

# New product development practices, marketing performance and financial performance of health management industries: Basis for financial success drivers' framework

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## Abstract

The study aimed to assess the new product development practices, marketing performance and financial performance of health management Industries and China that was made the basis in developing a financial success framework. The study utilized the self-made questionnaire as the data-gathering instrument. Participants of the study were 400 employees from mature enterprises in Shanghai, Shandong, Henan, Hubei, and Sichuan provinces. Weighted mean and rank were used to describe the marketing performance as to customer acquisition cost (CAC), customer lifetime value (CLTV) and customer satisfaction; assessed their financial performance as to profitability, liquidity and solvency. Spearman rho was used to test the significant relationship as part of the non-parametric tests. All analyzes were performed using SPSS version 28. The study revealed that the respondents had a strong agreement on the importance of the new product development (NPD) practices and it is a clear indication that these practices are essential for success in today's competitive market. They agreed on the financial performance focusing on profitability, liquidity, and solvency that can create a financially strong business that will be able to thrive in the competitive healthcare industry. They also agreed on customer acquisition, customer lifetime value, and customer satisfaction indicates that these factors are critical for success in the health management industry. There was very strong direct relationship between new product development practices, marketing performance, and financial performance in health management industries which highlights the crucial role of innovation and effective marketing strategies in achieving business success.

**Keywords:** new product development practice, marketing strategies, financial performance, financial success

## **New product development practices, marketing performance and financial performance of health management industries: Basis for financial success drivers' framework**

### **1. Introduction**

China has a large and continuously growing health management market. The Chinese government is also investing a large sum of money in health care alone, and because the population of China is enjoying a higher income, the demand for health care is also rising. This has paved the way for the enhancement of the possible growth of the health management industry in China. China's health management industry is still developing, and new product, marketing, and financial performances are improving. This paper seeks to establish the factors that have led to the growth of health management companies in China. The first one is the research and development strength. There is evidence that shows that Chinese health management companies are highly involved in research and development to come up with new products and services. This has put the business in a better position compared to other competitors and also met the demand of the new healthcare industry. The second factor is proper marketing. The Chinese health management companies are adapting to various means of marketing to capture the attention of consumers, including traditional media, new media, and word-of-mouth advertising. This has helped them come up with recognition and enabled them to get potential clients. The third one is good customer relations. The Chinese health management companies are offering very good customer relations to their clients. This has aided them in creating loyalty and satisfying the same clients again, and the last one is government aid. The health management industry is getting good support from the Chinese government. This has contributed to the development of the industry to some extent. Thus, Chinese health management companies will remain highly prospective in the following years. They are increasing spending on product innovation, advertising, and client relations and are receiving government aid. Thus, they are expected to sustain the improvement in their financial outcome (China Health Management Association, 2023).

New product development is an influential factor that determines the achievement of health management companies in China. The Chinese market is extremely fierce, given that firms do everything that they can to gain market dominance. New product development practices in the health management industry are the activities and processes that firms employ in the development of new products and services. Such practices may include a set of stages, including idea generation, concept development, market analysis, product distribution, and marketing, among others (Chang & Taylor, 2018). Health management industries are dynamic, and hence, new product development practices in these industries are not constant. This means that companies should be in a position to bend, transform, or align with the new SWOT of the market or new technologies in the market. They also have to be customer-focused and thus ascertain that the products and services to be created are appropriate for the customers. Currently, many Chinese health management companies are concerned with the systematic development of new products and services through research and development. According to the China Health Management Association, spending on R&D by Chinese health management firms is projected to rise by 15 percent in the year 2022. This capital is used to develop various products and services, for instance, telemedicine AI applications, wearable technologies in health, and e-health records (China Marketing Association, 2023).

Marketing is another crucial aspect of the growth of health management companies in China due to the following reasons: China is one of the largest markets and is very diverse; thus, firms use various marketing intermediaries to reach their target consumers. There has also been progress among the Chinese health management companies regarding the marketing of the services they provide to the public. It has also used different channels to reach out to consumers, like conventional and new media and even word of mouth. According to statistics from a survey conducted by the China Marketing Association in the previous year, the marketing spending of China's health management enterprises increased by 20% in 2022. This investment is being employed to promote awareness of new products and services, enhance brands' recognition, and foster

customer's repeat purchases (China Marketing Association, 2023). Marketing performance in health management industries is the effectiveness of a company's marketing strategies in achieving its marketing goals. These goals may differ according to the organization but can include enhancing brand awareness, acquiring leads, boosting sales, and ensuring customer satisfaction. Thus, marketing as a conceptual tool can be measured and enhanced in the health management industry. In this way, marketing performance can be measured, and thus the areas of success and failure can be determined in order to alter the strategy. It can assist the company in attaining its marketing objectives and, hence, enhance its profitability (Chang and Taylor, 2018). Below are the factors that can affect marketing performance in the health management industry. Such factors as the quality of the marketing strategy, the efficiency of the marketing channels used, the budget, and the execution of the marketing campaign.

