
16.	GA	General Anaesthesia
17.	U/L	Unilateral
18.	B/L	Bilateral
19.	IUCD	Intrauterine Contraceptive Device

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# **Section 1**

## **Organizational Profile**

## **About the organization:**

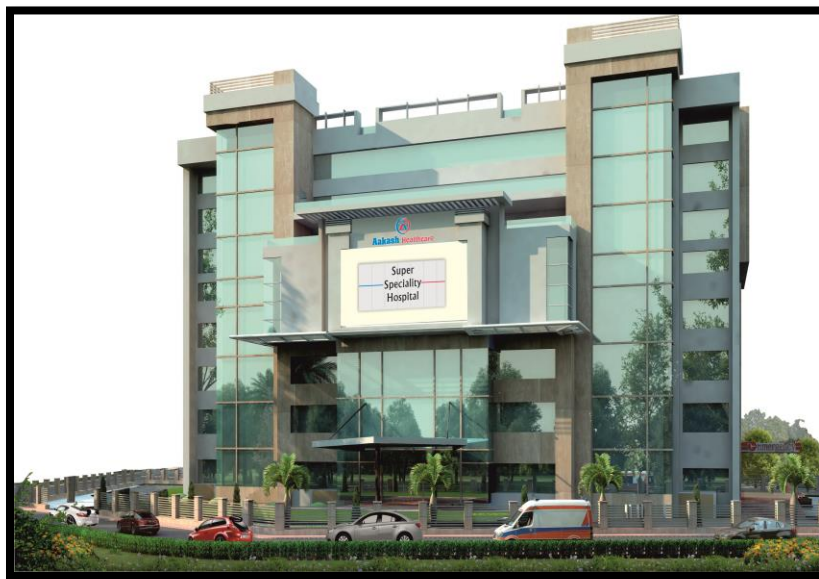
### **About Aakash Group-**

This group was started by Mr. J.C. Chaudhry in 1988 by the name Aakash Educational Services Limited with 12 students. Today after 28 years of perseverance and excellence, Aakash is a household brand, with more than 150 centers across the country, training more than 125,000 students every year, turning them into accomplished medical and engineering professionals. This group has been recognized by various awards such as Aakash Institute - World's Greatest Brand 2015-16

## **Organization Profile**

### **Aakash Healthcare**

Aakash Healthcare is a Private Limited Company (AHPL). It was incorporated on 19<sup>th</sup> November, 2013, and is a subsidiary of the prestigious Aakash Group (AESPL), and is a state of the art healthcare facility and the first smart hospital in South – West Delhi. Our patient-centric policy, erudite doctors and compassionate staff offer the best in class healthcare. Aakash Healthcare is furnished with 230 beds in 1<sup>st</sup> phase, 8 State of the art Operating Rooms, 70 bedded Medical and Surgical Critical Care unit, specialized dialysis unit, 24 hours Cardiac Emergency & Trauma Service. The boards of directors are Mr. J C Chaudhry, Mrs. Kamla Chaudhry and Dr. Aashish Chaudhry.



**Figure 1: Aakash Healthcare**

### **Chairman-**

Mr. J.C. Chaudhry is the founder and MD of Aakash Institute & chairman of Aakash Healthcare Pvt. Ltd. He has been recognized with various awards such :-

- Dr. Radhakrishnan President's Award (2002)
- 'Hall of Fame 2014 (2014)
- The World's Greatest Leader 2015-16
- Asia One Person of the Year: 2015–16

### **Managing Director**

Dr. Aashish Chaudhry the founder and Managing Director of Aakash Healthcare is a celebrated orthopaedic surgeon, having performed innumerable successful orthopaedic surgeries, giving agility and the ease of movement to the incapacitated. Dr. Chaudhry aims to make Aakash Healthcare 'the healthcare destination' for all your health concerns

### **Vision:-**

To become the most desired healthcare brand by providing compassionate, caring and world class services with the help of talented team of doctors, professionals and latest technology

### **Mission:-**

To achieve highest patient satisfaction index by delivering patient centric, best healthcare services amongst the local and extended community.

