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# The Hospital as a Brand

Summary: The authors examine the process involved in creating a strong brand and the advantages that this can bring to an organisation and in particular hospitals by enabling them to establish a significant and distinguished position against their competitors.



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n manufacturing, retailing and the service sector, it is indisputable: in order to achieve a sustainable competitive advantage, the value of brands far exceeds that of total assets as established by conventional accounting procedures. This value also exceeds the potential "power of capital" and "market share." Brands are particularly significant in dynamic markets characterised by disruptive innovations (digital health, precision medicine), information asymmetry between customer (patient) and supplier (doctor), quality claiming demand, governmental legal interventions and serious financial limitations.

#### The Impact of a Brand: The Magnetic Quality

Brands are like magnets and a magnet has two remarkable characteristics: subject to certain physical conditions, it can attract things and bind them to itself. It is therefore able to attract or propel and even repel. "Magnetic hospitals" are characterised by the same capability profile (Figure 1):

- · They attract more patients than they have capacity for and thus lay the foundation for future budget extensions bargained with the payers.
- · These institutions are attractive to foreign patients as well (additional revenues in private and customised service area).
- · They attract sponsorship funding in order to invest in improved services, building facilities, general and medical equipment as well as financing the continuing education of personnel and new recruitment.
- · They are attractive cooperation partners for sickness funds with the aim to establish cost effective and valueadded services for populations, for innovative industry partners in order to try out disruptive technologybased procedures, they take the role of a coordinator in specialised medical networks and are welcomed as advisors for the government.
- · As cooperative partner of practising doctors and healthcare institutions, magnet hospitals are highly valued. This is the case because in future, not only individual hospitals, but regional health networks and vertical clinical performance chains as well, will compete with one another.
- They receive preferential and free samples (or use of the latest equipment), that is, innovative medical appliances. This moves them along the road to a positioning as innovative leaders.

- · They assume the role of a leading hospital in model attempts to improve structures and processes.
- · They enjoy a reputation as an attractive employer with interesting and secure jobs in an appealing and comfortable organisational climate and thus also attract qualified employees during a "war for talent" and lose no regular personnel.
- · On the other hand, there are new business areas, which are opened up by a magnet hospital and in general, successfully. The German hospital group SANA bundled all procurement activities (purchasing and logistics; Supply Chain Management) in a separated franchise. In the meantime this firm offers a wide range of procurement services also for hospitals outside the SANA group. Actually, SANA purchasing and logistics is a dominant player in the German GPO (Group Purchasing Organisation) market place.

#### The Characteristics of a Brand

Products, services or institutions have a brand character, if the associations and perceptions in the minds of relevant target groups and the public have achieved a "monopoly position."

A brand represents the "best of the class" within a particular category and is therefore often identical to a description of that category. Mayo epitomises the "diagnostic clinic;" Johns Hopkins does the same for top-quality medicine in 17 and more specialist areas and has been No. 1 in the US News Top 100 Ranking for more than 10 years. Great Ormond Street stands for "The Child Clinic" and Anderson Cancer Center, "No. 1 in Cancer

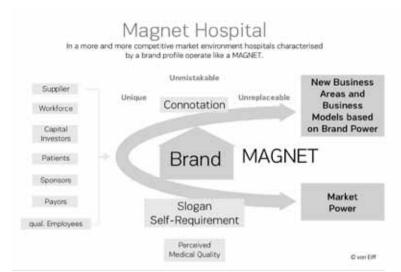


Figure 1. Magnet Hospitals are attractive co-operation partners and have a high level of competitive capability.

The Functions of a Brand A brand influences the decision-making process of a customer only when it mobilises for him, information that is relevant to the decision. Risk Reduction Appeal Trust Aid in Aid in Identification Selection Signifigance of brand Class functions for a bosnital Standard an automobile

Figure 2. Brand Relevance is formed by Specific Brand Functions.

Care" stands for "making cancer history."

