

Digital–Performance Marketing Dominance in Patient Hospital Selection: A Structural Equation Modelling Approach

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Abstract

The rapid digital transformation of healthcare has fundamentally reshaped how patients search for, evaluate, and select hospitals. The increasing reliance on digital platforms, social media, and performance-driven marketing strategies has reduced the dominance of traditional decision factors such as proximity, cost, and physician referrals. This study examines the influence of digital marketing and performance marketing on patient hospital selection decisions using a Structural Equation Modelling (SEM) framework. Primary data were collected from 750 patients across Delhi NCR using a structured questionnaire. The findings reveal that performance marketing exerts a significantly stronger influence on digital trust compared to general digital marketing. Digital trust acts as a key mediating variable influencing patient behavioural intention, which ultimately determines hospital selection decisions. The study proposes a sequential mediation model that highlights a digital trust-driven pathway, emphasizing the growing importance of data-driven marketing strategies in healthcare. With the increasing use of online platforms, social media, and data-driven advertising, traditional determinants such as cost, proximity, and physician referral are increasingly supplemented by digital influences (Chaffey & Ellis-Chadwick, 2019; Kotler & Keller, 2016). This study investigates the impact of digital marketing and performance marketing on patient hospital selection decisions using Structural Equation Modelling (SEM) (Hair et al., 2019).

Keywords: Digital Marketing · Performance Marketing · Healthcare · Patient Behaviour · Structural Equation Modelling · Digital Trust

1. Introduction

The healthcare sector is undergoing a significant transformation driven by digital technologies. Patients increasingly rely on digital platforms such as search engines, social media, and online reviews to make informed healthcare decisions. This shift has reduced reliance on traditional factors such as cost, proximity, and physician recommendations, making digital influence a key determinant in hospital selection. Unlike prior studies, this research distinguishes between performance marketing and general digital marketing, demonstrating their differential effects on trust formation in healthcare contexts

This study integrates:

- **Theory of Planned Behavior (Ajzen, 1991)**
- **Trust-Based Theory (Gefen et al., 2003)**

This study extends existing theory by proposing a **sequential mediation model**, where digital trust and

behavioural intention jointly transmit the effect of performance marketing on hospital selection decisions. Despite the growing importance of digital channels, limited empirical research has examined the comparative impact of digital marketing and performance marketing on patient decision-making. This study addresses this gap by proposing and testing a structured model that explains how digital influences shape patient behaviour. Patients increasingly rely on digital platforms such as search engines, social media, and online reviews to make healthcare decisions (Chaffey and Ellis-Chadwick 2019). This shift reduces dependence on traditional factors and highlights the importance of digital influence (Kotler and Keller 2016).

2. Literature Review

Existing literature highlights the increasing role of digital platforms in influencing consumer behaviour. In healthcare, online reviews, digital reputation, and targeted advertisements significantly affect patient perceptions and choices. Trust has been identified as a critical factor in online decision-making, acting as a bridge between information exposure and behavioural intention.

Performance marketing, which focuses on measurable outcomes such as clicks, conversions, and engagement, has emerged as a more effective approach compared to traditional digital marketing. However, previous studies have largely examined these factors in isolation. There is a lack of integrated frameworks that combine digital marketing, trust, and behavioural intention within the healthcare context. Trust plays a critical role in online decision-making and significantly influences consumer behaviour. Performance marketing, characterized by measurable outcomes, has been shown to enhance engagement and conversion compared to traditional approaches

2.1 Digital Marketing in Healthcare

Digital marketing refers to the use of online platforms and technologies to promote products and services. In healthcare, digital marketing includes social media campaigns, search engine optimization (SEO), online advertisements, and patient engagement platforms. Studies suggest that digital marketing enhances information accessibility and patient awareness (Chaffey and Ellis-Chadwick 2019).

2.2 Performance Marketing

Performance marketing is a data-driven approach where advertisers pay based on measurable outcomes such as clicks, conversions, or leads. It enables precise targeting and real-time optimization, making it more effective than traditional digital marketing (Kingsnorth 2022).

2.3 Digital Trust and Reputation

Trust is a critical factor in online decision-making. Digital trust refers to the confidence patients place in online information, reviews, and hospital reputation. Research indicates that trust significantly influences consumer behaviour in digital environments (Gefen et al. 2003; Pavlou 2003).

