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## **Integrated Marketing Communication Model of Elderly Care Business in Thailand**

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### **Abstract**

This research was to classify factors of the integrated marketing communication strategy model for the elderly care business in Thailand. The researcher constructed a questionnaire to collect data from 497 entrepreneurs of elderly care business in Thailand. The data were statistically analyzed by frequency distribution, percentage, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). The obtained findings indicated that most of elderly care business in Thailand was registered as a sole proprietor business with a capital of less than three million baht. They aimed at health and convalescent care for the Thai elderly only. The average number of employees in the organization was 7.46 and the average business operations period was 8.32 years. The business location was in both Bangkok and provincial cities with similar population size. The result of the exploratory factor analysis performed on the obtained data indicated seven factors as 70.806% of variance calculated to form an integrated marketing communication strategy model for the elderly care business in Thailand. It should be noted that the model appeared to fit in the confirmatory factor analysis performed on the data and consistently contained seven factors from forty-four indicators.

**Keyword:** *Exploratory Factor Analysis, Confirmatory Factor Analysis, integrated marketing communication model, elderly health care business*

### **1. Introduction**

The major changes in this modern era are development of information technology, and channel power, particularly the emergence of communication channels and distribution channels through the Internet. Increased competition in investment has arisen from borderless communication causing products and services of various brands in competition worldwide. The similarity of the brand or brand parity depends on marketing communication which has gradually developed into integrated marketing communication (IMC). Thailand is now entering a full-scale aging society as declared by Sontirat Sontijirawong, Deputy Minister of Commerce in 2020, for twenty percent or 14 million of the country's elderly population. The trend of the aging population can be seen in Japan, European countries, Scandinavian countries like Norway, Sweden, Denmark, and Nordic countries like Iceland and Finland. This trend has opened up a good opportunity for Thailand's service industry with emphasis on elderly care.

As recognized by travelers and tourists, Thailand has its human resource with service mind. The country also has a full range of good medical and health facilities to meet the needs of the local and foreign elderly for services in elderly health and convalescent care.

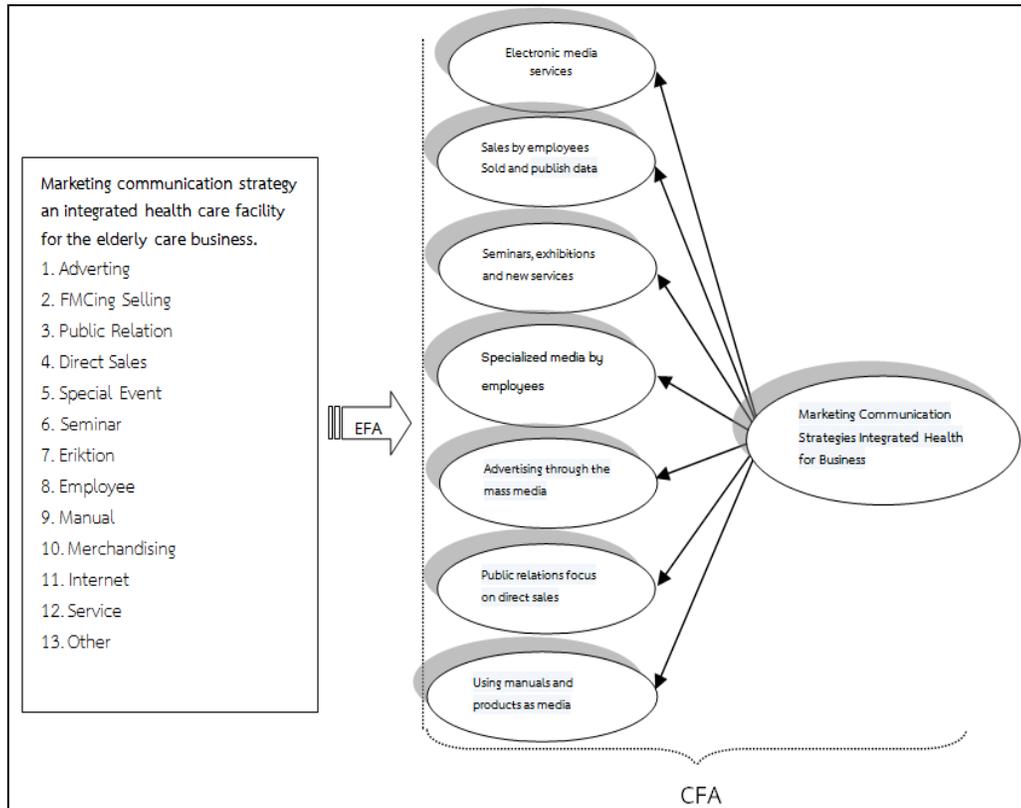
It is interesting to look at the current picture of Thailand's elderly care business. Service providers require in their personnel nursing knowledge, patience and understanding. As for technical knowledge in nursing, a nurse assistant is required to have 70-420 hours of the training program organized by the Department of Health, Ministry of Public Health or the authorized government or private agencies under supervision of the Ministry of Education. There has been a continued shortage of elderly care personnel in keeping up with the rising market demand for this type of personnel. The existing workforce tends to leave jobs after a rather short period of work for higher level jobs. The other two acute problems deal with some elderly care facilities not up to the operations standard, and responsibility of the service provider not up to the expectations of the elderly clientele. Moreover, there has been no clear-cut procedure on the deceased case of the elderly under care provided by the establishment involved.

