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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

The health management industry in China is a large and growing market. The Chinese government is investing heavily in healthcare, and the rising affluence of the Chinese population is leading to a growing demand for healthcare services. This has created a favorable environment for the growth of the health management industry in China. The health management industry in China is rapidly evolving, with new product development practices, marketing performance, and financial performance all improving. There are factors that contribute to the success of health management companies in China. The first is the strong research and development capabilities. Chinese health management companies are investing heavily in research and development to develop innovative products and services. This has allowed them to stay ahead of the competition and meet the needs of the changing healthcare landscape. Second is effective marketing. Chinese health management companies are using a variety of marketing channels to reach consumers, including traditional media, digital marketing, and word-of-mouth marketing. This has helped them to build brand awareness and generate leads. Third is good customer service. Chinese health management companies are providing excellent customer service to their customers. This has helped them to build loyalty and repeat business and last is government support. The Chinese government is providing strong support to the health management industry. This has helped to create a favorable environment for the growth of the industry. Chinese health management companies are well-positioned to continue to grow in the coming years. They are investing in new product development, marketing, and customer service, and they are benefiting from government support. As a result, they are likely to continue to improve their financial performance (China Health Management Association, 2023).

New product development is an important factor for the success of health management companies in China. The Chinese market is very competitive, and companies constantly innovate in order to stay ahead of the competition. New product development practices in health management industries are the activities and processes that companies use to create new products and services. These practices typically involve a number of steps, such as idea generation, concept development, market research, product development and marketing (Chang and Taylor, 2018). New product development practices in health management industries are constantly evolving as the healthcare industry changes. Companies need to be agile and adaptable in order to keep up with the latest trends and technologies. They also need to be customer-centric and focus on developing products and services that meet the needs of the target market. Chinese health management companies are increasingly investing in research and development (R&D) to develop innovative products and services. A recent study by the China Health Management Association found that the average R&D spending of Chinese health management companies increased by 15% in 2022. This investment is being used to develop a wide range of new products and services, including AI-powered telemedicine platforms, wearable health devices, and digital health records (China Marketing Association, 2023).

Marketing is another important factor for the success of health management companies in China. The Chinese market is large and diverse, and companies use a variety of marketing channels to reach their target customers. Chinese health management companies are also getting better at marketing their products and services. They are using a variety of channels to reach consumers, including traditional media, digital marketing, and word-of-mouth marketing. A recent study by the China Marketing Association found that the average marketing spending of Chinese health management companies increased by 20% in 2022. This investment is being used to create awareness of new products and services, build brand loyalty, and encourage 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 can vary depending on the company, but they may include increasing brand awareness, generating leads, driving sales, and improving customer satisfaction. Marketing performance can be measured and improved in health management industries. By tracking its marketing performance, a company can identify what is working and what is not, and make adjustments to its marketing strategy accordingly. This can help the company to achieve its marketing goals and improve its bottom line (Chang and Taylor, 2018). There are a number of factors that can contribute to marketing performance in health management industries. These include the quality of the marketing strategy, effectiveness of the marketing channels, budget and execution of the marketing campaign

Financial performance is the ultimate goal of all businesses. Financial performance in health management industries is the ability of a company to generate revenue, manage expenses, and achieve profitability. It is measured by a variety of metrics like revenue, profit, return on investment, earnings per share and cash flow. Financial performance is important for health management industries because it is a measure of a company's ability to survive and thrive. Companies with good financial performance are more likely to be able to invest in new products and services, expand their operations, and attract new customers (Chang and Taylor, 2018). By tracking the company's financial performance, a health management company can identify areas where it is doing well and areas where it can improve. This information can be used to make decisions about the company's future, such as how to allocate resources, what products and services to offer, and how to market its products and services.

