E-BUSINESS STRATEGY AND BRANDING: AN EMPIRICAL STUDY OF E-BINSINESS PROJECT IN OMAN.

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Abstract:

With growing impact of Internet and its role as a business driver, e-business has become an important strategic and operational issue.   The organization in the World Wide Web must rethink about its electronic business (e-business). This study investigates some of the e-business operations on the website of an Omani company, Muscat Private Hospital (MPH). The purpose of the research is to explore the e-business strategy constraints which affect operations in local companies. A scoring method was adopted to evaluate the website itself and compare it to a similar website. The findings present a lack in e-business strategy and branding and discussed some recommendations in term of the classic McKinsey 7S strategy instruments (strategy, structure, system, staff, style, skills, and super ordinate goals).

Key Words: e-business strategy, branding, McKinsey 7S strategy instruments, Oman, MPH.

1   Introduction

"Using Internet-enabled technology can result in quantifiable benefits in terms of increased revenues, reduced overheads, greater efficiency and happier customers." (E-MORI, 2001). A revolution in modern technology led to the emergence of a new information system called "The Internet". It became a system which has enabled us to obtain any information we require. It gives millions of us the chance to communicate every second. This made the world smaller, more village-like. It has also opened up new ways of doing business; this is called "e-business". Chaffey (2008) identified the first definition of e-business, which was created by IBM in 1997. IBM used this term for the first time: "*e-business is the transformation of key business processes through the use of Internet technologies*" (Chaffey, 2008)

 E-Business is an area of huge growth within electronic communications. It collects and disperses of large sums of money daily. This is due to the current spread of the Internet and Internet shopping malls, which are growing daily on the Internet and create a potential , strong and successful of companies engaged in e-business on the Internet by adding a good declaration because e-business is growing at an enormous rate which can't be ignored. Millions of individuals around the world utilize the internet, thus the internet is a highly valuable resource for companies and large amounts are spent by these companies to achieve their requirements.

 This research will highlight some of the e-business operations on the website of a local company, Muscat Private Hospital. This research will evaluate its e-business strategy and branding. It will develop a framework with which to analyze and assess some e-business constraints which affect its operations. A scoring method will be used to evaluate the website itself and compare it to a similar website.

2.   About Muscat Private Hospital (www.muscatprivatehospital.com)

Muscat Private Hospital (MPH) opened in October 2000, to be a pioneering private healthcare facility. Its capacity is 72-beds with first-class outpatient and inpatient facilities. MPH has the most modern medical technologies such as CT and MRI scanners, and it also has specialized

medical personnel with considerable experience (www.muscatprivatehospital.com). MPH is managed by UME which is an international management group, based in the UK. It has managed hospitals and healthcare projects in 23 countries since 1976 (www.umeservices.co.uk).

3. Website- www.muscatprivatehospital.com

As is shown in Figure 1, the background of MPH website's home page is blue and white. On the top left side is the name of hospital (the logo), on the right side there is a contact number for MPH. Slightly down to the left there are some links (including home, about us, our consultants, Dr.Says, community events, vacancies, location, sitemap and contact us). In the center of the home page is an image of the MPH building in Muscat with some information about MPH itself and the services which it provides. Slightly down toward the center of the home page there are more links (including our vision, promotions and press release). At the foot of the home page there is some information about the doctors and their experience. Also there is some information about packages offered by MPH to the new staff recruitments. Some community events are also advertised at the bottom of the page on the right side.

1: An Example Image of the Homepage of the MPH website

4. The E-business Strategy of www.muscateprivatehospital.com

Caffey (2008) emphasized the importance of an e-business strategy as a channel strategy, which enables the organization to "grow and communicate quickly, better and bigger" in the .com world. In order to properly evaluate the strategy of MPH we must first know what the characteristics of a first-class websites are. According to the Webreference Website, those characteristics are: information value, the appearance of the site on the web, an interactive nature and quality of graphics, quick navigation and the usability of links (Webreference website, 2009). I will assess MPH's e-business model to understand how its e-business strategy is implemented and assessed. The e-business model for any organization describes "the logic of a business