Financial performance is the ultimate aim of any business organization. Performance in health management industries in relation to financial performance therefore refers to the efficiency of a company in revenue generation, cost control, and the generation of profits. It is quantified in terms of sales, profits, ROI, EPS, and CF. Financial performance is a critical aspect of the health management industry because it serves as an indicator of a company's viability. Organizations with healthy financial status have the ability to come up with new products and services, grow their businesses, and get more clients (Chang and Taylor, 2018). Thus, tracking the company's financial performance enables a health management company to know its strengths and its areas of weakness. This information can be helpful in the decision-making process of the company; for instance, where to invest the company's funds, what products and services to develop, and how to promote the products and services.

The financial performance of Chinese health management companies is also improving. This is because there are several factors that have contributed to the growth of the health management industry; these include the rising need for health care, the integration of new technologies, and government support. According to the China Securities Regulatory Commission, a recent report said that the average revenue of Chinese health management companies rose by 10 percent in 2022. Such growth is anticipated to persist in the future because the health management industry in China is likely to reach \$1 trillion by 2025 (China Securities Regulatory Commission, 2023). The literature review reveals that the majority of the studies on new product development practices, marketing performance, and financial performance of health management industries have been carried out in developed countries. Thus, there is still a research gap on how these factors function in the context of China. There are several features that define the current state of the Chinese health management industry and its development. The Chinese government plays a major role in the healthcare sector, and there is a strong focus on innovation. This makes it important to understand how new product development practices, marketing performance and financial performance are affected by these factors.

Findings of this study will provide valuable insights for health management companies in China. They will help companies to improve their new product development practices, marketing performance, and financial performance. This will help them to compete more effectively in the Chinese market and achieve their business goals.

**Objectives of the Study** - The study aimed to assess the new product development practices, marketing performance and financial performance of health management Industries and China that was made the basis in developing a financial success framework. Specifically, this study determined the new product development practices as to developing strategy, following a process, balancing the portfolio, building capabilities, and fostering a culture; described the marketing performance as to customer acquisition cost (CAC), customer lifetime value (CLTV) and customer satisfaction; assessed their financial performance as to profitability, liquidity and solvency; tested the significant relationship among new product development practices, marketing performance and financial performance and developed a Financial Success framework or health management industries.

## 2. Methods

**Research Design** - Descriptive research is particularly useful when the aim of the study is to describe the characteristics of a particular population or phenomenon. The reason for adopting a descriptive research design in this study is to provide a detailed and accurate description of the variables under investigation. In this study, the aim is to describe the new product development practices, marketing performance and financial performance of health management Industries in China. By using a descriptive research design, the researcher was able to collect and analyze data to provide a comprehensive and detailed description of these variables.

**Participants of the Study** - The respondents were employees of medical insurance companies and healthcare product companies in China. Respondents were randomly selected among ordinary employees of medical insurance companies and healthcare product companies in five Chinese provinces (Shanghai, Shandong, Henan, Hubei, and Sichuan). In each of these provinces, five enterprises were selected and within every enterprise 16 people randomly be survey reference. A total of 400 people were used as the respondents of the study.

**Data Gathering Instruments** - The data gathering instrument utilized in the study is a questionnaire. A questionnaire is a useful tool for descriptive research because it can be used to collect data from a large number of people in a relatively short amount of time. It was used to collect data from a variety of locations. Questionnaires were distributed online or in person, which allows researchers to collect data from people all over the world. The questionnaire used in the study is composed of three parts. The first part contains the new product development practices of the respondents in terms of developing strategy, following a process, balancing the portfolio, building capabilities, and fostering a culture. The second part consists of the respondents' marketing performance in terms of customer acquisition cost, customer lifetime value, and customer satisfaction. Part three (3) of the questionnaire includes financial performance in terms of profitability, liquidity, and solvency. Overall, the questionnaire consists of 66 items.