**Core Values:- I-CARE**

1. I- Integrity
2. C- Compassion
3. A- Accountability
4. R- Respect
5. E- Excellence

**Scope of Services****Key Specialties-**

1. Orthopaedics & Joint Replacement
2. Cardiology & Cardiac Surgery
3. Mother & Child
4. General & Minimal Access Surgery
5. Ophthalmology & Refractive Surgery
6. Nephrology

**Other Specialties:-**

1. Internal Medicine
2. Dermatology
3. Gastroenterology & Hepatobiliary Sciences
4. Physiotherapy & Rehabilitation
5. Mental Health & Behavioral Sciences
6. Rheumatology
7. Urology
8. Cosmetology & Plastic Surgery
9. Lab Medicine
10. Hearing and Speech
11. Obstetrics
12. Pulmonology & Respiratory Medicine
13. ER & Trauma
14. Endocrinology/Diabetes & Metabolic Disorders
15. Dental Sciences
16. Interventional Radiology
17. Neurosurgery



18. Neurology
19. Surgical Oncology
20. Medical Oncology
21. Gynaecology
22. Radiology
23. ENT
24. Blood Bank & Transfusion Medicine
25. Anesthesiology & Pain Management
26. Critical Care
27. G I Surgery
28. Preventive Health Check Up

### **INFRASTRUCTURE DETAILS:-**

- 230 bedded tertiary care facility
- 8 state-of-the-art Operating Rooms
- 70 Medical and Surgical Critical Care beds
- Flat panel Cath Lab
- 15 Bedded Dialysis Unit

## **Section 2**

### **Dissertation Report**

**DISSERTATION TRAINING**

**AT**

**AAKASH HEALTHCARE**

**PRICE POSITIONING OF OBS. & GAYNAE DEPT. IN AN UPCOMING  
HOSPITAL IN DWARKA REGION**

**A REPORT**

**BY:-**

**DR. JIGISHA CHAWLA**

**Enroll No- PG/ 15/036**

**Under the guidance of**

**Dr. SUMESH**

**POST-GRADUATE DIPLOMA IN HOSPITAL AND HEALTH  
MANAGEMENT**

**(2015-2017)**



**INTERNATIONAL INSTITUTE OF HEALTH MANAGEMENT  
AND RESEARCH, NEW DELHI SEARCH**

## **Background**

### **Price & Pricing**

Price is the quantity of payment or compensation given by one party to another in return for goods and services. It is the amount of money you want for each product unit. Whereas, pricing is the process you need to go through to figure out what price to attach to each unit. Pricing, therefore, is a strategic process that you must learn, and use, for business success.

### **Pricing Strategy-**

It can be defined as activities aimed at finding a products/ service's optimum price, typically including overall marketing objectives, consumer demand, product attributes, competitor's pricing and market and economic trends. It also refers to the method companies use to price their products or services. Almost all companies, large or small, base the price of their products and services on production, labor and advertising expenses and then add on a certain percentage so they can make a profit. A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. It can also be defined as pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. In setting prices, the business will take into account the price at which it could acquire the goods, the manufacturing cost, the market place, competition, market condition, brand, and quality of product. There are several different pricing strategies, such as penetration pricing, price skimming, competitive pricing etc.

In terms of healthcare industry, it can be defined as the expenses incurred by a healthcare provider in providing care. In today's scenario, there are various pricing strategies used by the healthcare providers such as-

- **Mark Up Pricing-** It is defined as the practice of adding a constant percentage to the cost of an item to arrive at its selling price. It is one of the most elementary method of pricing in which a standard mark –up is added to the product's cost. It can be calculated as-

$$\text{Mark up pricing} = \text{Unit Cost} / (1 - \text{desired return on sales})$$

- **Rate of Return Pricing-** Rate of return pricing is a method by which a company fixes the price of the services in such a way that it ultimately helps organizations in achieving the ultimate goal or return on the capital employed. This is a common practice, but can only be effective in cases or products which have very little competition.
- **Cost Plus Pricing-**

It is a method of pricing goods or services, which is based on the total cost plus a percentage mark-up which is the profit for the producer. This can encourage producers to keep costs high, because their total profit will be higher. It is a cost-based method for setting the prices of goods and services. Under this approach, the direct material cost, direct labor cost, and overhead costs for a product are added up and added to a markup percentage (to create a profit margin) in order to derive the price of the product.

