



The Factors Influencing Customer Willingness to Choose the Non-chain Pet Hospital in Chongqing

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ABSTRACT. The purpose of the research were to study the level of services marketing strategy and factors affect consumers to choose a non-chain pet hospital in Chongqing. The project combined 7Ps marketing theory to analyze the current situation of pet hospital marketing services. Then, through a questionnaire survey and using the 7Ps marketing theory to learn about the correlation strength between each service sector and their willingness (customer's attention, intention, desire, and purchase decision) to choose the pet hospital from a consumer perspective. The reliable questionnaire was developed based on the in-depth interview from the executive of the non-chain pet hospital in Chongqing, experts, and a university professor on the current status data of service marketing processes, establishment history, investment, revenue, organizational information, business development, business performance, clinic technologies. The samples collected were the costumers and potential costumers around the area of the non-chain hospital, using Taro Yamane's formula at a tolerance level of 0.05. The data were analyzed by using descriptive statistics of percentage, mean, and inferential statistics of regression analysis. The research revealed that: the most important factors for them were the product, which included the hospital's various services, and the people, which included the doctor, nurse, and medical staff. The product factor had a significant and positive effect on all the dependent variables, except for the hospital's surgical diagnosis and treatment services, which only affected the intention. The price factor had a significant and positive effect on only two dependent variables: attention and desire. The place factor had a significant and positive effect on only one dependent variable: physical evidence. The promotion factor had a significant and negative effect on only two dependent variables: attention and intention. The people factor had a significant and positive effect on all the dependent variables, except for desire. The process factor had no significant effect on any of the dependent variables. The physical evidence factor had a significant and positive effect on only one dependent variable: desire. In conclusion: the products and people were the most important factor for customers, pet hospital should ensure that their products meet the customer's needs and expectations, and that the people could offer a range of services that cater to different types of pets and situations.

Keywords: Consumer intention, Service marketing, Non-chain pet hospital.

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1 Introduction

With the rapid development of China's economy and the acceleration of urbanization, urban residents' living conditions are improving, and their consumption ability is increasing. However, communication among them has decreased. After meeting basic needs, people seek spiritual satisfaction, leading to an increase in pet ownership among white-collar workers and empty nest elderly people. Pets have evolved from being doorkeepers to providing emotional value, similar to family members. More and more people are joining the ranks of pet owners, leading to the rapid development of the pet industry. According to data from iiMedia consulting, as of 2022, the number of dogs and cats in China reached 112 million, and the scale of the pet economy industry reached 493.6 billion yuan, a year-on-year increase of 25.2%^[1]. Pet medicine is the second-largest market after pet food, the current pet healthcare market in China is approximately 67.5 billion yuan, accounting for about 22.5% of the entire pet economy^[2]. It is expected that the market size will reach 811.4 billion yuan by 2025^[1].

Subsequently, the listed funds enter hospitals and competition in the pet diagnosis and treatment industry intensifies. The 2019 China Pet Hospital Development Report shows that most pet hospitals are small in scale and revenue. Based on revenue and venue area, 85.2% of them earn less than 3 million yuan a year, less than 250000 yuan a month. Most pet hospitals occupy less than 300 square meters, accounting 78.5%. Based on fixed assets, 76.3% of them have less than 2 million yuan worth of equipment and facilities. Based on investment scale, nearly half (43.8%) of them invest less than 1 million yuan^[3]. In the pet medical market, large-scale chain pet hospitals have an edge over small ones. They can lower their procurement costs and adjust their prices more flexibly by buying drugs and consumables in bulk. They can also build a professional and trustworthy brand image that attracts consumers. With the entry of the capital market into the pet healthcare industry, non-chain pet hospitals need to seek breakthroughs in traditional business services, reducing costs, improving service quality, and obtaining more customers to survive, in order to stand firm in the fierce competition.