A brand is:

- · unique, it cannot be copied;
- unmistakable in appearance. It stands out from the rest and the communicated message also reaches the relevant target groups undiluted;

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- indispensable in terms of competence, which enables it to provide certain services to certain target groups with a higher level of qualification than any competitor;
- non-substitutable, it contains a particular emotional value to a customer which conforms to his life-orientation (for example, [religious] denominational hospitals) and the focus of the hospital sector on confidence in the medical service and individual, human communication as well as psychological support.

A brand is always linked with an offer of value that will be categorised by certain target groups as preferable to other available offerings.

The value provided by a brand to a customer derives from the basic functions of a brand (Figure 2), which provide valuable help in the purchasing decision making process:

#### Function of Risk Reduction

A brand stands for a "supposed or proven quality" (Q-Promise or Q-Guarantee) and signals comprehensive, exceptional competence in a specialist area. In this manner, the brand reduces the (subjectively perceived) danger of making the wrong decision. Particularly in the health market, and those for high-quality consumer and investment goods, this branding function plays a central role.

## Function of Benefit (Utility) Identification

A brand offers customers the ability to express themselves or their individual lifestyles. Customers identify with the brand and want to be perceived, along with the branded product in its social environment. For medical services, this brand function has little significance, it applies more to prestige products (designer goods) and services such as exclusive.

## Function of Assistance in Selection

Through its unique appearance in connection with assumed quality, brands

differentiate themselves from other products or services. Brands often have a *best-in-class* status, by means of which they are used as a standard for others. Brands distinguish between products or services and aid customers in their efforts to make the right choice. The search and decision-making process becomes targeted and simplified.

In essence, it is possible to differentiate between three approaches to brand construction:

- 1. The corporate design approach treats a brand as a characteristic name and/or symbol, which enables an institution, product or service to be recognised immediately without further explanation and to be distinguished from competing offerings. A striking symbol (logo, slogan, use of colour, building, environment) aims at ensuring uniqueness. The "ideal logo" is uncomplicated and simple to construct, can be decoded rapidly, is emotional and its impact can be remembered and represents, in the ideal, the core message itself.
- 2. The identity-based approach offers customers an "emotional home" in addition to a promise of quality. Consumer goods have the characteristic that for buyers and users, apart from pure pleasure or utility value, they may also yield a

#### Associations that determine the brand A hospital is on the way towards achieving brand status, when it has developed an independent profile which transmits positive signals and overcomes the basically negative image of a hospital. the hospital "Marien-Hospital" Shift at association > competent doctors and nursing care > friendly dving concern and personal attention injections. 20 > attractive employer iliness 18 good working climate equipped for all situations assistance 12 O von Eiff

**Figure 3.** A hospital with a brand status ensures that there is a shift of association away from "a hospital" as an anonymous institution to one's own institution as a unique and appealing service provider.

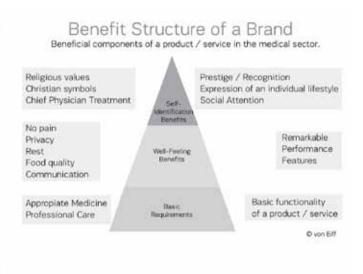


Figure 4. Typical pyramid of brand benefits from the patient's point of view

so-called "identification value." This means that the use of a brand expresses a lifestyle feeling and through the brand, the buyer defines an element of his personality.

3. The risk-based approach aims at instilling, in the minds of the relevant target group, confidence in quality and potential performance. This approach places two aspects in the focus of brand formation: a proven and exceptional specialist competence as well as social quality and corporate culture, as conditions for positive media reports and an increased willingness to recommend the service in question to others. In the health sector, this approach is of considerable significance.

#### A Brand Communicates Competence and Associations and is Represented By:

- A symbol which conveys the identity of a product, service or institution optically;
- A claim of competence (unique selling proposition) which is communicated as a service promise to the relevant target groups;
- The actual behaviour of the company represented by the brand, through which the customer is placed in a

position to consider and compare "talk" (service promises) with "action" (actual service provided);

 Association which link the relevant target groups and the public with the brand.