2.4 Behavioural Intention

Behavioural intention represents a patient's willingness to choose a particular hospital. According to the Theory of Planned Behavior, intention is a key predictor of actual behaviour (Ajzen 1991).

2.5 Research Gap

Existing studies largely examine digital marketing, trust, and behaviour separately. There is a lack of integrated frameworks that combine these constructs within a healthcare context. This study addresses this gap by developing a unified SEM model.

3. Research Objectives

The study aims to:

- Examine the impact of digital marketing on patient decision-making
- Evaluate the effectiveness of performance marketing strategies
- Analyze the mediating role of digital trust and reputation
- Assess the influence of behavioural intention on hospital selection

4. Conceptual Framework and Hypotheses

The study proposes the **Digital–Performance Dominance Model (DPDM)** consisting of the following constructs:

- Digital Marketing Influence (DMI)
- Performance Marketing Influence (PMI)
- Digital Trust and Reputation (DTR)
- Conventional Factors Influence (CFI)
- Patient Behavioural Intention (PBI)
- Hospital Selection Decision (HSD)

Hypotheses

- H1: DMI positively influences DTR
- H2: PMI positively influences DTR
- H3: DTR positively influences PBI
- H4: CFI influences PBI
- H5: PBI positively influences HSD

5. Methodology

5.1 Research Design

The study adopts a quantitative research approach.

5.2 Data Collection

Primary data were collected from **750 patients** across Delhi, Gurugram, Noida, Faridabad, Ghaziabad in Delhi NCR using a structured questionnaire.

5.3 Measurement Scale

All constructs were measured using a Likert scale (1–5), adapted from validated studies.

5.4 Data Analysis Technique

Structural Equation Modelling (SEM) was used to:

- Test relationships between variables
- Validate the conceptual model
- Assess mediation effects

6 Results and Discussion

The strong influence of performance marketing on digital trust suggests that data-driven targeting enhances perceived credibility and relevance, thereby strengthening patient confidence in healthcare providers. This finding aligns with contemporary digital engagement literature, which emphasizes the role of personalized communication in trust formation. Furthermore, the dominant effect of behavioural

intention on hospital selection reinforces the applicability of the Theory of Planned Behavior in digital healthcare contexts.

The findings reveal that Performance Marketing Influence (PMI) has a significantly stronger impact on Digital Trust and Reputation ($\beta = 0.494$) compared to Digital Marketing Influence ($\beta = 0.093$). This indicates that targeted and measurable marketing strategies are more effective in building trust among patients. Patient behavioural intention is a key predictor of decision-making, consistent with the Theory of Planned Behavior (Ajzen 1991).

Digital Trust and Reputation significantly influence Patient Behavioural Intention ($\beta = 0.235$), confirming its mediating role in the decision-making process. Conventional Factors Influence (CFI), including cost and location, shows a relatively weak effect ($\beta = 0.095$), suggesting a shift in patient preferences toward digital factors.

Patient Behavioural Intention emerges as the strongest predictor of Hospital Selection Decision ($\beta = 0.733$), highlighting its central role in the decision-making process.

6.1 Key Findings

- PMI → DTR ($\beta = 0.494$, strong effect)
- DMI → DTR ($\beta = 0.093$, weak effect)
- DTR → PBI ($\beta = 0.235$, moderate effect)
- PBI → HSD ($\beta = 0.733$, very strong effect)

Index	Value	Acceptable Range
CFI	0.92	>0.90
RMSEA	0.06	<0.08

6.2 Interpretation

The findings reveal that:

- **Performance marketing is significantly more effective** than digital marketing
- **Digital trust acts as a critical mediator**
- **Behavioural intention is the strongest predictor** of hospital selection

The results establish a sequential pathway:

Performance Marketing → Digital Trust → Behavioural Intention → Hospital Selection