A four-point Likert scale was used by the researcher to measure the respondents' opinion regarding the variables. The data collected from the respondents were weighted on a scale of 1-4, with 1 being the lowest and 4 being the highest value, which will quantitatively gauge the level of entrepreneurial skills, orientation, and intention of the business students from Henan Vocational Colleges. The Likert Scale grading for this study was 3.5-4 for Strongly Agree, 2.5-3.49 for Agree, 1.5-2.49 for Disagree, and 1.00-1.49 for Strongly Disagree. The questionnaire was validated after it had been reviewed by the research adviser to ensure that the contents of the questionnaire are clear, concise, accurate, reliable, and understandable for content validation. The validation comments and suggestions were considered when revising the instrument. The researcher presented the draft for content validation to ensure the item's content was clear and comprehensive, and subsequently produced a final copy after all validation procedures are accomplished. For the purpose of reliability, the questionnaire was tested in a pilot study using Cronbach's Alpha Index of Reliability. The researcher distributed the questionnaire to 20 respondents from the research locale so as to examine the instruments and ensure that they are reliable. Based on the results obtained from the Cronbach test, the following values and interpretations are tabulated.

New product development practices, marketing performance and financial performance of health for the purpose of reliability, the questionnaire was tested in a pilot study using Cronbach's Alpha Index of Reliability. The researcher distributed the questionnaire to 26 respondents from the research locale so as to examine the instruments and ensure that they are reliable. Based on the results obtained from the Cronbach test, the following values and interpretations are tabulated. Reliability results showed that Cronbach's alpha for Developing Strategy (0.918), Following a process(0.935), Balancing the portfolio (0.907), Building Capabilities (0.911) , Fostering a Culture(0.902), Customer Acquisition Cost(0.948), Customer Lifetime Value (0.930), Customer Satisfaction(0.919) and Profitability(0.918), Liquidity(0.933) and Solvency(0.903), suggesting that the items have an excellent internal consistency.

**Table 1**

*Test of Reliability of the Study*

Variables	No. of Items	$\alpha$ value	Interpretation
<b>New Product Development Practices</b>			
Developing Strategy	6	0.918	Excellent
Following a process	5	0.935	Excellent
Balancing the portfolio	5	0.907	Excellent
Building Capabilities	5	0.911	Excellent
Fostering a Culture	5	0.902	Excellent
Overall	26		Excellent
<b>Marketing Performance</b>			
Customer Acquisition Cost	5	0.948	Excellent
Customer Lifetime Value	5	0.930	Excellent
Customer Satisfaction	5	0.919	Excellent
Overall	15		Excellent
<b>Financial Performance</b>			
Profitability	5	0.918	Excellent
Liquidity	5	0.933	Excellent
Solvency	5	0.903	Excellent
Over	15		Excellent

Legend: > 0.9 = Excellent; >0.8=Good;>0.7=Acceptable;>0.6=Questionable;>0.5=Poor;<0.5=Unacceptable

**Data Gathering Procedure** - The questionnaire undergone a reliability test to prove its accuracy for the study. After getting the result of the test, the researcher immediately applied to the heads of various departments of the company to allow department employees to complete the questionnaire. Upon approval of the request, the researchers communicated with their chosen respondents from the said department and administered the questionnaire. The respondents were individually approached, and their consent was obtained before they participated in the questionnaire. They were assured that their information would be kept confidential and used solely for the purpose of this study. Upon having an agreement from the respondents, the questionnaire was immediately administered to them. Moreover, the researchers tabulated the gathered data for further analysis which completed the study. The researcher used Excel to total the surveys after they were collected. Only fully completed surveys were utilized to assure equitable assessment between respondents and among all variables, and the researcher discarded those with incomplete surveys. Based on the study's results, the researcher made the tabulation, analysis, discussion, and conclusions.

**Ethical Considerations** - Informed permission and information disclosure were ethical considerations that the researchers kept in mind when they conducted the study. Prior to completing the survey, the respondents receive a letter from the researchers asking for their permission to take part in the study. It is entirely within the participants' rights to decline participation or refrain from responding to any questions that cause them undue discomfort. The researcher is committed to upholding privacy rights and will follow all applicable laws. For the purposes of this study, the researcher maintained the participants' privacy. Additionally, respondents have control over how much of their data is revealed in certain situations. All respondents who provided information for this study were informed of how their answers and data would be used, and their full consent was obtained before the research could begin.