As currently known, there have been no established standard criteria for elderly care facilities for the elderly care business to follow. The issue of disseminating information about elderly care services requires a clear guideline for comprehensive and diverse health promotion communication formats in advertising and direct marketing. Promotion and public relations of the marketing communication plan also incorporate various communication strategies to create communication that is continuous, clear, and coherently united. These are to help the family and relatives of the elderly clientele to use the provided services with confidence and trust in safety, standard facilities and care in accordance with health care regulations of the Ministry of Public Health. Considering the current practices of the elderly care business, the researcher was interested in identifying an integrated marketing communication strategy model for the elderly care business operations in Thailand. The researchers would like to classify and group appropriate components for factors in the integrated marketing communication model. It was expected that the obtained model can help guide effective planning, implementing and evaluating integrated marketing communication strategies for the country's health promotion as well.

## **2. Research framework**

The research conceptual framework for the study contained 13 marketing strategies to form 7 factors for the Integrated Marketing Communication Model. The framework is shown in Figure 1 below.

**Figure 1:** Research Conceptual Framework



**3. Research Objectives:**

This research was to classify factors of the integrated marketing communication strategy model for elderly health care business in Thailand. It was expected that the obtained findings would shed light on marketing strategies used in Thailand’s growing elderly care business and current problems or obstacles involved in business operations.

**4. Literature Review**

This section reviews literature related to the study in four areas: (1) integrated marketing communication concept, (2) elderly care business, (3) elderly care business structure, and (4) success factor.

**4.1. Integrated Marketing Communication Concept**

The integrated marketing communication concept (IMC) has gained recognition and popularity among entrepreneurs, businesses and academics. The concept was studied in the work of Sirgy (1998), Schultz (2004), and Wongmontha (2009, 2012). It refers to the process of planning the use of marketing tools with target consumer groups with decision behaviors according to brands that stimulate purchase decisions. The integrated marketing communication concept concentrates on three things: (1) messages communicated with a psychological relationship

and physical continuity into pictures and slogans, (2) customers' characteristics and preferences, and (3) a variety of marketing tools, such as pricing, product format, promotion packaging style, and online communications.

As seen in its components, the concept is complex in communication, market share, positioning for positive and direct contacts with consumer groups. Such conceptual complexity of integrated marketing communication takes into account 18 principles: (1) advertising, (2) public relations, (3) direct marketing, (4) event marketing, (5) display, (6) licensing, (7) sales force, (8) transit media, (9) seminar, (10) packaging, (11) employees, (12) service, (13) exhibition, (14) manual, (15) training center, (16) exhibition, (17) demonstration center, and (18) showroom. These principles incorporate process, persuasive communication, consumer behavior, and long run business operations (Sirgy, 1998; Schultz, 2004).