- Perceived Value Pricing- The valuation of goods or services according to how much customers are willing to pay for it, rather than upon its production and delivery costs. Using a perceived value technique might be somewhat arbitrary, but it can be greatly assist in the effective marketing of a product since it sets product pricing in line with its perceived value by potential buyers. In this method the pricing of a service is based on the value, the service has to provide to its customer and not on its costs of production or any other factor. This pricing strategy is frequently used where the value to the customer is many times the cost of producing the item or service. It is also known as perceived-value pricing. This is a key concept for a relatively new product within the market, because without the correct price, there would be no sale. Having an overly high price for an average product would have negative effects on the business as the consumer would not buy the product. Having a low price on a luxury product would also have a negative impact on the business as in the long run the business would not be profitable. This can be seen as a positive for the consumer as they are not paying extreme prices for luxury services.
- Competitive Pricing- A price lower than that offered by the competitors, or a price made more attractive because of added incentives, such as longer payment terms
- It is setting the price of a product or service based on what the competition is charging. This pricing method is used more often by businesses selling similar products, since services can vary from business to business, while the attributes of a product remain similar.
- Penetration pricing- A strategy adopted for quickly achieving a high volume of sales and deep market penetration of a new product. Under this approach, a product is widely promoted and its introductory price is kept comparatively low. Penetration pricing refers to a marketing strategy used by to attract customers to a new product or service. Penetration pricing is the practice of offering a low price for a new product or service during its initial offering in order to lure customers away from competitors. This marketing strategy relies on the idea that low prices can help make a customer aware of and more willing to buy a new product or services.

**Obstetrics and Gynaecology-** Gynaecology and obstetrics are the studies of female reproductive system. Gynaecology normally means treating women who aren't pregnant, while obstetrics deals with pregnant women and their unborn child.

In today's scenario there are approximately 2088(<http://www.fogsi.org/delhi-society/>) gynocologists & obsteretics doctors in Delhi whereas the birth rate is about 20.98 with an annual growth rate of 1.92(census-2011) which is comparatively much higher than the numbers of doctor's in Delhi. Therefore due to less number of doctors, price of these services are increasing at a faster pace.

## **Review of Literature:-**

Pricing is one of the most important decision the health care providers have to take in order to provide affordable healthcare services to the patients as well as to surviving today's competition based market.

- In a Study conducted by Aarti Sachdeva, Rinku Sen Gupta Dhar, Jitender Nagpal, Swati Sinha, V.L. Bhargava and Abhishek Bhartia on 'Direct Cost of Maternity-care Services in South Delhi: A Community Survey' indicated that the expenses bearded by the low income group for obs. and gynae treatment are as high as approximately 10% of their annual family income at government facility and approximately 26% at private hospitals. This study indicates that the direct maternity expenses are higher for a large subsection of population <sup>1</sup>
- The result of the paper published by Patrick A. Rivers and Saundra H. Glover on "Health care competition, strategic mission, and patient satisfaction: research model and propositions." Indicates the formation of an empirical model that can be used to address the complex issues of competition in health care industry and how they relate to patient satisfaction.<sup>2</sup>
- A report prepared by National Academy of Social Insurance (NASI) on Pricing Power in Health Care Markets- "Addressing Pricing Power in Health Care Markets: Principles and Policy Options to Strengthen and Shape Markets." indicates that public sector sets prices administratively whereas the private sector relies on market based pricing strategy. This study also indicates the shifting of negotiation power from private purchasers to healthcare providers over the last 20 years.<sup>3</sup>
- In a research study conducted by Zack Cooper, Stuart Craig, Martin Gaynor, John Van Reenen- "The Price Ain't Right? Hospital Prices and Health Spending on the Privately Insured\*"stated that there was substantial variation in the spending of privately insured patients in USA, and also stated that hospital marketing structure is one of the most important factor associated with higher prices even after controlling the costs and clinical quality. They also concluded that hospitals located in monopoly markets have prices that are about 15.3 percent higher than hospitals located in markets with four or more providers.<sup>4</sup>
- In an article written by Dharmesh, Motwani1, Vijay, Shrimali On "Service Marketing Mix Of Indian Hospitals: A Critical Review" states that on today's scenario tha according to RNCOS Industry Research Solutions, the country needs to cover the cumulative deficit of around 3 million hospital beds to match up with the global average of 3 beds per 1000 population\*\*. This scenario has given rise to Hospital service marketing which is a

