


Chapter 9

The Brand NHS: Undue Use and Its Consequences

Ana Maria Reis

 <https://orcid.org/0000-0003-0674-7327>

ISAG - European Business School and Research Center in Business Sciences and Tourism (CICET – FCVC)

Bárbara Soares

Portuguese Healthcare Regulation Authority, Portugal

ABSTRACT

The brand NHS (SNS Serviço Nacional de Saúde) is a registered brand. In 2015, a new legal regime on health advertising practices was introduced. This regime set a more rigid penalty framework, including pecuniary and ancillary sanctions, applied to the undue use of the brand NHS by private providers and disloyal advertising, protecting the brand's reputation and increasing patients' trust. The objective of this chapter was to discuss the undue use of the brand NHS, in Portugal, by private providers, and its impact on brand reputation. The main conclusions are the cases of health advertising and undue use of the brand NHS have been reduced under the new regime; the sanctions applied after 2015 varied from 500 euros to 1,500 euros, which reveals a small financial impact for providers; this reduction could be justified by the negative impact on the image of the healthcare provider under an administrative offense process.

INTRODUCTION

In healthcare sector the brands are closely linked to perceived service quality, patients' emotional connection and corporate reputation (Chahal & Bala, 2012; Erbay & Esatoglu, 2017; Kemp et al., 2014; Trong Tuan, 2014). A strong brand increases patients' trust and acts as a mean of differentiation, which in turn increases brand equity (Chahal & Bala, 2012). In the healthcare sector the brand loyalty is reinforced by searching costs when patients want to find another provider (Seiler, 2013), and switching costs (Grytten & Sorensen, 2000; Strombom et al., 2002). Therefore, effective brand management is a key factor in the health sector, specifically when providers want to attract new patients.

DOI: 10.4018/978-1-7998-3034-4.ch009

The Portuguese Health System is mainly financed by public funds and coexists with public and private insurance schemes for certain professions, private voluntary health insurance and out-of-pocket payments (Barros et al., 2011; Simões et al., 2017). In 2017, 67% of the total health expenditure was funded by public sources, and the out-of-pocket reached 27% of the financial flows (PORDATA, 2018).

Within this context, the Portuguese National Health Service (NHS), based on universal, general and tending-towards-free access to health services, is fundamental in the provision of healthcare (Simões, 2010).

The brand NHS (*SNS Serviço Nacional de Saúde*) is a registered brand since May 2016. However, the management of the NHS brand has a long tradition going back to the '80s, with continuous efforts on quality improvements building NHS reputation and image. Portuguese NHS management has been focused on the identity approach, entailing corporate strategic-level brand management.

The market NHS includes, at the supply side, the private and social providers contracting with the NHS (Almeida, 2017; OECD, 1998), in complementarity with the public healthcare providers (Nunes & Ferreira, 2019). Under a contract with the NHS, the private providers are associated with the brand NHS and should meet NHS standards, in what concerns quality, reputation and image. The private providers with contract must also follow the same rules as the public providers in what concerns the access to health care and prices.

The registered brand NHS is a recognized and trusted brand that includes all the publicly funded services. Contracting with the NHS includes minimum quality standards, in most of which the payment is conditional on fulfilling these standards, reinforcing brand identity. When patients go to a public healthcare provider, or a private provider contracting with the NHS, are expecting service with specific characteristics, which they relate with the brand NHS. Therefore, NHS brand management entails an organizational identity and corporate identity that implies NHS funded services (public and private) should be clearly branded NHS and easily identified by patients. In this context, legislation can act as a brand management tool, preventing damages on NHS brand reputation, conducted by external providers.

Different types of contract between the Portuguese NHS and private providers exist, namely the Public-Private Partnerships (PPP) and the conventions. The creation of PPP granted more autonomy to organizations by conceding the management of service units of care to private entities, or by the joint investment between them and the State (Barros, 2010; Barros et al., 2011; Barros, 2016; Portuguese Health Regulation Authority, 2016a; WHO, 2018). Nowadays, three NHS hospitals are managed by private entities under a PPP – Vila Franca de Xira, Cascais, and Loures. These contracts between the NHS and private were established between 2008 and 2010. After 2010 no new PPP contract was established.

The concept 'conventions' refers to the NHS contracting with private sector, to provide specific healthcare services to NHS' patients. In most of the medical specialities, these contracts have been in place since the late 1980s. The Portuguese legal framework had imposed rigidity of the conventions' market, give that, with just a few exceptions no new private providers were allowed to contract with the NHS (Portuguese Health Regulation Authority, 2008). This legal context was responsible for a lack of competition within this subsector and the substantial cost to the NHS for such services (Portuguese Health Regulation Authority, 2006), accounting for almost 10% of the NHS total costs (Simões et al., 2017).

The difficulty in entering the conventions' market lead to competition distortions, such as the publicity of conventions by private providers that do not have any contract with the NHS, publicity and use of one convention in the improper establishment and the improper use of NHS name or logo. These undue uses of the brand NHS are justified by an economic interest in attracting NHS patients, taking advantage of the brand NHS, and related reputation.

17 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/the-brand-nhs/269540

Related Content

The Effect of Online Communication on Corporate Brand Image

Nagwa El Gazzar and Maha Mourad (2012). *International Journal of Online Marketing* (pp. 1-15).

www.irma-international.org/article/effect-online-communication-corporate-brand/63008

Green Marketing Strategy: A Pedagogical View

A. F. Wazir Ahmad and Mohammad Fateh Ali Khan Panni (2015). *Marketing and Consumer Behavior: Concepts, Methodologies, Tools, and Applications* (pp. 67-99).

www.irma-international.org/chapter/green-marketing-strategy/122946

Revitalizing the Spirit of Management Training

Matthew R. Fairholm (2016). *International Journal of Technology and Educational Marketing* (pp. 1-18).

www.irma-international.org/article/revitalizing-the-spirit-of-management-training/146184

Impact of Online Reviews on Purchasing Decisions: An Empirical Study among Indian Academicians

Dhiraj Jain, Lovish Bhansali and K. Sanal Nair (2016). *Capturing, Analyzing, and Managing Word-of-Mouth in the Digital Marketplace* (pp. 278-291).

www.irma-international.org/chapter/impact-of-online-reviews-on-purchasing-decisions/136732

An Overview of Employer Branding With Special Reference to Indian Organizations

Shikha Rana and Ravindra Sharma (2019). *Brand Culture and Identity: Concepts, Methodologies, Tools, and Applications* (pp. 1-13).

www.irma-international.org/chapter/an-overview-of-employer-branding-with-special-reference-to-indian-organizations/213694