**Data Analysis** - The data analysis tools to be used to interpret and analyze the collected results include weighted means, frequency and percentage. The weighted mean helps in finding a more accurate average by considering the weight of each value instead of only adding up individual values. The Pearson correlation coefficient (r) is the most common way of measuring a linear correlation. Pearson's correlation is used to see if there is a linear relationship between two quantitative variables. Pearson r will be used to test the significant relationship between variables.

### 3. Results and discussion

**Table 1**

*Summary Table on New Product Development Practices*

Key Result Areas	Composite Mean	VI	Rank
Developing Strategy	3.39	Agree	3
Following a Process	3.39	Agree	3
Balancing the Portfolio	3.39	Agree	3
Building Capabilities	3.43	Agree	1
Fostering a Culture	3.38	Agree	5
Grand Composite Mean	3.40	Strongly Agree	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

Table 1 presents the summary table on new product development practices as to developing strategy, following a process, balancing the portfolio, building capabilities, and fostering a culture with a grand composite mean of 3.40 which indicates agree on all indicators. Among the dimensions, building capabilities obtained the highest rank with a composite mean of 3.43 and an agreed verbal interpretation. This indicates that the ability of an organization to establish, operate, and sustain a new product development (NPD) process is critical to its success. These capabilities allow the company to identify and define market requirements, concept and design the product, test and validate the product, launch and market the product, and measure and report on its success.

Cooper (2022) proved that Organizations that spend in R&D have a better chance of producing new goods. This is because R&D enables firms to keep ahead of the competition by developing new goods that match changing client needs. The study also discovered that the amount of R&D spending required to be successful differs by industry. Firms in the technology industry, for example, must invest more in R&D than firms in the consumer goods market. Businesses that would like to be successful in generating new goods must invest in research and development. The amount of R&D spending required for success will vary depending on the industry. For example, Google invests heavily in R&D and builds strong NPD teams that use a stage-gate process and technology to develop innovative new products. Google also partners with other organizations to gain access to new technologies and expertise.

**Table 2**

*Summary Table on Marketing Performance*

Key Result Areas	Composite Mean	VI	Rank
Customer Acquisition Cost	3.38	Agree	2.5
Customer Lifetime Value	3.38	Agree	2.5
Customer Satisfaction	3.40	Agree	1
Grand Composite Mean	3.39	Agree	

Legend: 3.50-4.00 = Strongly Agree; 2.50-3.49 = Agree; 1.50-2.49 = Disagree; 1.00-1.49 = Strongly Disagree

Table 2 presents the summary table on marketing performance as to customer acquisition cost, customer lifetime value, and customer satisfaction with a grand composite mean of 3.39 which indicates agree on all indicators. Among the dimensions, customer satisfaction obtained the highest ranks with a weighted mean of 3.40 and an agreed verbal interpretation. This indicates that the amount to which marketing operations lead to greater customer satisfaction is referred to as marketing performance in terms of customer satisfaction. Advertising, public relations, sales promotion, and direct marketing are all examples of marketing activity. Customer satisfaction is a measure of how pleased customers are with the products or services provided by a firm. Marketing performance and consumer satisfaction have a strong relationship and connection. Marketing initiatives that are successful can result in improved brand awareness, consumer loyalty, and favorable word-of-mouth. All of these elements can help to boost client satisfaction.

Ahmad et al., (2022) proved that marketing performance and customer happiness have a strong positive relationship. The study discovered a number of mediators between marketing success and consumer satisfaction,

such as brand image, customer trust, and customer perceived value. Customer satisfaction is influenced by marketing performance. It will rise in organizations that focus on enhancing their marketing performance. This can result in a variety of advantages, including enhanced client loyalty, improved brand reputation, and increased sales and profitability. The following are the implications of the study for practice: To enhance customers' happiness, companies must concentrate on enhancing marketing effectiveness. This can be achieved through the formulation and application of appropriate marketing strategies that support the target customers' needs and wants, enhancing the level of marketing efforts that are likely to enhance the overall brand recognition, consumer confidence, and value among the consumers, and monitoring the marketing performance to identify areas for improvement.