specialized field that deals with connecting patients, physicians, and hospitals in mutual relationships. They stated that the service marketing mix is of great importance in today's Hospital Industry and with its growing importance the healthcare providers are increasingly becoming marketing oriented. In hospital service price transparency, placing hospital services at convenient location of patients, behavior of medical staff, tangibility and process through technology all plays a critical role in differentiating their services from the competitors.<sup>5</sup>



### **Problem Statement:-**

Price positioning is a critical activity during the launch of any product or service because of a very simple reason that it helps the customer relate with the product on various levels. It defines the market segment it caters to, It specifies the client base it targets, so on and so forth.

Price positioning is a relatively uphill task if the product is new or the market is virgin. For an existing product/ service, all that needs to be taken care of is the competitor segment, their offerings and their respective price positioning.

Here, we are in the process of launching a 230 bedded facility, price positioning for its Obs & Gynae department has to be in lines with current market trends of nearest competitors. In order to ensure the same, we need to do benchmarking and define our price positioning as their closest competitor.

## **Rationale Of Study:-**

In today's scenario the term "health care" evokes different images for different people. For the patients it is to find cure for their illness and for physicians, nurses and other health care professionals it is a compassionate human activity and for economists, health care represents just another exchange of favors embedded in a wider market economy that consists of exchanging favors. Therefore pricing is an critical decision taken by the health care providers since it effects both the patient as well as the healthcare provider so that they can provide affordable healthcare services to the people and at the same time they themselves can survive in the market.

Pricing plays an important role in positioning an upcoming brand in the market .It defines the segment of population to which it caters in the market and defines how a new brand will position itself in the market and how it stands in relation to its competitors who are offering similar services in the market. The pricing strategy takes into account the current market trends, the positions of current market players and the services that are to be provided by the healthcare provider. In a good price positioning strategy, the brand stands out from rest of its competitors and it also confers its ability to charge a higher price for their services and at the same time stave's off the competition from the other competitors. Therefore pricing is one of the major pillars for brand establishment for any organization.

**Study Title-** To devise price positioning strategy for **Obstetrics and Gynaecology** department of an upcoming 230 bedded super Speciality hospital in Dwarka region.

**Objectives:-**

General Objective-

Define price benchmarking of obstetrics and gynecology department for an upcoming 230 bedded hospital with similar catchment area.

Specific Objective-

1. To identify current market players and their packages.
2. Suggesting pricing strategy for this department.
3. Draft an exhaustive SOC for Obs & Gynae. Department.

### **Research Methodology:-**

1. Study Design- Analytical Study
2. Study Area- Dwarka, Delhi
3. Duration of Study- The study was carried out from 1<sup>st</sup> February -1<sup>st</sup> May 2017.
4. Data Collection- Secondary data was collected
5. Data Analysis- Excel Spreadsheet.

## 8. Results

### 8.1. Demographic Profile of Dwarka

- Dwarka is the headquarter of South West District of Delhi in India. .
- It is the largest residential suburb in Asia, with a total of 1718 residential enclaves, and a net population of 1,100,000.
- It is a short distance away from Gurugram which is a major hub for large corporations in the country and about 10 km away from Indira Gandhi International Airport.
- The population here surged from 17.55 lakh in 2001 to 22.92 lakh in 2011, a jump of 31 per cent, a 10percentage points more than the state average, according to the provisional statistics.. Dwarka is organized into Cooperative Group Housing Societies. It is one of the most sought-after residential areas in the city.
- Location-
  - Country: India
  - State: Delhi
  - District: South West Delhi



**Figure 2: Dwarka**

- Boundaries:
  - The sub-city is located in South-West Delhi in the vicinity of Gurgaon and international airport.
  - It is bounded by NH-8, Outer Ring Road, Najafgarh Road, Pankha Road, and the Rewari railway line.