system for creating value, that lies behind the actual process" (Petrovic, Kittl and Tedsten, 2001). As is shown in Figure 2 an e-business model is the foundation for implementing any business processes online.
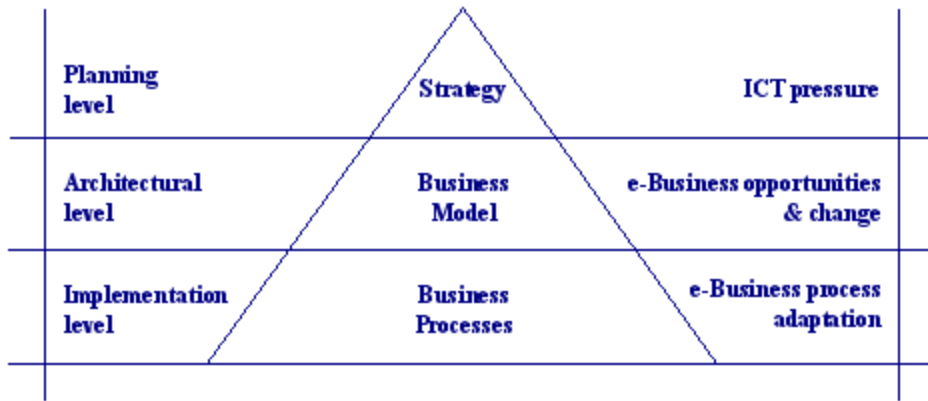

Planning level	Strategy	ICT pressure
Architectural level	Business Model	e-Business opportunities & change
Implementation level	Business Processes	e-Business process adaptation

Figure 2: Business Logic Triangle

5. The application of a 7S strategic framework to MPH's e-business management:

In this section I will use the classic McKinsey 7S strategy instruments (strategy, structure, system, staff, style, skills, and super ordinate goals) (Chaffey, 2007) to evaluate MPH's e-business management. This is shown in the following section:

1- The strategy of MPH is to provide an excellent level of healthcare which is affordable for patients. In the last year MPH has given more attention to providing services online, such as reserving appointments and paying some fees (in progress). According to the annual budget plan, MPH is assessing the expense of using an IT team to implement these services for e-business operations (Annual Financial Report of MPH 2008) (IS THIS WHAT YOU MEAN?).

2- The UME group, which manages MPH, is modifying its structure to support e-business operations by authorizing the IT team to place some of its services online.

3- MPH's system of processes and procedures are amenable to e-business and it can place some of its operations online, including supply chain information and its database.

4- The staff of MPH has a good background in the digital environment.

5- The culture of MPH matches its style, but the current style has some constraints. Some patients prefer their services to be offline instead of online. In general the environment in Oman is still not accepting of the benefits of e-business. It should be the role of IT team to influence and explain the benefits of e-business operations.

6- The skills aspect is related to the staff element in the 7S model; in the case of MPH all staff members are skilled at using internet facilities. The IT team is able to provide assistance to other staff when it is needed.

7- The super ordinate goals of MPH are clear and are applicable to the concept of health care services in general; this is related to the value proposition which will be discussed in the next section.

6. Evaluation of the e-business strategy of MPH based upon its e-business model framework
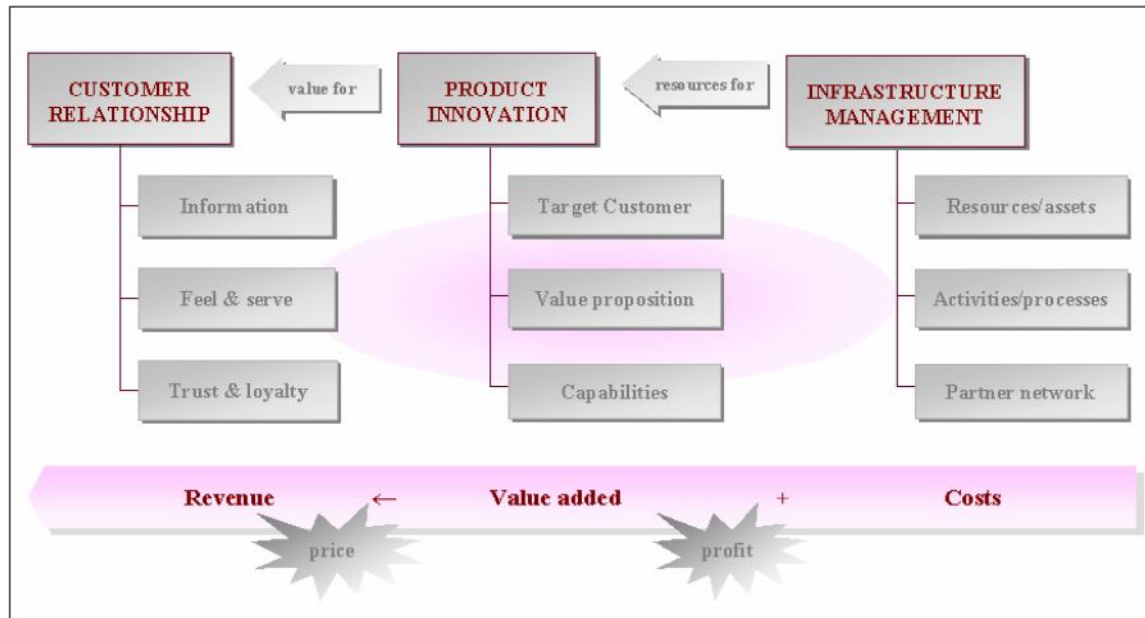