**Table 3**

*Summary Table on Financial Performance*

Key Result Areas	Composite Mean	VI	Rank
Profitability	3.30	Agree	3
Liquidity	3.37	Agree	1
Solvency	3.35	Agree	2
Grand Composite Mean	3.34	Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Table 3 shows the financial performance as to profitability, liquidity, and solvency with a grand composite mean of 3.34, agree on all the indicators. In the dimensions, liquidity received the highest score, with a weighted mean of 3.37 and an agreed verbal interpretation. This shows that the liquidity position of a firm is an essential aspect of the firm's financial status. There are various ways through which companies can improve their liquidity; these include a high current ratio, effective cash flow management, a proper asset mix, low leverage, and proper inventory management.

Chen et al. (2022) established that within the period between 2010 and 2019, 1,000 Chinese enterprises revealed that liquidity positively and significantly affected financial performance. Current and quick ratios were used to assess liquidity, while return on assets (ROA) and return on equity (ROE) were used to assess the companies' performance. To the best of the researcher's knowledge, the study reveals that liquidity has a higher significance for the financial performance of businesses with high leverage levels and operating in more competitive industries. The study also discovered that investment and innovation moderate the impact of liquidity on financial success. The findings of the study have a number of consequences for managers and investors. According to the study, keeping a healthy amount of liquidity can assist managers improve financial performance. The study implies that addressing liquidity while making investment decisions can assist to decrease risk and boost returns for investors.

As seen in the table, the computed rho-values ranging from 0.618 to 0.840 indicate a strong to very strong direct relationship among the sub variables of new product development practices and marketing performance. There was a statistically significant relationship between new product development practices and marketing performance because the obtained p-values were less than 0.01. New products can help companies gain a competitive edge. In the health management industry, companies are constantly innovating and developing new products and services in order to stay ahead of the competition. New products are good for business because they enable organizations to get new clients, keep existing ones, and capture market share. Good marketing strategies are useful to companies as a way of coming up with new products and introducing them to the market. In this case, new products must be well marketed and advertised so that they can reach and be bought by the target market. Some of the benefits of effective marketing include familiarizing the market with new products and creating interest and sales (Churchill et al., 2018).

New product development practices can assist in the design of products that will be useful to the target market of a particular firm. Therefore, it is crucial that in the health management industry, products be developed to target patients as well as healthcare providers. Good new product development processes assist organizations

in identifying the needs of customers and generating products that are acceptable to the market. Thus, marketing performance may act as a feedback system for the new product development process. Thus, the monitoring of marketing performance can help companies understand the attitude of the market towards new products. This feedback can be used to help to enhance further new product development processes in the business (Kotler et al., 2018).

**Table 4***Relationship Between New Product Development Practices and Marketing Performance*

Variables	rho	p-value	Interpretation
Developing Strategy			
Customer Acquisition Cost	0.618**	<.001	Highly Significant
Customer Lifetime Value	0.665**	<.001	Highly Significant
Customer Satisfaction	0.633**	<.001	Highly Significant
Following a Process			
Customer Acquisition Cost	0.709**	<.001	Highly Significant
Customer Lifetime Value	0.675**	<.001	Highly Significant
Customer Satisfaction	0.736**	<.001	Highly Significant
Balancing the Portfolio			
Customer Acquisition Cost	0.756**	<.001	Highly Significant
Customer Lifetime Value	0.771**	<.001	Highly Significant
Customer Satisfaction	0.776**	<.001	Highly Significant
Building Capabilities			
Customer Acquisition Cost	0.803**	<.001	Highly Significant
Customer Lifetime Value	0.753**	<.001	Highly Significant
Customer Satisfaction	0.821**	<.001	Highly Significant
Fostering a Culture			
Customer Acquisition Cost	0.785**	<.001	Highly Significant
Customer Lifetime Value	0.840**	<.001	Highly Significant
Customer Satisfaction	0.772**	<.001	Highly Significant