#### 4.2. Elderly Care Business

The elderly care business refers to a service in a non-hospital setting. Residence services are provided with slight medical supervision. They generally cover overnight accommodation, food service, housekeeping, clothing, and physical hygiene. The business may closely monitor primary health care but does not provide nursing care. In case of illness, residents will be referred to the patient department of the nearby hospital for needed medical treatment (Online Manager, 2017)

#### 4.3. Elderly Care Business Structure

The Foundation of Thai Gerontology Research and Development Institute reported the number of long-term elderly care businesses and healthcare facilities in Bangkok at the highest in 2016. It was forty-nine percent of the total of 800 locations across Thailand as of June 30, 2017 (Department of Business Development, 2017). It could be inferred that the elderly in Bangkok tended to resort to external care in the urban environment where their relatives needed to work outside the home and did not have time to care for. From the reported documents in 2016 and 2017, elderly care businesses in Thailand are generally divided into 6 types: (1) Day Care, (2) Long Stay Business for overnight stays, food service, cleaning, clothing and body care. This type usually includes follow-ups on primary health care, such as nursing home care, life support facility, long-term care facility in the hospital, nursing facility, and hospice care facility. (3) Elderly Residence for seniors aged 45 or over on the basis of the long-term lease of living units or rooms. The non-ownership lease typically covers a period of 30 years or living until the end of life. (4) Care Service by caregivers' visits at the elderly's home. (5) Charitable Elderly Home for the poor elderly without relatives. This type of business provides housing assistance and three meals per day. (6) Health Promotion Centers for the elderly provides health examination services and advice on promoting health care. If we look at the service factor, we can roughly classify the elderly care business into two categories; that is, (1) day-trip services (day care) for self-help elderly people with relatives, and (2) long-stay care services where the elderly live in service units for a specific period of time. If classified by the needs of the elderly, the elderly care business has two types for self-help and help-dependence in cases of chronic diseases or in intensive medicare

#### 4.4. Success Factor

From the documents of Department of Business Development (2010, 2017) and Online Manager (2017), success in the elderly care businesses stemmed from seven factors as follows:

(1) *Business Strategies*. One of the prominent strategies that attracts the elderly and their relatives was the use of information technology, particularly the close-circuit camera for viewing the elderly' activities and for safety in monitoring the total living environment. Also important was special or custom-made care provided in the niche-market for the self-reliant elderly.

(2) *Location*. Most elderly and relatives preferred the selected elderly care facility in their home vicinity for convenience of visits. It was desirable for the business location to be close to the community areas, such as temples, parks, libraries so that the elderly would be able to join community activities. The location should not be close to sources of air, sight, smell or noise pollution and industrial sites.

(3) *Internal Environment and Physical Condition*. The elderly care facility should have appropriate internal environment with privacy. There should be an activity area, both inside and outside the building, which is physically safe and hygienically clean. Also needed are areas to promote social interaction with ample space for individuals and families to meet and doing joint activities within the residence.

(4) *Number of Skilled Personnel*. The number of nurses and caregivers must be appropriate for the condition and physical limitations of the elderly.

(5) *Management System*. Vitaly important is confidence in the quality of services, particularly in having a written record of the elderly. There should be a mechanism from the management to ensure service quality and encourage participation for regular feedback from the internal personnel, the elderly and their relatives.

(6) *Service Charges*. Service charges should be reasonable for the services provided regarding quality, reliability and intensity of care.

## 5. Research methodology

### 5.1 The Respondents

The researcher constructed a survey questionnaire to collect data from 497 entrepreneurs of elderly care business in Thailand. The respondents to the survey questionnaire were 800 comprising 169 business representatives (21.12%) and 631 (78.88%) individuals in the elderly care business. The number of respondents was determined by the sample size criterion for EFA and CFA using the Maximum Likelihood Estimation (MLE) as earlier used in the study by Phiriyakul (2010).

### 5.2 The Instrument

The instrument used in the study was a survey questionnaire to obtain data for an analysis of the components of an integrated marketing communication strategy for healthcare for elderly care businesses in Thailand. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were performed on the obtained data to identify factors of the integrated marketing communication strategy model for elderly health care business in Thailand.