Figure 3: The e-business model framework

As is shown in Figure 3 the e-business model framework for MPH is:
1- The product and services which MPH offers, the elements of this are:
   a. The value proposition, MPH uses new and convenient systems of providing its medical services by recruiting highly experienced international staff. The e-business operations of MPH save time for its customers by allowing them to reserve appointments online. Also it provides a level of comfort akin to that of a hotel.
   b. Target customer segment, MPH provides affordable healthcare, so it targets moderate to high income people resident in Oman and the GCC countries.
   c. Capabilities, MPH has 72 –beds, first class out-patient and in-patient facilities and a Diagnostic Centre.
2- The infrastructure which is necessary to create this value such as:
   a. The activity configurations of MPH which create value and make the customers directly go to MPH, as its premier medical facility.
   b. Resources and assets (buildings, equipment, Human resources, copyrights, reputation and brand).
   c. The partner network which connects the departments inside MPH and the external world.
3- The customer relationship, it is important to build a good relationship between customers and MPH. It is the mission of MPH to provide compassionate care and to ensure customer satisfaction. MPH builds this relationship via three methods:
   a. Information strategy, analysis of the customers' information in order to personalize the service to ensure customer satisfaction. Hamel (2000) emphasized the importance of the "*positive feedback effect*" as an outcome of information strategies allowing managers an insight into their customers' behavior. MPH uses technology to be "responsive to the individual needs of each patient" www.muscatprivatehospital.com.
   b. Distribution channel (feel and serve), this means "How does MPH to enter the healthcare market and how does it reach its customers (Hamel, 2000). MPH would like to assume its place as the "premier private medical facility" in Oman and the GCC countries by providing its quality services and facilities in a timely fashion.

MPH is still in the initial phase of entering the online market and so currently payments cannot be taken over the Web.

c. Trust and loyalty, is very important especially in healthcare services, one must establish trust within the customers' minds (position market). MPH has a good reputation in comparison to its competitors in Oman. In addition, the management team, (UME) group, which manages MPH, has a very good reputation worldwide and especially in Middle East. It has operated in this region for about 27 years. MPH also follows a strict privacy policy with respect to its patients which is essential for patients' satisfaction (Friedman, Kahn and Howe, 2000). According to the annual statistics of MPH, the number of patients who actually used its services was 823 in 2008 against 620 in the previous year. This reflects a high level of customer loyalty as a result of a high level of customer satisfaction (Ministry of Health Statistics Report for Private Medical Centers, 2009).

4- The financial structure of MPH as in any organization includes revenue, cost, and profit. The infrastructure of the main building of MPH was upgraded in 2007 and in consequence the profit in 2008 was less than 2007. However, according to the financial analysis this upgrade is expected to optimize the profit in 2009 because of the high demand for healthcare services in Oman. This is because demand is dropping for public or governmental hospitals (Ministry of Health Statistics Report for Private Medical Centers, 2009)

7. The online branding of MPH

Steme (1999) suggested that "A brand is not a name. A brand is not a positioning statement. It is not a marketing message. It is a promise made by a company to its customers and supported by that company". Online branding is vital for e-business and it allows the saving of time and reduces the cost to customers (Ward and Lee, 2000). The online brand depends in many ways on the channels, as this is a major factor in establishing a good reputation via communicating through electronic channels. Rowley (2004) argued that "the website communicates its brand though its design, text, logo, navigation speed and layout, allowing it to reach its visitors". MPH online branding deals with each patient individually and provides services at a high standard which are affordable for its customers. In the next section, the presentation of the MPH brand will be discussed following an evaluation of its website.