\*\* . Correlation is significant at the 0.01 level

As stated by Lee et al. (2018), those firms that have a high marketing orientation in NPD claimed to have achieved higher new product success rates. The research objectives of the study were to find out the extent of the impact of marketing orientation on new product development performance in the pharmaceutical industry. Previous research has indicated that firms that are more focused on satisfying customers' needs are more likely to generate successful new products. Chen et al. (2018) conducted a study on firms that have implemented the stage-gate process in their NPD and found that such firms perform better in terms of new product launch success. Thus, the purpose of this paper was to determine the impact of different new product development processes on the success of launches in the medical device industry. Based on the findings of the study, an organization can use a stage-gate model to manage the risks and uncertainty of NPD. Additionally, according to Gupta et al. (2019), the study showed that firms that used social media applications in marketing new products had higher rates of new product adoption. The objective of this paper is to provide a theoretical framework for how social media marketing can impact new product adoption in the healthcare industry. From the outcomes of this study, it can be concluded that social media is effective in generating awareness and interest among the target consumers towards new products. Thus, the study by Kim et al. (2020) also revealed that the firms that integrated marketing and design into the new product development process had higher NEPS. The purpose of this paper was to analyze the relationship between the integration of marketing into the design process and the performance of new products in the pharmaceutical industry. Hence, from the paper, it can be concluded that firms that can manage to improve the integration between the marketing and designing functions are more likely to come up with good new products.

From the table, it was observed that the computed rho-values ranged from 0.539 to 0.821, suggesting that there is a moderate to very high positive direct correlation between new product development practices' sub-variables and financial performance. The results showed that there is a significant relationship between the usage of new product development practices and financial performance, as the calculated p-values were below 0.01. When a company finds a new and better way to manage a specific disease through a new medical device, If



the device becomes popular in the market, then it will contribute a lot of income to the company. This can lead to employees getting better wages per share, and the price of the share can also increase. When a firm comes up with a new drug that is more efficient in the treatment of a specific disease, In the case where the drug is viable on the market, it can assist the organization in acquiring market share from its competitors. This can lead to more revenue and, as a result, more profits.

**Table 5**

*Relationship Between New Product Development Practices and Financial Performance*

Variables	rho	p-value	Interpretation
Developing Strategy			
Profitability	0.539**	<.001	Highly Significant
Liquidity	0.585**	<.001	Highly Significant
Solvency	0.636**	<.001	Highly Significant
Following a Process			
Profitability	0.570**	<.001	Highly Significant
Liquidity	0.668**	<.001	Highly Significant
Solvency	0.651**	<.001	Highly Significant
Balancing the Portfolio			
Profitability	0.618**	<.001	Highly Significant
Liquidity	0.697**	<.001	Highly Significant
Solvency	0.733**	<.001	Highly Significant
Building Capabilities			
Profitability	0.591**	<.001	Highly Significant
Liquidity	0.782**	<.001	Highly Significant
Solvency	0.707**	<.001	Highly Significant
Fostering a Culture			
Profitability	0.694**	<.001	Highly Significant
Liquidity	0.722**	<.001	Highly Significant
Solvency	0.821**	<.001	Highly Significant

\*\* . Correlation is significant at the 0.01 level

New products can bring revenues and profits to health management companies. Thus, when a health management company comes up with a new successful product, the company can make revenue and profit. This may result in better financial performance, like high EPS and high stock prices (Calantone et al., 2018). New products will assist health management companies in posing a threat to their competitors. The health management industry is a competitive industry that is characterized by competition for market share. Organizations that have the capability of coming up with new products that are successful can achieve a competitive advantage and get new customers. This is because it is able to capture more of the market and thus earn more revenue. New products may assist health management companies in entering new markets. New products that become successful can assist health management companies in venturing into new markets and reaching new consumers. This may prove useful in generating more revenue and, thus, higher profits (Cooper, 2018).

From the table, it can be observed that the computed rho-values, ranging from 0.647 to 0.837, show the presence of a direct relationship between the sub-variables of marketing performance and financial performance, which is quite intense. There was a statistically significant relationship between marketing performance and financial performance because the obtained p-values were less than 0.01

**Table 6**

*Relationship Between Marketing Performance and Financial Performance*

Variables	rho	p-value	Interpretation
Customer Acquisition Cost			
Profitability	0.647**	<.001	Highly Significant
Liquidity	0.805**	<.001	Highly Significant
Solvency	0.736**	<.001	Highly Significant

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Customer Lifetime Value			
Profitability	0.732**	<.001	Highly Significant
Liquidity	0.755**	<.001	Highly Significant
Solvency	0.837**	<.001	Highly Significant
Customer Satisfaction			
Profitability	0.654**	<.001	Highly Significant
Liquidity	0.818**	<.001	Highly Significant
Solvency	0.764**	<.001	Highly Significant

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The results of the present study highlight that marketing performance is an important determinant of the financial outcome of healthcare services. The ability to market a company's services can help it create more demand, establish a good brand, enhance patients' satisfaction, spur innovation, and foster relations with other stakeholders.