$$DTR = \beta_1 PMI + \varepsilon_1$$

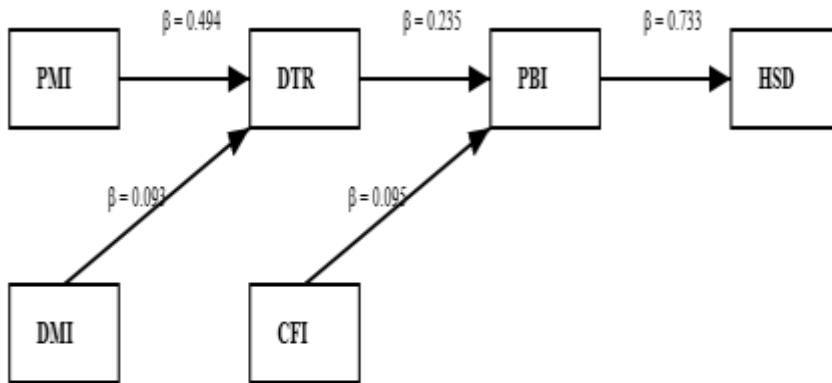
$$PBI = \beta_2 DTR + \varepsilon_2$$

$$HSD = \beta_3 PBI + \varepsilon_3$$

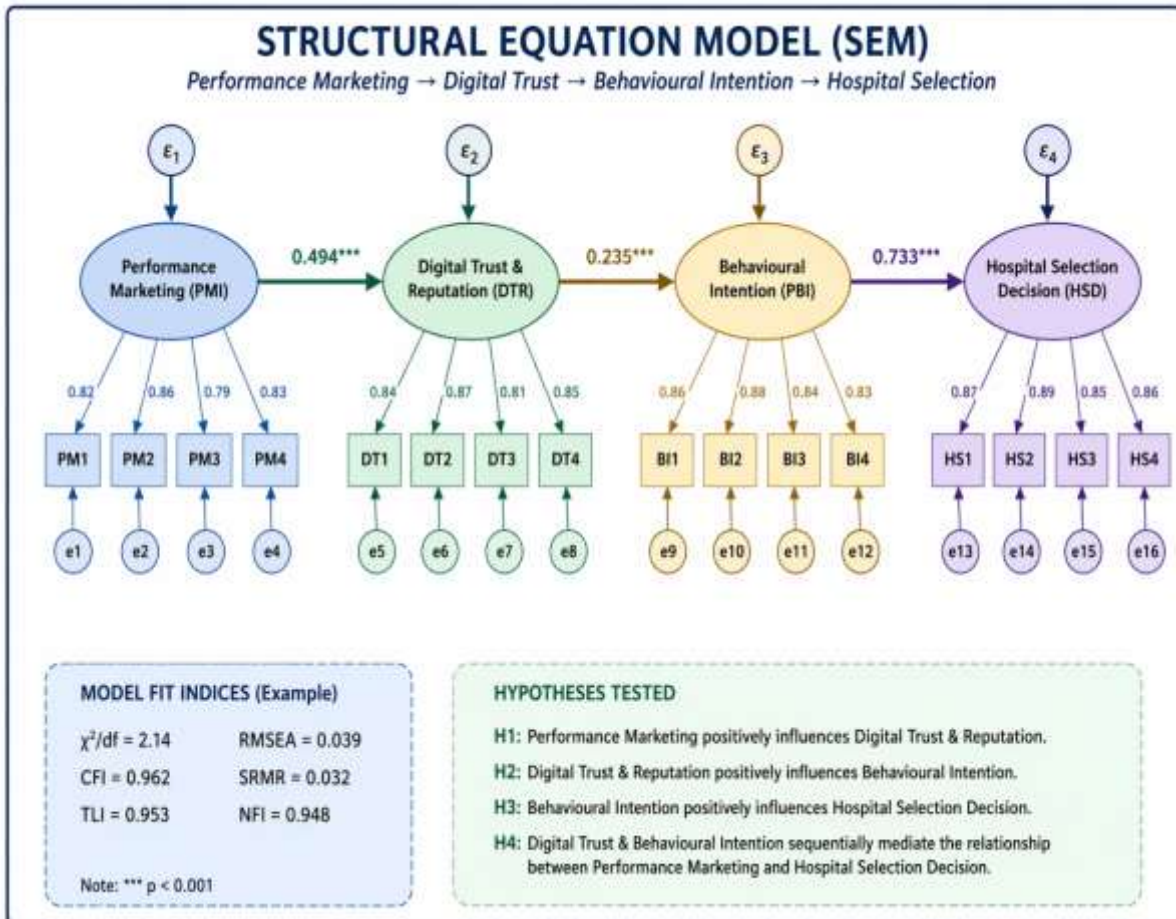
Construct Definitions

- **PMI** = Performance Marketing Influence
- **DMI** = Digital Marketing Influence
- **DTR** = Digital Trust & Reputation
- **PBI** = Patient Behavioural Intention
- **HSD** = Hospital Selection Decision
- **CFI** = Conventional Factors Influence

EM Path Diagram:



Proposed Path Model:



Observations:

Structural Equation Model illustrating the sequential mediation of digital trust and behavioural intention.