The financial performance of Chinese health management companies is also improving. This is due to a number of factors, including the rising demand for healthcare services, the increasing adoption of new technologies, and the government's support for the health management industry. A recent report by the China Securities Regulatory Commission found that the average revenue of Chinese health management companies increased by 10% in 2022. This growth is expected to continue in the coming years, as the Chinese health management industry is projected to reach $1 trillion by 2025 (China Securities Regulatory Commission, 2023). Most of the existing research on new product development practices, marketing performance and financial performance of health management industries has been conducted in developed countries. There is a lack of research on how these factors play out in the Chinese context. The Chinese health management industry is rapidly evolving, and there are a number of unique factors that shape 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	α value	Interpretation
New Product Development Practices			
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
Marketing Performance			
Customer Acquisition Cost	5	0.948	Excellent
Customer Lifetime Value	5	0.930	Excellent
Customer Satisfaction	5	0.919	Excellent
Overall	15		Excellent
Financial Performance			
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 their 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 study's findings have several implications for practice. In order to boost consumer happiness, businesses should focus on increasing their marketing performance. This can be accomplished by creating and implementing effective marketing strategies that are in line with target customers' demands and desires, investing in marketing efforts that increase brand awareness, consumer trust, and perceived value among customers, and marketing performance is tracked and measured to discover opportunities 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 presents the summary table on financial performance as to profitability, liquidity, and solvency with a grand composite mean of 3.34 which indicates agree on all indicators. Among the dimensions, liquidity obtained the highest rank with a weighted mean of 3.37 and an agreed verbal interpretation. This indicates that the liquidity of a firm is a key measure of its financial health. Companies can increase their liquidity by keeping a strong current ratio, successfully managing cash flow, maintaining a good asset mix, reducing debt, and enhancing inventory management.

Chen et al. (2022) proved that from 2010 to 2019, a sample of 1,000 Chinese enterprises showed that liquidity has a favorable and significant impact on financial performance. The current and quick ratios were used to evaluate liquidity, while the return on assets (ROA) and return on equity (ROE) were used to measure financial performance. According to the study, the influence of liquidity on financial performance is greater for enterprises with larger levels of debt and 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 can help companies attract new customers, retain existing customers, and increase market share.

Effective marketing can help companies launch and promote new products successfully. In order to be successful, new products need to be effectively marketed and promoted to target audiences. Effective marketing can help companies generate awareness of new products, create interest, and drive sales (Churchill et al., 2018).

New product development practices can help companies create products that meet the needs of their customers. In the health management industry, it is important to develop products that meet the specific needs of patients and healthcare providers. Effective new product development practices can help companies understand customer needs and develop products that are well-received in the market. Marketing performance can provide valuable feedback to the new product development process. By tracking marketing performance, companies can gain valuable insights into how new products are being received by the market. This feedback can be used to improve future new product development efforts (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

A study by Lee et al., (2018) found that firms with higher levels of marketing orientation in new product development had higher levels of new product success rates. The study examined the impact of marketing orientation on new product development performance in the pharmaceutical industry. The findings suggest that firms that are more focused on understanding and meeting customer needs are more likely to develop successful new products. A study by Chen et al. (2018) found that firms that adopted a stage-gate process for new product development had higher levels of new product launch success. The study examined the impact of different new product development processes on launch success in the medical device industry. The findings suggest that a stage-gate process can help firms to better manage the risks and uncertainties associated with new product development. Moreover, Gupta et al. (2019) found that firms that used social media for marketing new products had higher levels of new product adoption. The study examined the impact of social media marketing on new product adoption in the healthcare industry. The findings suggest that social media can be an effective tool for creating awareness and interest in new products. Further, the study by Kim et al. (2020) found that firms that integrated marketing and design in the new product development process had higher levels of new product success. The study examined the impact of marketing-design integration on new product success in the pharmaceutical industry. The findings suggest that firms that can effectively collaborate between marketing and design teams are more likely to develop successful new products.