Those associations in particular, such as pictures, visualisations, imagined images, feelings and thoughts that automatically enter people's minds when they perceive the brand, form its image and reinforce its profile over time

In the consumer goods area, this "emotional branding approach" is of considerable significance, but applies to hospital brand formation only to a very limited extent. It is possible that religious people will tend to seek out a church hospital, where they believe they will find their "emotional home" and proximity to trusted religious symbols, inner peace and psychological stability.

The Bone and Joint Hospital in Oklahoma City delivered an interesting case study referring to "emotional marketing." This hospital started a campaign in which patients were approached after leaving the hospital (Total Hip Replacement) and asked to put a sticker on their car: "I got my hip at Bone and Joint." The campaign was a flop. No patient was prepared to "out" himself in this manner as having an artificial hip.

However, the tendency towards a negative association in the context of hospitals, is intrinsic to the nature of the services performed.

#### **Hospital Services**

- are, as a rule, caused by a health problem and/or, human dangers,
- entail iatrogeneous risks (anaesthesia, complications),
- give many people a feeling of vulnerability.

As a brand, a hospital must therefore attempt to create associations and confidence in the quality and the humanity of its services, without creating expectations that are unrealistic or unachievable (Figure 3).

Successful brand building happens over time by passing value-added information to the press.

Reports in the media, however, operate according to basic "brand forming" aspects:

- Medical competence
- Innovative services and cutting-edge performance
- Peer-to-peer communication to different patient groups in the community
- Sympathy

Press reports demonstrating medical competence relate to core services,

through the treatment of prominent personalities such as the difficult and challenging cancer therapy of Mrs Gorbachev at the University Clinic in Muenster. Germany.

Another method to profile a brand status by cutting-edge performance is the procurement of an innovative piece of machinery that helps to extend the portfolio of medical procedures leading to better patient outcome (eg daVinci system for radical prostatectomies).

Another example for a brand profiling by peer-to-peer communication is the "Evening Round," an initiative of a local newspaper in the City of Muenster (Germany) in cooperation with specialised hospital physicians and family doctors. This monthly evening event provides the floor for physicians who inform the public about the nature, diagnostics and therapeutic opportunities of different kinds of illnesses (eg high blood pressure, prostate cancer, breast cancer, diabetes, stroke, acute myocardial infarction). This event is very well accepted by the public and gives the institutions involved an effective opportunity to profile their image. The public is informed by specialists about prevention, diagnosis and therapy of widespread diseases as well as orphan illnesses. These kind of reports published by neutral journalists convey competence and/or create perceptions of medical auality.

Brand profiling by sympathy refers to reports which inform the public about charity activities in the core business. So, the free operation on an eight-year old Russian girl with a heart ailment, including the organisation of a donation campaign to cover the transport and medical costs, had a clear profiling impact on the brand status.

#### Brand Formation: Success Factors in Developing a Brand Status for Hospitals

In order to determine the success factors that form hospital brands, the CKM *Brand Study* identified the performance criteria of a hospital considered from the point of view of patients and relatives. Medical

quality was rated as the most significant evaluated criterion for the performance of the hospital, but at the same time, it was evident that few patients were able to evaluate this accurately. Nonetheless, patients and relatives did perform such an evaluation, but on the basis of surrogate criteria: communication with patients and the perceived organisational climate. Accordingly, the perceived social quality (the role of customers, handling of mistakes and errors, suggestions and attitudes towards contradiction by employees) formed a decisive success factor in increasing the willingness to recommend a hospital to other people.