Chongqing has one of the largest pet medical markets in China. Despite the economic challenges, the pet medical industry in Chongqing grew in 2022. The industry is advancing in specialized and differentiated precision medical technology for pets, and improving its policies and regulations. Chongqing has 783 registered pet hospitals, ranking third in China. The top two are Beijing and Chengdu, each with 1018 pet hospitals^[4]. The growth of the pet diagnosis and treatment industry in Chongqing is driven by the high number of pet owners, the high level of economic development, and the strong medical consumption awareness of pet owners. Ruipeng is the dominant chain pet hospital in China, with over 800 branches and a strong competitive edge. There are 33 branches in Chongqing^[5]. Chain pet hospitals with more than 5 branches make up about 21.2% of the market in 2022, up from 20.1% in 2021^[2]. Although most pet hospitals are still non-chain, the chain pet hospitals are expected to take over the market in the future.

As for, good services marketing strategy for non-chain pet hospitals are of great practical significance for them to adopt marketing services to maintain stable development. The 7Ps Marketing theory consists of Product, Price, Place, Promotion, People,

Physical Evidence, and Process. It is proposed as the most suitable theory for analyzing marketing strategies for medical services. The 7Ps marketing theory is more reasonable and has practical advantages in analyzing industries where services are products. Peter, A. studied the role of service quality in private hospitals in Ghana and its impact on patient satisfaction and loyalty. His research found a significant positive correlation between service quality and patient satisfaction as well as between patient satisfaction and loyalty. Patient satisfaction plays a mediating role between service quality and patient loyalty^[6]. Cao, J. analyzed problems and causes in Meinian Health Sichuan Company's services marketing. Using the 7Ps theory, she conducted comprehensive services marketing strategy research from perspectives such as product, price, channel, publicity, personnel, process, and operation to improve customer satisfaction with the enterprise's product experience process and physical examination service process^[7].

On the other hand, service marketing analysis is usually only conducted from the perspective of service providers or consumers. However, marketing activities are usually the result of joint assistance from service providers and consumers. Although the 7Ps theory is a good analytical tool in the marketing of medical services mentioned above, it still lacks understanding at the consumer level. The AIDA model is a good marketing Analysis tool from the consumer's perspective. Originally, the AIDA model is a marketing and advertising concept that describes the stages of consumer decision making when they buy a product or service. The AIDA model stands for Attention, Interest, Desire, and Action. It helps marketers and advertisers design effective campaigns that target consumers at different stages of their decision making process. Then, more and more researchers introduced the AIDA model to evaluate the consumers' willingness. Hadiyati E. examined the influence of marketing mix and AIDA model on consumers' online purchasing behavior in Indonesia. He used path analysis to test the hypotheses and finds that marketing mix and AIDA model have direct and indirect effects on online purchase^[8]. Mithun S.U. and Iqbal T.H. used information from store advertisement, consumers' path inside the store, and product information. They found that advertisement has a small effect on store traffic, but a larger effect on store sales. Additionally, the increase in sales is due to the higher quantity of purchases by existing consumers, not by attracting new consumers^[9]. Lee, Y.I. and Trim, P.R.J. explored how online retailers can use artificial intelligence (AI) and machine learning (ML) to improve their marketing operations and increase consumer confidence. They conducted a systematic literature review and examines how different AI/ML tools can be related to different stages of the AIDA model, which is a framework for understanding consumer decision making^[10].

To study the levels and factors of services marketing strategy affect consumers to choose a non-chain pet hospital in Chongqing, one non-chain hospital founded in 2018 in Chongqing, which was invested 1.5 million yuan, earned over 500000 yuan annually, and has 6 employees and 200 square meters of space was enrolled into this project. This study combines 7Ps marketing theory to analyze the current situation of pet hospital marketing services. Then, through a questionnaire survey and using the 7Ps marketing theory to learn the marketing services work of pet hospitals, customer satisfaction on each service sector, and the correlation strength between each service sector and their willingness (customer's attention, intention, desire, and purchase decision) to choose

the pet hospital from a consumer perspective. Finally, the suitable marketing services suggested will be proposed according to the pet hospitals' products (services), prices, places, promotions, personnel, processes, physical evidence.