As seen in the table, the computed rho-values ranging from 0.539 to 0.821 indicate a moderate to very strong direct relationship among the sub variables of new product development practices and financial performance. There was a statistically significant relationship between new product development practices and financial performance because the obtained p-values were less than 0.01. When a company develops a new medical device that is more effective in treating a particular disease. If the device is successful in the market, it can generate significant revenue for the company. This can lead to higher earning per share and higher stock prices. When a company develops a new pharmaceutical drug that is more effective in treating a particular disease. If the drug is successful in the market, it can help the company to gain market share from its competitors. This can lead to higher revenue and higher 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 generate revenue and profit for health management companies. When a health management company develops a successful new product, it can generate revenue and profit for the company. This can lead to increased financial performance, such as higher earnings per share (EPS) and higher stock prices (Calantone, et al., 2018). New products can help health management companies gain a competitive edge. In the health management industry, there is intense competition for market share. Companies that can develop successful new products can gain a competitive edge and attract new customers. This can lead to increased market share and higher revenue. New products can help health management companies expand into new markets. Successful new products can help health management companies to expand into new markets and reach new customers. This can lead to increased revenue and higher profits (Cooper, 2018).

As seen in the table, the computed rho-values ranging from 0.647 to 0.837 indicate a strong to very strong direct relationship among the sub variables of marketing performance and financial performance. 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
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

The evidence suggests that marketing performance is a critical factor in the financial success of healthcare providers. Companies that can effectively market their services are more likely to generate demand, build a strong brand, improve patient satisfaction, drive innovation, and foster relationships with key stakeholders. This can lead to increased revenue, profits, and market share in the long term. Patient satisfaction is a key driver of financial performance in the healthcare industry. Satisfied patients are more likely to return for care, recommend the provider to others, and comply with treatment plans. Effective marketing can help to improve patient satisfaction by addressing their needs and concerns, providing clear and accurate information, and creating a positive patient experience. Marketing can help to identify new market opportunities, develop new services, and expand into new markets. This can lead to increased revenue and market share for healthcare providers. Effective marketing can help to build relationships with key stakeholders in the healthcare industry, such as physicians, referral sources, and payers. These relationships can be essential for generating referrals, securing contracts, and influencing reimbursement rates.

According to study of Kotler et al., (2018), effective marketing can help to create awareness of healthcare services, educate potential patients about the benefits of treatment, and encourage them to seek care. This can lead to increased patient volume and revenue for healthcare providers. It is worth to note that a strong brand reputation can attract new patients, retain existing patients, and command higher prices for services. Effective marketing can help to build a strong brand by communicating the unique value proposition of a healthcare provider and differentiating it from competitors. A study by Gupta et al. (2018) found that hospitals with higher marketing expenditures had higher patient satisfaction and loyalty. The study examined the impact of marketing expenditures on patient satisfaction and loyalty in the healthcare industry. The findings suggest that hospitals that invest in marketing are more likely to have satisfied and loyal patients. Moreover, Nall et al. (2019) found that pharmaceutical companies with stronger brand reputations had higher market share and profitability. The study examined the impact of brand reputation on market share and profitability in the pharmaceutical industry. The findings suggest that pharmaceutical companies with strong brand reputations are more likely to have a larger market share and higher profitability.

Jones et al. (2020) confirmed that healthcare providers with higher levels of patient satisfaction had higher patient retention and profitability. The study examined the impact of patient satisfaction on patient retention and profitability in the healthcare industry. The findings suggest that healthcare providers with higher levels of patient satisfaction are more likely to have higher patient retention and profitability. Further, Kotler et al. (2018) found that companies that invest in marketing innovation are more likely to develop successful new products and services. The study examined the impact of marketing innovation on new product success in the healthcare industry. The findings suggest that companies that invest in marketing innovation are more likely to develop new products and services that meet the needs of patients and healthcare providers.

A study by Porter et al. (2020) found that companies that build strong relationships with their stakeholders are more likely to achieve sustainable financial success. The study examined the impact of stakeholder relationships on sustainable financial performance in the healthcare industry. The findings suggest that companies that build strong relationships with their stakeholders are more likely to have a long-term competitive advantage and achieve sustainable financial success. These studies provide strong evidence to suggest that there is a significant relationship between marketing performance and financial performance in health management industries. Companies that can effectively market their services are more likely to generate demand, build a strong brand, improve patient satisfaction, drive innovation, and foster relationships with key stakeholders. This can lead to increased revenue, profits, and market share in the long term.