The following are possible benefits that may be realized in the long run: improved revenues, profits, and market share. This paper will analyze the role of patient satisfaction in the financial performance of healthcare organizations. Happy patients are likely to seek medical services in the future, refer the provider to other people, and adhere to the recommended treatment regimens. Marketing can assist in enhancing the satisfaction of patients by understanding their needs and fears, giving them proper information, and enhancing their experience. Marketing functions to know about new markets, new products, and new services, and can even tap into new markets altogether. This can result in higher revenue and market penetration for healthcare providers. Good marketing strategies can assist in the development of the company's relationships with the main target audiences, including physicians, referral sources, and payers. These alliances may be crucial in getting referrals, acquiring contracts, and determining the rates of compensation.

Kotler et al. (2018) identified that marketing can help raise awareness among the population with regard to the healthcare services available, educate the public on the advantages of treatment, and steer patients towards seeking treatment. This may lead to increased patient acuity and, thus, the patient census and revenue generation for healthcare providers. It should be noted that high brand awareness attracts more patients, helps retain the existing ones, and allows the organization to set higher prices for services. Marketing can be of great help in building a good brand since the focus is on the value proposition of the healthcare service provider as opposed to the competition. Gupta et al. (2018) confirmed that hospitals that spend more money on marketing activities attract more satisfied and loyal patients. The purpose of this research is to establish the relationship between marketing expenditures and patient satisfaction as well as patient loyalty in the healthcare industry. Also, this study reveals that hospital organizations that channel resources toward marketing are likely to have satisfied patients. Furthermore, Nall et al. (2019) found that pharmaceutical firms with strong brand reputations gain higher market share and higher profitability. The objective of the study was to determine the relationship between brand reputation, market share, and the profitability of firms in the pharmaceutical industry. Therefore, it can be concluded that companies with high brand equity can also enjoy a larger market share and higher profitability.

Similarly, Jones et al. (2020) also affirmed that patients who have high satisfaction levels are likely to be retained by providers and improve the providers' profitability. The specific problem of the study was to establish the relationship between patient satisfaction, patient retention, and profitability in the healthcare industry. The findings of this study suggest that those organizations that are able to attain a higher level of patients' satisfaction are likely to experience less patient turnover and better profits. Kotler and others (2018) have also pointed out that firms that engage in marketing involving innovations are likely to come up with new products and services that are likely to be successful in the market. This paper seeks to provide an understanding of marketing innovation's impact on new product success in the health care industry. In this regard, the current research shows that companies that allocate resources to marketing innovation will probably develop products and services that are useful for patients and healthcare providers.

According to Porter et al. (2020), stakeholder management research shows that organizations that focus on growing their relationships with stakeholders are likely to achieve better and more sustainable financial performance. The study was to examine the relationship between stakeholder relationships and the sustainable financial performance of health care organizations. This paper has therefore established that organizations that achieve competitive advantages by forming stakeholder relationships are likely to achieve great financial performance. In light of these studies, it can be concluded that marketing performance is positively related to the financial performance of health management organizations. The firms that are able to promote their services are likely to attract demand, improve their brand, increase patient satisfaction, and build relationships with strategic partners. This can bring about higher revenues, profits, and market shares in the long term.