The questionnaire was constructed in two parts. Part 1 was on *general information* to secure data on registration, number of employees, types of business, operating capital, caring services for the elderly, the number of operating years, and business location. Part 2 was on *integrated marketing communication strategies* of 44 items according to the specifications of integrated marketing communication strategies for the elderly care business in Thailand. These 44 items were under 7 components: (1) use of electronic media for providing services in 12 items, (2) sales by sales staff with information dissemination in 6 items, (3) new seminars, exhibitions and services in 5 items, (4) employee-based media in 7 items, (5) mass media advertising in 5 items, (6) public relations focusing on direct sales in 5 items, and (7) use of manual and product media in 4 items. These items were on the rating scale of 1-5 from 1 (minimum), 2 (low), 3 (moderate), 4 (very) and 5 (the most).

## 6. Data Analysis

Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were performed on the obtained data to identify factors of the integrated marketing communication strategy model for the elderly health care business in Thailand. The statistics used in the research was after Kelloway (1998), Silván (1999), Byrne (2001) and Wiratchai (2008), to examine the following:

- 6.1 Chi-square Statistic:  $\chi^2$
- 6.2  $\chi^2 / df$
- 6.3 Goodness of Fit Index: GFI
- 6.4 Adjusted Goodness of Fit Index: AGFI
- 6.5 Comparative Fit Index: CFI
- 6.6 Tucker-Lewis Index: TLI
- 6.7 Parsimony Goodness of Fit Index: PGFI
- 6.8 Root Mean Square Error of Approximation: RMSEA
- 6.9 Root Mean Square Residual: RMR

## 7. Research Results

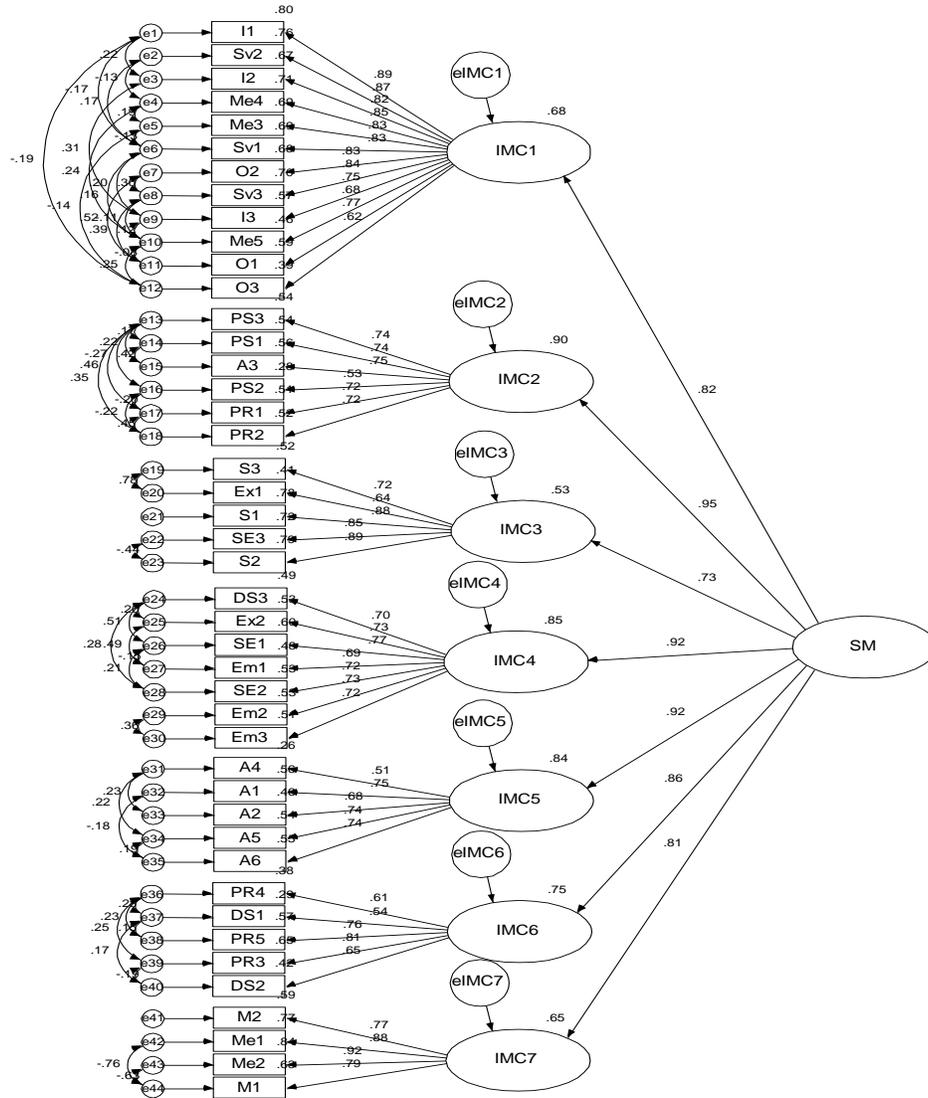
From the data obtained from 497 elderly care businesses in Thailand, 82.7% was registered as a sole proprietor business, and 56.5% had the operating capital less than 3 million baht. The business focused on taking care of the elderly including convalescent patients and 70.2% had 6-10 employees in the organization with an average of 7.46 persons. The period of business operations was 6-10 years (77.7%) with an average of 8.32 years. As for the location, it was in Bangkok (44.5%) and outer provinces (40.0%).