8. The Evaluation of MPH site in term via a scoring method:

"Nobody cares about you or your site. Really, what visitors care about is getting their problems solved."

The MPH's website tries to reinforce its existing brand of special private healthcare services, which comprises caring for each patient individually and employing highly experienced international staff. I will illustrate the scoring of MPH by comparing it with a similar website, www.oasishospital.org which is in the UAE (Figure 4). Scoring will be on a scale of 1 to 5 according to the following categories:

Grade 1 -Poor,
Grade 2 -Moderate,
Grade 3 -Average,
Grade 4 -Good,
Grade 5 -Very Good

Figure 4: The Webpage of oasishospital.org

- Design: the navigational structure and design of any web site is vital and as Straub and Watson (2001) argued the first impression of the website to visitors is important. First of all the suffix of MPH is .com, which is more appropriate than .org, as the objective of www.muscatpriatehospital.com is ultimately to generate profit. There are some other objectives of the website such as previously mentioned (Napier, Rivers, Wagner, and Napier, J.B. (2006):
  - o Educating consumers about products and services. Oasis hospital (OH) presents its services more effectively than MPH on its homepage.
  - o Both MPH and OH provide patient support after treatment sessions, by following up each patient using their records. They also remain in contact by sending the patient emails.
  - o Collecting information about current and potential customers. MPH has a database of its patients. It uses this to give offers to the families of patients persuading them to make MPH their number one choice in healthcare services providers. MPH informs its patients of the date of their next appointments via email. It also informs them of new services, such as new visiting doctors and new medical equipment. OH's advantage in this regard is that it is older than MPH. Thus it has a very large database regarding its customers, it has been computerizing its services since 1999 (www.oasishospital.org).

  However, the design of the MPH website looks less professional than that of OH, but it is good with respect to visibility and layout. OH has a brand message "Health for a lifetime, generation to generation" on the top of its homepage, but MPH doesn't. The UME group adds a value brand to MPH due to its lengthy experience.

Grade for MPH site is 3/5 and for OH site is 5/5

- Accessibility and Usability: "*the power of the web is in its universality. Access by everyone regardless of disability is an essential aspect*"(Berners-Lee 2000) . Both websites have clear links, and each page focuses upon one idea, which is considered to be

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a good thing. However, there is too much information provided on some of the pages of the MPH site. This makes it confusing for some readers. I feel that there should be some additional links in the MPH site. These should provide extra information such as the availability of beds and the costs of some services. Also MPH's website has some internal links which are not working (still under construction); this affects the usability of the website. The user has to scroll down on some pages as the page is too long for the screen. I feel that the accessibility of MPH site is quite poor, which affects the usability factor. On the other hand, the OH site is more useable; it avoids conflicting information, all internal links are working and the site provides detailed information about each clinic. **Grade for MPH site is 2/5 and for OH site is 4/5**

- Segmentation: MPH targets educated and moderate to high income patients. As we know this demographic is increasing in size reflecting the development of Oman. The background of the MPH site is blue and white, and the logo gives a reference to the UME group, this serves as a medical brand related to the description of medical experience. The moods and colors of the MPH site match the sensibilities of the target segments of the population. It reflects a deep medical experience, which creates the satisfaction and the trust of its customers. OH uses the color of the desert and a logo reminiscent of the traditional cultural heritage of GCC states. It illustrates the long history of this institution (it was established since 1960). It targets the healthcare market in the UAE and Oman by targeting all generations. The color of the OH website and the logo of OH are much better than MPH because "*color evokes both a cultural and emotional response; it reflects the values and expectations of the site's target audiences*" (Napier, Rivers, Wagner, and Napier, J.B. (2006). The color and mood of the OH website is more appropriate for its target segment.