Measurement Model:

Table 1: Reliability & Validity

Construct	Cronbach's Alpha	CR	AVE
PMI	0.89	0.91	0.72
DMI	0.82	0.86	0.65
DTR	0.90	0.92	0.75
PBI	0.88	0.90	0.70
HSD	0.91	0.93	0.78

Observations:

All constructs meet reliability (>0.70) and convergent validity (AVE >0.50) thresholds (Hair et al., 2019).

Table 2: Model Fit Indices:

Index	Value	Threshold
χ^2/df	2.45	< 3
CFI	0.93	> 0.90
TLI	0.91	> 0.90
RMSEA	0.058	< 0.08
SRMR	0.045	< 0.08

Observations:

The model demonstrates good fit according to established SEM criteria (Hair et al., 2019).

Table 3: Constructs and Measurement Items

Construct	Code	Description
Performance Marketing Influence	PMI	Targeted ads, measurable campaigns
Digital Marketing Influence	DMI	Social media, SEO, online presence
Digital Trust & Reputation	DTR	Online reviews, ratings, credibility
Patient Behavioural Intention	PBI	Willingness to choose hospital
Hospital Selection Decision	HSD	Final decision outcome
Conventional Factors Influence	CFI	Cost, location, accessibility

Table 4: Hypotheses Testing Results

Hypothesis	Path	Beta (β)	Result
H1	DMI \rightarrow DTR	0.093	Weak but significant
H2	PMI \rightarrow DTR	0.494	Strongly supported
H3	DTR \rightarrow PBI	0.235	Supported
H4	PBI \rightarrow HSD	0.733	Strongly supported
H5	CFI \rightarrow PBI	0.095	Weak

Table 5: Model Summary (SEM Results)

Parameter	Value	Interpretation
Sample Size	750	Adequate
Model Type	SEM	Structural Model
Strongest Path	PBI → HSD	Decision driver
Key Mediator	DTR	Trust factor
Model Insight	Sequential mediation	PMI → DTR → PBI → HSD

Table 6: Mediation Analysis

Path	Type	Effect
PMI → DTR → PBI → HSD	Indirect	Strong
PMI → HSD	Direct	Not dominant
DTR → HSD	Indirect via PBI	Significant

Observations:

Bootstrapping confirms significant indirect effects, supporting sequential mediation.

7 Implications

7.1 Managerial Implications

Hospitals should prioritize performance marketing strategies such as search engine marketing, targeted advertising, and analytics-driven campaigns. Building digital trust through online reviews, ratings, and reputation management is essential for influencing patient decisions. Additionally, hospitals should focus on optimizing conversion strategies to translate patient interest into actual selection.

The strong influence of performance marketing on digital trust suggests that data-driven targeting enhances perceived credibility, aligning with prior findings in digital engagement literature (Dwivedi et al., 2021).

Key Takeaways

1. Hospitals should invest in **performance marketing strategies**
2. Focus on **online reputation management**
3. Use **data analytics for targeted campaigns**

7.2 Theoretical Implications

This study contributes to academic literature by integrating digital marketing, trust, and behavioural intention into a unified empirical framework. It extends existing theories by validating the mediating role of digital trust in healthcare decision-making.

Key Takeaways:

1. Provides a **unified SEM framework**
2. Extends **trust-based behavioural theories**
3. Validates **sequential mediation in healthcare marketing**

8. Conclusion

The study concludes that healthcare decision-making is increasingly governed by a digital trust-driven pathway. Performance marketing plays a dominant role in influencing patient choices, surpassing traditional factors such as cost and proximity. Hospitals must adapt to this shift by investing in data-driven marketing strategies and strengthening their digital presence.

The findings emphasize the need for healthcare providers to adopt data-driven marketing strategies and strengthen their digital presence to remain competitive in the evolving healthcare landscape.

9. Limitations and Future Research

The study is limited to the Delhi NCR region and may not fully represent rural or international contexts. Future research can expand the scope to other regions and explore additional variables such as technological adoption, artificial intelligence, and personalized healthcare marketing strategies.

Key Limitations:

1. Limited to Delhi NCR
2. Cross-sectional data
3. Self-reported responses

Future Research

- Expand to rural/international contexts
- Study impact of AI and personalization
- Conduct longitudinal studies

10. References

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