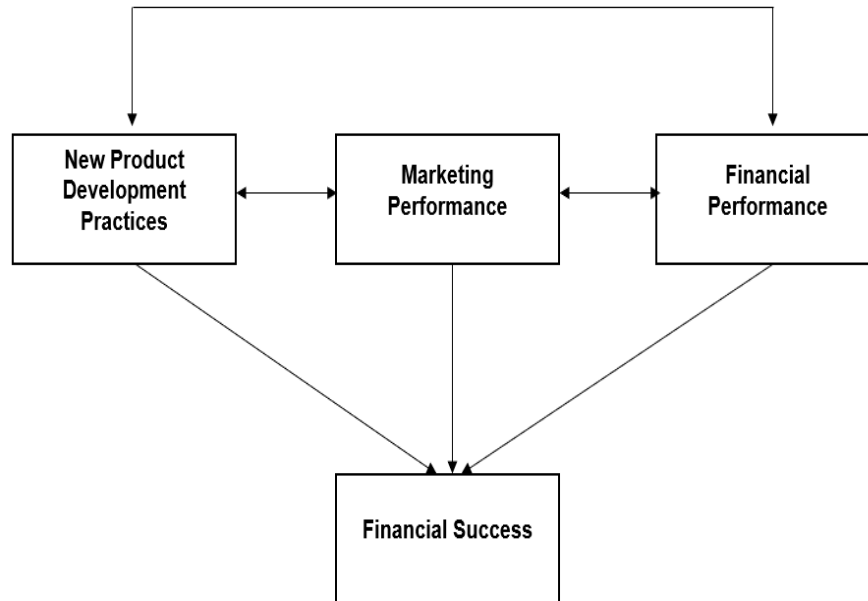


Figure 1. Financial Success Framework for Health Management Industries

### Financial Success Framework

Thus, by adopting this framework, health management companies will be able to establish a strong link between NPD practices, marketing performance, and financial performance, thus enhancing patient value and boosting the growth of the industry. The degree of connection between these elements will depend on the particular company, the market, and the type of health management product. Still, by understanding the key drivers and concentrating on customer orientation, evidence-based decision-making, and the concept of improvement, health management companies can develop the right approach to making financial gains with the help of new product offerings and smart marketing strategies.

The research also does not imply a unidirectional positive association between NPD and marketing performance. It is a rather mutual process in which each component nourishes and empowers the other one. Thus, by improving both areas and enhancing the cooperation of the teams, health management companies can create new products that can be easily introduced to the market and accepted by consumers. It can use the marketing data and the feedback obtained from the customers to enhance the already existing products and guide future new product development strategies, and it also has the ability to build a strong brand story that depicts the company as a market leader in innovation and as a company that has the customers at heart. Thus, it is important to develop cooperation between NPD and marketing teams for health management companies to be successful in the existing market environment.

Effective NPD practices produce better innovative products that are easily marketed and get a good response

from customers, thus improving the marketing performance. Thus, successful marketing campaigns generate relevant information and insights that can be used in NPD to ensure the product fits the market's needs. The closeness of the two functions in order to support new product development and marketing is therefore essential in the promotion of product adoption, brand equity, and therefore customers' satisfaction. Concerning the connection between marketing performance and financial performance, marketing performance is described as the primary determinant of financial performance in health management organizations. A company that has the capacity to get to the target audience and create leads tends to do well. Yet, it is necessary to mention that the mere increase in expenditures for marketing is not enough. Marketing has to ensure that the campaigns implemented are efficient and that the audience being targeted is appropriate.

Overall, it is possible to state that marketing performance is closely connected with financial performance in the health management industry, even though the interrelation between these two is rather intricate; thus, marketing is a crucial factor that determines the organization's success. Thus, companies that are able to design the appropriate marketing strategies and direct their promotion to the right consumers will have a higher chance of fulfilling their financial objectives. It is without a doubt that there is a positive correlation between the health management industry's financial performance and new product development practices. If a company pays attention to the customer and the data, encourages collaboration between departments, and embraces agile methodologies, then it will be more likely that the new product will be successful and bring in revenue and profits that will positively impact the brand and the company's financial health. Understanding this environment means that one needs to assess the potential threats and opportunities in order to get the best returns on NPD investments.

#### **4. Conclusions and recommendations**

The respondents agreed on the implementation of the new product development practices as to developing strategy, following a process, balancing the portfolio, building capabilities, and fostering a culture. The respondents agreed on the good marketing performance as to customer acquisition, customer lifetime value, and customer satisfaction. Respondents showed moderate agreement on the financial performance focusing on profitability, liquidity, and solvency that can create a financially strong business that will be able to thrive in the competitive healthcare industry. There is a high significant relationship between new product development practices, marketing performance, and financial performance in health management industries. Financial success drivers' health management industry framework was developed.

Marketing managers of health management companies may adopt a holistic approach to business management, aligning new product development efforts with market demands for health products and services. The marketing managers may develop a comprehensive and data-driven marketing strategy that aligns the business goals and target audience which will drive business growth, enhances brand awareness, and achieves marketing objectives. Health management companies' financial managers may improve their financial performance by focusing on revenue growth, optimizing cost structure, managing risk effectively, investing in technology and innovation, and fostering a culture of financial stewardship. The financial success framework may be recommended for reference and use of health management industries. Future researchers may focus on conducting longitudinal studies, exploring the influence of specific new product development practices, investigating the role of marketing performance metrics, analyzing the impact of financial marketing performance in collaboration with industry partners, and disseminating research findings.

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