- West End, Uttam Nagar, Vasant Kunj, Vikas Puri, Najafgarh, Bijwasan, Palam vihar, Vasant Vihar, Janakpuri residential areas and Delhi cantonment are the other major surrounding areas in south/west west Delhi.
  - It is at a short distance from Gurgaon.
  - Dwarka is the largest residential suburb in Asia, with a total of 1718 residential enclaves, and a net population of 1,100,000.
- Area: 56.48 km<sup>2</sup> (21.81 sq m.)
  - Pin code: 110075
  - Population:
    - Total – 1,100,000
  - Languages: Hindi & English
  - Govt: Body- Delhi Development Authority
  - Lok Sabha Constituency: West Delhi
  - Vidhan Sabha Constituency: Dwarka/ Matiyala( Different sectors fall in different constituency)
  - Civil Agency: Delhi Development Authority

## 8.2. Social Profile of Dwarka:

### ➤ Population:

	Population	Population Density (per sq. km)
South- West Delhi	22,92,958	5446
Dwarka	1,100,000	

Table 1: Source: Population Census 2011, Dte. Of Census Operations, Delhi.

- **Education:** Dwarka is home to many primary and secondary schools along with engineering and law institutes like Netaji Subhas Institute of Technology, Times Institute of Management & Engineering Studies, Guru Gobind Singh Indraprastha University and National Law University, Delhi.

### **Literacy rate by the year 2011 (in %age) – 88.3%**

Literacy Rate, 7+ years(persons, percent)	88.30
Literacy Rate, 7+ years(males, percent)	93.19
Literacy Rate, 7+ years(females, percent)	82.50
Literacy Rate, 7+ years(Rural, percent)	85
Literacy Rate, 7+ years(Urban, percent)	88.50

Table 2: Literacy rate

➤ **Sex Ratio**

Sex Ratio By the Year 2011-

Sex Ratio			
	females per thousand of males	Rural	Urban
South-west District	840	858	839

Table 3: Sex Ratio

➤ **Birth Rate, Death Rate & Infant Mortality Rate(by the year- 2011)**

Birth rate	Death Rate	Infant Mortality Rate
20.98	6.65	22

Table 4:Birth, Death, Infant Mortality Rate

➤ **Medical Institutions**

Medical Institutions in Delhi

S.No.	Institutes	No.
1	Hospitals	91
2	Public Health Centers	
3	Dispensaries	1239
4	Maternity & Sub Centers	259
5	Polyclinics	16
6	Nursing Homes	679
7	Special Clinics	21
8	Medical Colleges	12

Table 5: Source: Directorate of Health Services, Government of NCT, Delhi.

\* All Government Hospitals including Maternity & Gyane Hospitals



➤ **Medical facilities in Dwarka, Delhi**

S.No.	Name	No. of Beds
1	Venkateshwar	325
2	Rockland	103
3	Maharaja Agrasen	80
4	Bhagat Chandra	85
5	Artemis	40
6	Rescue Hospital	50
7	Shree Hospital	20
8	Lifeline Hospital	20
9	Shree Sai Hospital	4
10	Ravi Nursing Home	4
11	Gee Bee Nursing Home	3
12	Dr. Nanda's Eye Care	2

Table 6: Medical facilities in Dwarka

➤ General Hospital Survey:-

	Rockland Hospital	Artemis Hospital	Average
ECHS	7%	6%	6.5%
CGHS/DGEHS	23%	18%	20.5%
PSU	14%	15%	14.5%
Pvt. Corporate/ TPA	26%	28%	27%
Cash	30%	33%	31.5%
	100%	100%	100%

Table 7: General Hospital Survey (Ref.: Industry Expert)

### **8.3. Current Market Players:-**

There are various healthcare facilities providing treatment for obstetrics and gynaecology patients in Dwarka region and its vicinity. These facilities cater to the vast population residing in this region. These healthcare facilities include various private and government hospitals such as – VPS Rockland, Bhagat Chandra Hospital, Maharaja Agrasen Hospital, Venkateshwar etc. These Healthcare facilities have positioned themselves at various positions in the market and cater to different segments of population in this region. Out of these major market players three market players have been chosen for this study.