The component analysis revealed the Kaiser-Meyer-Olkin statistic at 0.963 and seven components explained the variability of variables used to measure the integrated health care marketing communication strategy for the elderly care businesses for 70.806%. Factor 1 "Use of electronic media for providing services and supplementing other media" explained the variance at 19.011%, Factor 2 "Sales by sales people with information dissemination" at

11.812%, Factor 3 “New seminars, exhibitions and services” at 9.123%, Factor 4 “Employee-based media at 8.846%, Factor 5 “Mass media advertising” at 8.103%, Factor 6 “Public relations focusing on direct sales” at 7.815%, and Factor 7 “Use of manual and product media” at 6.097%.

The analysis of the confirmed elements in CFA showed that a component model of an integrated marketing communication strategy for the elderly care business in Thailand was in congruence with the obtained empirical data, as shown by the chi-square statistical proportion / degree of freedom ( $\chi^2 / df$ ) at 2.973, which was less than the established criterion at 3. And when considering group indices defined at the level greater than or equal to 0.90, it was found that all indices, such as GFI = 0.975, AGFI = 0.937, CFI = 0.997, TLI = 0.985 satisfied the criterion; PGFI = 0.662 passed the level of greater than or equal to 0.50. The level was set as less than 0.05, index RMR = 0.046 and RMSEA = 0.047. For the characteristics of a pattern developed to confirm a suitable composition with a factor loading of 0.50 or more (absolute value) (Wongmontha, 2009), the results showed 7 elements or factors out of 44 indicators. They were (1) Factor 1 “Use of electronic media for providing services” with 12 indicators, (2) “Sales by sales staff with information dissemination” with 6 indicators, (3) “New seminars, exhibitions and services” with 5 indicators, (4) “Employee-based media” with 7 indicators, (5) “Mass media advertising” with 5 indicators, (6) “Public relations focusing on direct sales” with 5 indicators, and (7) “Use of manual and product media” with 4 indicators. These seven factors appeared to be incongruence with the empirical data obtained from the respondents in the study (see Figure 2 below).

**Figure 2:** The results of the analysis of the confirmation elements of the composition model of the integrated marketing communication strategy for the elderly care business in Thailand



## 8. Discussion

As seen in the reported results in Figure 2, most of the elderly care businesses in Thailand were registered as a sole proprietorship at 82.7%, and operating capital of less than 3 million baht at 56.5%; these were in line with reports from the Department of Business Development (2010, 2017) and Foundation of Thai Gerontology Research and Development Institute (2016). Commercial registration for setting up a care facility for the elderly is required by the Department of Business Development. Sole proprietorship of a small business is obliged to apply for commercial registration within 30 days from the commencement of the business operations; violation results in a fine not exceeding 2,000 baht with a continuous fine of not more than 100 baht per day until it is registered. A commercial registration fee for a sole proprietorship is 50 baht, a

partnership of not more than three partners for a fee of 1,000 baht, and a limited company for a fee of 200 baht. A fee for registered capital is 500 per 1,000 baht for the minimum 5,000 baht to the maximum 250,000 baht. The elderly care facility focuses on taking care of the elderly, including convalescent patients. The average number of employees in the organization was 7.46, and the average business operations duration was 8.32 years.

