

Chapter 2

Hospitals as Social Brands: Building Brands by Serving Society

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ABSTRACT

Reputations of hospitals were traditionally built on the successful treatment of patients, but today advertising and promotions are used by hospitals as they brand themselves. Patients have become customers, and they are enticed by packaged rates and freebies. Hospitals are operating like airlines, advertising their special offers, package rates, and comfortable services. This approach begs the question: Is a hospital a brand like Gucci, which few can afford, or does it have a larger purpose in society? This chapter argues for hospitals to serve society. Their real branding must come from how they serve patients and not from advertising. The chapter draws on the success of the Aravind Eye Hospital and Narayana Hrudayalaya in India, which have adopted a Walmart approach to reduce costs of complex medical procedures, serving the larger society. Such hospitals represent highly successful branding that draws from an ethical rather than a marketing approach that arises from a genuine desire to fulfill human needs rather than frills and fancies that marketing practitioners are familiar with.

INTRODUCTION

The reputation of hospitals is traditionally built on the services they provide. Doctors and staff, equipment and quality of care are important determinants of reputation of healthcare providers. However, today hospitals see themselves as brands and invest time and money in creating a brand image for themselves using high-powered marketing techniques.

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This paper looks at the way that brands are built and the marketing principles underlying it. While service and care remain the backbone of hospital reputations, today hospitals are sought to be sold like any consumer products or services. Showing beautiful and happy people, pictures of advanced machines or celebrity doctors, hospital advertising and brand-building depends on things like imagery and emotions as part of the brand building process.

While marketing tools do succeed in reaching customers and creating brands, the reputations of hospitals are best built by providing services to society. There is a growing realisation that medical services including hospitals are caught in a vicious circle of high medical costs fuelled by insurance revenues. This leaves out the very large portion of the population which cannot afford the high costs or is not in the insurance system, which begs the question: “Is the purpose of a hospital to provide care only to those who can afford it?” Indeed, the very basic purpose of business is being re-examined today. Many businesses are becoming ‘social businesses’ – businesses that use their profits for community support. Hospitals are ideal candidates of becoming social businesses and therefore need to rise above profit motives and serve society as well.

The chapter describes cases of some hospitals that have built formidable brands by serving the needs of society. They have succeeded in providing high quality medical services at a fraction of the cost traditionally charged and thereby serve a very large number of customers. The hospitals are profitable but innovate to serve the poor as well. By building strong reputations by serving a large number of people, these hospitals show how hospital brands can be built.

OBJECTIVE

The objective of this chapter is to explore the ethical issues in applying branding and marketing in the case of hospitals. Many hospitals across the world use high-powered advertising and marketing to create their brands, and build elitist hospitals that can be accessed by the rich only. This chapter argues that a better way to build hospital brands is through a more sustainable way by providing high quality medical care facilities at affordable cost in order to serve all segments of society. This approach is highlighted and explained with the help of examples of hospitals that have actually achieved this.

NOVELTY OF THE CHAPTER

Branding is a construct in marketing that relies on creating a space in the minds of customers through advertising and communication. The novelty of this chapter is that it describes an alternative approach that considers hospitals as service. The best hospital branding takes place when satisfied patients and their attendants generate word-of-mouth publicity about the services they received. Indeed, hospitals must serve a larger population rather than pricing their services only rich patients or insured patients who can afford their high prices. Some hospitals are indeed doing this: management principles are used by these hospitals not for image making but for reducing costs of medical services. By expanding services to those who cannot otherwise afford the high cost of medical services, they create much more sustainable brands than those that depend on image building.

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