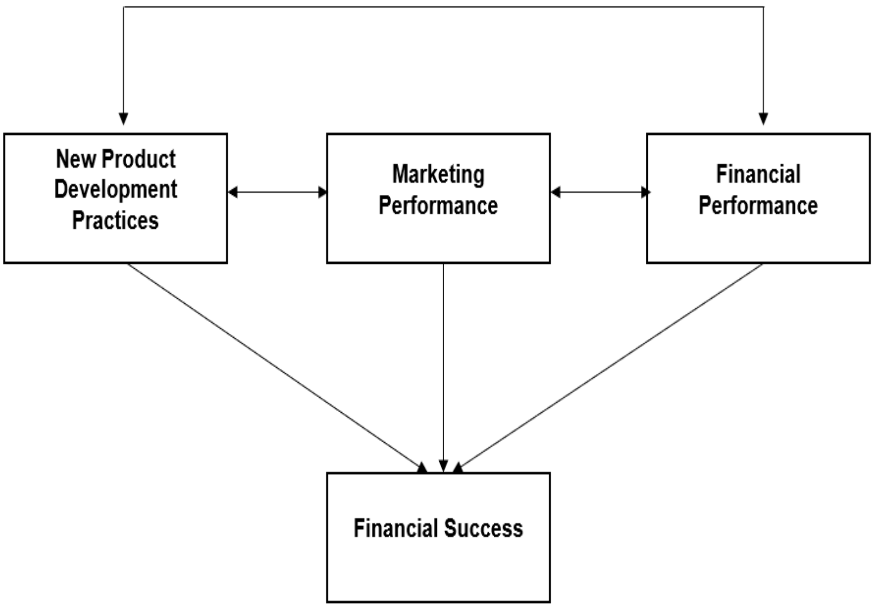

Figure 1. Financial Success Framework for Health Management Industries

Financial Success Framework

By implementing this framework, health management companies can create a powerful synergy between NPD practices, marketing performance, and financial success, ultimately improving patient outcomes and driving sustainable growth in the industry. The specific relationship between these elements will vary depending on the company, market, and type of health management product. However, by understanding the underlying principles and focusing on customer-centricity, data-driven decision making, and continuous improvement, health management companies can create a framework for driving financial success through innovative new products and effective marketing strategies.

The relationship between NPD and marketing performance is not one-directional. It's a dynamic interplay where each element feeds and strengthens the other. By optimizing both areas and fostering close collaboration between teams, health management companies can develop products that are not only innovative but also highly marketable and easily adopted by target audiences. It can leverage marketing data and customer feedback to refine existing products and inform future NPD strategies and it can also create a powerful brand narrative that positions the company as a leader in innovation and customer-centricity. Fostering a collaborative environment where NPD and marketing teams work hand-in-hand is crucial for health management companies to thrive in today's competitive landscape.

Strong NPD practices lead to innovative products that are easier to market and generate positive customer feedback, boosting marketing performance. Effective marketing campaigns provide valuable data and insights that inform NPD iterations, ensuring products truly resonate with the market. Collaborative environment between NPD and marketing teams is crucial for maximizing product adoption, brand building, and ultimately, customer satisfaction. With regards to the relationship between marketing performance and financial performance, marketing performance is known to be the key driver of financial performance in the health management industry. Companies that are able to effectively reach their target audience and generate leads are more likely to be successful. However, it is important to note that simply spending more money on marketing is not enough. Companies need to make sure that their marketing campaigns are effective and that they are targeting the right audience.

Overall, the relationship between marketing performance and financial performance in the health management industry is complex, but there is no doubt that marketing plays an important role in driving success. Companies that can develop effective marketing strategies and target the right audience are more likely to achieve their financial goals. The relationship between financial performance and new product development practices in health management industries is undoubtedly positive. By focusing on customer needs, utilizing data effectively, fostering cross-functional collaboration, and adopting agile development methodologies, companies can increase their chances of launching successful new products that drive revenue growth, improve profitability, and enhance brand value, ultimately leading to sustainable financial success. Navigating this complex landscape requires careful consideration of potential risks and challenges to maximize the financial 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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