The interview results revealed that the number of service personnel for the number of service users was in the ratio of 1: 2 (3). Generally, small businesses hold about 6-8 staff members to accommodate 12-20 users. The location in Bangkok was 44.5% and outer provinces 40%, as earlier mentioned in Online Manager (2017) and also in line with the Department of Business Development (2017). The Department especially noted that the number of elderly service businesses has steadily increased in Bangkok for more dependent elderly than those in the outer provinces.

The analysis of seven components explained the variability of variables used to measure the integrated marketing communication strategy for the elderly care businesses in Thailand at 70.806%. The variances of seven factors are: Factor 1 "Use of electronic media for providing services and supplementing other media" at 19.011%, Factor 2 "Sales by sales people with information dissemination" at 11.812%, Factor 3 "New seminars, exhibitions and services" at 9.123%, Factor 4 "Employee-based media" at 8.846%, Factor 5 "Mass media advertising" at 8.103%, Factor 6 "Public relations focusing on direct sales" at 7.815%, and Factor 7 "Use of manual and product media" at 6.097%. The researcher noted that the most popular method used in this analysis is Principle Component Analysis: PCA by Varimax Rotation Factors which minimized the number of weighted variables on each component, yielding only variables with a high linear aggregation coefficient. The analysis results consider Eigenvalue greater than 1 to determine the common component. As seen, the first factor on *the use of electronic media for providing services and supplementing other media* is the most important component/ strategy because it can explain or extract the highest variance of the data, followed by other common components in a descending order.

The confirmation factor analysis revealed the identified elements were in congruence with the empirical data obtained from the respondents as shown by the chi-square statistical proportion / degree of freedom ( $\chi^2 / df$ ) at 2.973, which is less than 3 as the established criterion (Bollen, 1989). And the group indices defined at the level greater than or equal to 0.90 showed that all indices such as GFI = 0.975, AGFI = 0.937, CFI = 0.997, TLI = 0.985 satisfied the criterion after Byrne (2001), PGFI = 0.662 passed the higher level criterion (equal to 0.50) after Silván (1999). Those indices defined at levels less than 0.05 showed that the indices RMR = 0.046 and RMSEA = 0.047 passed the same criterion after Kelloway (1998).

The characteristics of a pattern developed to confirm a suitable composition with factor loading from 0.50 or more (absolute value) consisted of 7 components out of 44 indicators as reported earlier. The nature of this developed model is called Measurement Model--intended to explore and identify common elements that can explain the relationships between observed variables. The parameter estimation using the Maximum Likelihood method was used in this

analysis. Using a harmonization function that is not a line function, it is rather a function that can differentiate  $S$  and  $\Sigma$  if the two matrices are similar. The first term of the function is equal to the third term. The middle term is zero (Silván, 1999). This is to harmonize the model with the obtained empirical data, as shown in the results of the study reported in the earlier sections.

## 9. Recommendations

Based on the findings, the researcher would like to recommend the following integrated marketing communication strategies for the elderly care business in Thailand as follows:

(1) Elderly care business operators in Thailand can further develop the potential of personnel involved in disseminating information about the elderly care by creating an understanding in the people in the organization about its clear objectives and goals. The staff should be encouraged in the training area of creative thinking skills development and online marketing, as specified in Factor 1 on *the use of electronic media for providing services and supplementing other media*.

(2) Relevant government agencies should establish policies or measures to facilitate issuing licenses, certifying service quality standards, as well as supporting and strengthening the network of partners with hospitals, physical therapy units, and health promotion centers to reach new clients.

(3) Relevant government agencies should promote the training policy in knowledge, skills and code of ethics in the elderly care business. Confidence among service users can be assured with concrete safety measures and hygiene procedure with emphasis on professional care. It should also be a continuous communication to current and potential clients for their brand awareness toward service providers.

(4) The use of factor loadings of integrate marketing communication strategies can help service providers to select and prioritize urgent needs. This is to help formulate policies to strengthen the elderly care business sector in Thailand to operate efficiently with service quality at the international standard for the elderly clientele.

## 10. Further research

The researcher would like to suggest further research into brand awareness and loyalty developed by service providers. It is vitally important to include marketing structure and customer demand in business planning and operations. This is for entrepreneurs or service providers to gain insight into the marketing structure of products and services, finance, marketing personnel, as well as online customer communication to adjust their business strategy direction toward a good success in the long-term business operations.

## 11. The Author

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