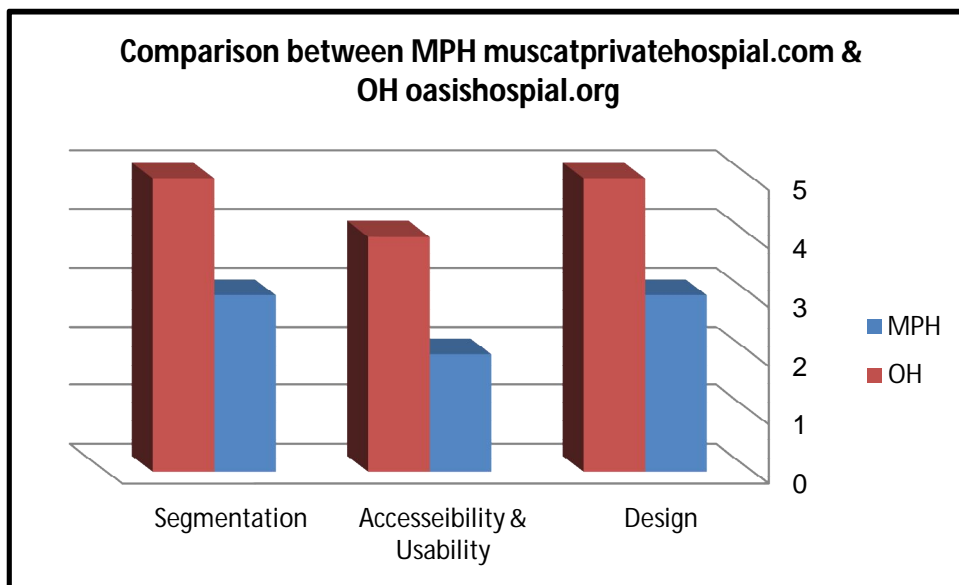**Grade for MPH site is 3/5 and for OH site is 5/5**

Figure 5: A Graph evaluating the results as per grading on a scale of 1-5

9. E-business operational constraints in Oman

Oman is a developing country, where the infrastructure of the digital economy is still in its elementary stages. But in the last 15 years e-business has entered into day to day life of Oman. This is due to the spread of internet service providers in most regions of Oman. E-business is a method of globalizing business and creating opportunities. It enables a business to reach the

customer wherever he or she is. However, there are still some constraints and obstacles which limit e-business operations in Oman. I will summarize them:

1- The population of Oman still does not have the required competence and experience to do business online.
2- Some firms in Oman enter the e-business world without appropriate strategies which leads to a failure to be competitive and to respond quickly to changes in customers' requirements and needs.
3- There is only one organization which maintains a monopoly over internet services providers in Oman, which leads to limitations of the opportunities of e-businesses.
4- The digital economy in Oman suffers from a lack of information, especially in the securities market, which leads to "adverse selection". Due to the hazardous environment investors prefers to invest outside the local market.
5- In all developing countries there are problems with information privacy and security policies.

10. Conclusion:

Combe (2006) stated that "the information infrastructure is the support system that allows the e-business to work". The application of e-business in Oman faced some difficulties due to its limited information infrastructure. In 2002, Gulf Business Machines (GBM) held a conference in conjunction with IBM in Muscat regarding to "*how to run and manage a secure, scalable, open and high-performance e-business infrastructure using IBM's middleware solutions*'' (Spencer, 2002). This conference encouraged a lot of local organizations to build an e-business infrastructure, by promoting the e-business environment and adaptation to the new digital economy.

MPH's site registers a grade 3 on all the three basis of comparison with a competitor (OH) for which 4 was the lowest grade. This gives a clear signal that the MPH site needs to be updated, commensurate with the new concept of e-business strategy.

11. Recommendations:

According to the analysis above, the following recommendations should be implemented to improve the e-business operations of MPH:

1- MPH should focus on some of its websites characteristics to allow more impact especially within the local marketplace. Those characteristics are:
   - Reach (the potential customers which www.muscatprivatehospital.com may interact with) so that more customers will visit the website. There should be an Arabic link for locals not speaking English.
   - Richness, the information concerning the www.muscatprivatehospital.com should be in more detail to allow more interactivity. For example information about fees and privacy policy could be provided.
2- MPH provides a link on its website allowing the customer to reserve appointments with doctors. However, when patients reach MPH they have to queue to pay the fees, which make them late. This causes conflicts in doctors' schedules. The management team should think about this matter and make this process more efficient by providing a payment service over the Web. This will ensure that every patient will have paid the requisite fees in advance of meeting the doctor.
3- In order to continually improve MPH's services, the management should take care to acquire the feedback of its patients and visitors. There is a link allowing customers to

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provide such feedback but this feedback often elicits no response. Potentially, the link doesn't work or there is no team in place to reply to customers about their comments.

4- The design of MPH website has to be more professional and some links must be updated. Also the MPH website should have more activated links to provide more usability.

5- It is good practice to provide links to related websites within in MPH website.

6- Based on the literature review mentioned, the author of this assignment strongly suggests having a link within the MPH website to an online registration facility.

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