The current market players that have been taken into consideration for this study are:-

1. Venkateshwar Hospital
2. Artemis Hospital, Dwarka
3. FMRI

In this study, prices of these three hospitals have been compared and Venkateshwar hospital's pricing has been taken as the base price since it is the nearest hospital to our upcoming hospital and also because we have the same scope of services for this department.

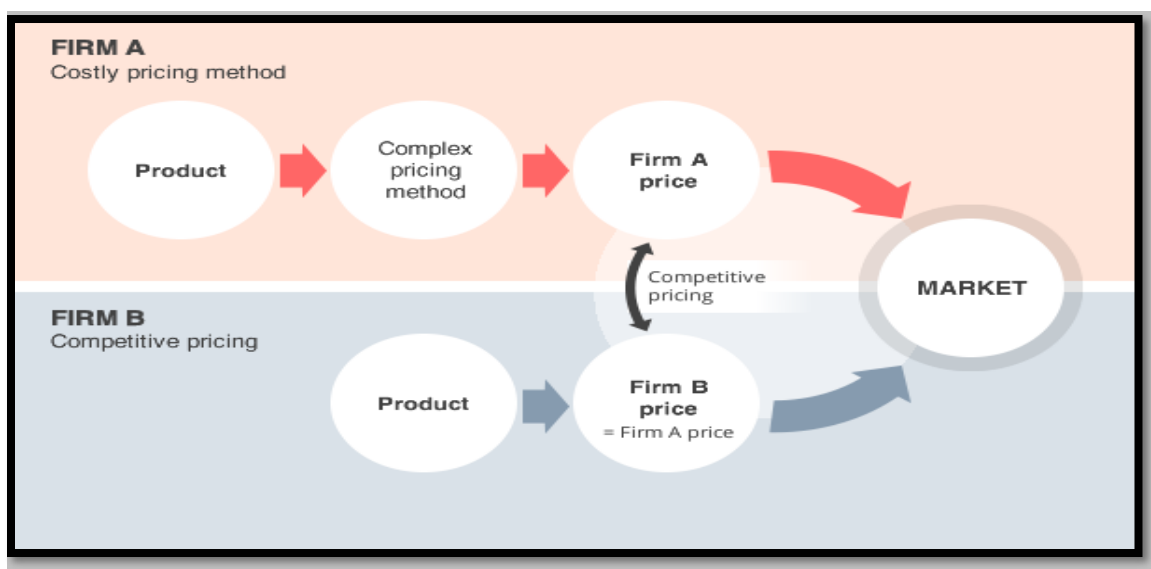
#### **8.4. Pricing Strategy for Obs & Gynae department:-**

In today's scenario, the consumer has gained awareness regarding treatment prices offered by various organizations through various communication media's ( eg. Internet) and has started to compare the price of different healthcare facilities for similar treatments. Therefore pricing has become a very relevant criterion for healthcare facilities to attract the patients. Since this proposal is for an upcoming organization, it is very important to decide correct pricing strategy for future profits

Therefore, while taking into consideration the current major market players, we have proposed to use a competitive pricing strategy since our hospital is a new entrant in the market and also, since health care market is mature in nature.

While taking into consideration the literature review we have identified that competitive pricing is one of the most commonly used method for making a pricing strategy in healthcare industry.

Competitive pricing can be defined as setting the price of a product or service based on the prices competition is charging for their services. It involves setting a price based upon analysis and research compiled from the target market. Example of competitive pricing- Firm A has started selling a product X, they experimented with different pricing strategies for years to reach an equilibrium(i.e if they sold their product X at low price they would lose margin and if they sell it at higher price they will lose market share) . Now, another firm B wants to sell a similar product Y in the same market, then the best pricing strategy to be used by firm B is to use similar prices as firm A since firm A has already identified best prices to maximize their profit and also because the market for these products is mature and consumer preferences are well-known.