Since 2018, with the listed funds entering the market, the number of hospitals has skyrocketed in Chongqing. The pet hospital's annual business has decreased or even suffered losses. Therefore, in the context of the explosive increase in the number of pet hospitals, it is of great practical significance for the non-chain pet hospitals to adopt marketing services to maintain stable development. On the other hand, the number and scale of pet hospitals are developing rapidly, yet within the currently available literature, there are very few studies on the management of pet hospitals, especially in terms of marketing services. Therefore, in response to the current economic situation, analyzing the service marketing situation of pet hospitals not only has practical significance for the development of the hospital itself, but also provides theoretical reference and guidance for the service marketing strategies of other similar scale pet hospitals.

2 Conclusion

This study aimed to explore the levels and factors of services marketing strategy affects consumers to choose a non-chain pet hospital in Chongqing, China. As for, the study used the 7Ps services marketing model and the AIDA model as the theoretical framework, and measured the customer's perceptions and behaviors towards the non-chain pet hospitals in Chongqing based on seven aspects: product, price, place, promotion, people, process, and physical evidence. Then this study conducted a survey of 400 customers or potential customers of non-chain pet hospitals in Chongqing, and collected data on their sex, age, monthly income, and their perceptions of the seven aspects (7Ps: product, price, place, promotion, people, process, and physical evidence) of services marketing strategy. Then their attention, intention, desire, and purchase decision based on these factors were also measured. This study used descriptive analysis and regression analysis to analyze the data and test the hypotheses. The main findings of the study were:

The respondents were almost equally divided by sex and evenly distributed across all age groups. The majority of them had a monthly income of 3000 to 5000 yuan.

The respondents had a high level of satisfaction with the non-chain pet hospitals in Chongqing. The most important factors for them were the product, which included the hospital's various services, and the people, which included the doctor, nurse, and medical staff. The least important factors for them were the physical evidence, which included the equipment and environment, and the promotion factor which included the promotional activities and discounts.

Among the seven aspects of services marketing strategy, product, price, place, promotion, and people had a significant and positive effect on some or all of the dependent variables: attention, intention, desire, and purchase decision. Process had no significant effect on any of the dependent variables. Physical evidence had a significant and positive effect on only one dependent variable: desire. Of all the independent variables, product which included the hospital's various services, had the most significant and

positive effect on all the dependent variables, except for hospital's surgical diagnosis and treatment services. The people, which included the doctor, nurse, and medical staff. The product factor had a significant and positive effect on all the dependent variables, except for the hospital's surgical diagnosis and treatment services, which only affected the intention. The price had a significant and positive effect on two dependent variables: attention and desire. The place factor had a significant and positive effect on only one dependent variable: physical evidence. The promotion factor had a significant and negative effect on only two dependent variables: attention and intention. The people factor had a significant and positive effect on all the dependent variables, except for desire. The process factor had no significant effect on any of the dependent variables. The physical evidence factor had a significant and positive effect on only one dependent variable: desire. In conclusion: the products and people were the most important factor for customers, pet hospital should ensure that their products meet the customer's needs and expectations, and that the people could offer a range of services that cater to different types of pets and situations.

This study concluded that products and people are the most important factors influence customers' willingness to choose a non-chain pet hospital in Chongqing. In the process, it also provided some implications and recommendations for improving the services marketing strategy of non-chain pet hospitals in Chongqing. Which had contributed to the existing literature on the services marketing strategy and customer behavior in the pet industry. However, there were some limitations that need to be acknowledged in this research. First, the sample size was relatively small (400 respondents) and may not represent the entire population of customers and potential customers of self-operated pet hospitals in Chongqing. Second, the data collection method was based on self-reported questionnaires, which may be subject to bias and error. Third, this data analysis method was based on regression analysis, which may not capture the complex and dynamic nature of customer behavior. Fourth, this research was focused on one specific city (Chongqing) and one specific type of pet hospital (self-operated), which may limit the generalizability of findings to other contexts and settings.

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