**Figure 3**

There are various advantages of competitive pricing such as-

- It is a simple method i.e. when services are identical or highly similar it is often simpler to copy competitors' prices rather than implement another pricing strategy. With this method, the firm allows its competitors to incur the costs of establishing an optimum price.
- This method carries low-risk because if the prices used by competitors do not lead them to bankruptcy, it will likely be the same for other firms on the market too.
- According to competitive pricing we have proposed to keep our pricing in relation to Venkateshwar Hospital. We have proposed to make our rack rates below the rack rates of Venkateshwar Hospital so that we can penetrate this market and attract more patients. Since our hospital is a new entrant in the market the prices for different room categories have been drafted on the basis of percentages

### **8.5. Schedule Of Charges for Obstetrics and Gynaecology Department:-**

The schedule of charges for obs. and gynae department have been proposed on the basis of rack rates taken from Venkateshwar Hospital. In this study we are proposing to have our prices below the prices of Venkateshwar Hospital and to provide with better quality of care to the patients to attract more patients. The pricing for higher room categories will be based on certain percentages.

Due to confidentiality of data, we have assumed certain prices for certain treatments and have proposed the certain assumptions for the percentage for calculating the SOC for higher room categories. Some assumptions that can be used for the calculation of schedule of charges, that are used to explain this model are:-

Service Name	FMRI	Artemis	Venkateshwar	Eco. (100%)	Single (130%)	Deluxe (155%)	Suite (175%)
DIAGNOSTIC LAPAROSCOPY	7800		4600	4000	5000	6000	6000
LAP- OOPHRECTOMY	19100	15400	17500	14000	18000	20000	25000
LAP- SALPINGOSTOMY	14500	14000	21000	17000	22000	24000	29000
LAVH	30400	28800	23200	19000	24000	26000	32000
TOTAL LAP HYSTERECTOMY		32400	38000	30000	40000	43000	53000
PERINEAL TEAR REPAIR	13100	8160	10000	8000	10000	11000	14000
VULVECTOMY SMPL COMPLETE	15700	12350	14500	12000	15000	16000	20000
Normal Delivery			40000	32000	42000	45000	56000
Cesarian Delivery			50000	40000	52000	56000	70000

**Table 8**

## **Discussion:-**

In today's scenario there are various pricing strategies available, but since we are starting a new organization in a mature market therefore the model of competitive pricing strategy have been adopted in this study for designing the schedule of charges for obstetrics and gynaecology department. Other pricing strategies couldn't be considered because- 1) for penetrating pricing strategy, the price of the new product is kept below the available rack rates and are increased after a time period when the product becomes well established. But in case of hospital pricing once the pricing is done and registered with other organizations (& corporate tie-ups are made), it is not possible to change the pricing for at least two to three years, therefore penetrating pricing cannot be used in this situation; 2) where as other pricing strategies require cost factor for preparing them, which is also cannot be exactly estimated at the time of starting a new service in the market, therefore the rest of the strategies also couldn't be adopted for preparing a model for schedule of charges.

- In this study Venkateshwar Hospital's rack rate has been taken as the baseline for formulating the pricing strategy for obs. & gynae department since it is our immediate competitor
- We have not taken the rack rates of Artemis Hospital as baseline since it is an 50 bedded hospital, and we have not taken rack rates of FMRI hospital since its rack rates are quite high because they have an established brand in the market.
- The following criteria has been used in his procedure:-
- We have proposed to take our economy prices below the rack rates of Venkateshwar hospital so that we can attract more patients to our hospital.
  - The prices of various treatments in this department are kept according to the room category opted by the patient at the time of admission.

## **Conclusion:-**

After carrying out this study we can conclude that for any organization which is entering a mature market, it is important to understand the current market trends, current market segmentation & competitors positioning so that they can place themselves in the market at such a position where they can provide affordable treatment to the patients as well as survive in the market. In this study we have compared the pricing of three market players i.e. Venkateshwar Hospital, Artemis Hospital and FMRI Hospital. After comparing them, we have proposed our pricing strategy in such a way that our rack rates are below the venkateshwar's rack rate.

**Recommendations:-**

In this study, competitive pricing strategy is recommended since this strategy is made for an upcoming hospital in an mature market where we already have strong market players who are providing the same services.

**Limitations:-**

- 1) In this study the pricing strategies of only three hospitals have been taken into consideration due unavailability of data.
- 2) The data used in this study is secondary in nature
- 3) Due to confidentiality of data, the real data cannot be presented in this report.



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