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- At the time of checking-in into the hospital, (assumed) medical quality plays a decisive role in the decisionmaking process. This process can be explained rationally: only the best medical quality provides as much as possible a successful recovery and cure. After a successful operation, there is a decline in the significance accorded to medical care in terms of evaluating the performance of a hospital and accommodation becomes more important to patients.
- If, between three and five weeks after their discharge from hospital, patients are asked about their most important (image and reputation forming) experiences, perceptions and associations, the factor contact quality assumes first place in the evaluation scale. The actual medical service (the results) play a significantly subordinate role in evaluating the performance effectiveness of a hospital. Former patients

talk to third parties mainly about the manner of communication. In a negative case, this contact quality (dissatisfaction with the nature of communication) led between 18 and 20 patients to talk about this after their hospital stay. In the case of "customer delight" about the nature of communication with patients, only between three and five people communicated their positive experiences.

 Surprisingly, the "quality of food" also turned out as an important factor for driving the patient's willingness for recommendation.

This closes the circle of brand formation for a hospital: experienced contact quality leads to the hospital being recommended and this in turn creates a public image and the phenomenon of assumed medical quality. This supposed quality leads patients and those who know them, to have confidence in a hospitals. The selection of a hospital is determined largely by confidence in the medical service that it provides.

In other words, brand status assumes a brand culture that is expressed in the management style and communicational behaviour as well as through the nature of cooperative work and the experienced customer and service orientation. So, the social quality is the most important quality dimension (von Eiff 2018) besides results, process and structural quality (Donebedian 2002; Donebedian 2005). Similarly, it also becomes clear that brand status does not arise overnight and neither can it be conjured up through advertising, propaganda or marketing gimmicks. Outstanding medical services, in conjunction with friendliness, a willingness to help and empathy on the part of personnel, are the real brand-forming factors.

## Conclusion, Findings and Managerial Recommendations

- Brands derive from proven performance and not through promises or frenetic marketing activities.
- · Brands provide clear benefits for

### The generic patient-value model

The value of a hospital service consists of 4 characteristic areas that lead to (potential) patients and the community developing a trusting association.



Figure 5. Success factors for creating a brand status.

patients and relatives (Figure 4).

- · Brands are based on confidence in consistent quality. This confidence arises from tradition, competence and vision.
- · Brands are characterised through an identity which arises through both "talk" and "action." The promise of competence in an internet site, a pithy slogan with its promise of performance competence and a demanding image or philosophy must coincide with what patients actually experience.
- Brands are the result of a clear and non-substitutable image deriving from the promise of competence through the logo, symbols and advertising image, to the behaviour of individual employees.
- · The most important brand formation factors are a constant, reliable service and a customer-oriented corporate culture.
- Art exhibitions, pantomimes for patients or T-shirts for the newly born are nice marketing gimmicks, but have nothing to do with the brand status of a hospital. At best, these activities promote a degree of "familiarity."
- · The brand status of a hospital is not characterised by the furniture and

equipment in a room, the atmosphere in the reception hall and internet sites. Top-quality medical services and the social competence of personnel, characterise the public profile and reputation primarily and also sustainably.

- · Advertising in the form of magazine/ newspaper advertisements, TV spots (commercials) and billboards have very little to do with branding. Advertising in this conspicuous form will, at best, raise the degree of familiarity. The extent to which such advertising is regarded as "appropriate" in forming opinions amongst the relevant target groups is controversial and thus has a potentially disturbing impact on branding processes.
- · For a hospital, the classic marketing approach to brand formation is not applicable. The brand value of a hospital (depicted in the "generic patient value model" in Figure 5) is based on medical quality (patient outcome, complications), healing environment (dignity, autonomy, safety), service quality (food, auxiliary services), communication (friendly, understandable, empathic, competent), access to treatment (waiting times) and coordination (administration, discharge management).

#### KFY POINTS



- Brands are particularly significant in dynamic markets 0
- 0 Brand status does not occur overnight
- 0 Your brand is what differentiates you in the marketplace
- 0 Customers are attracted to brands that they share values with
- A strong, well-known brand builds recognition, loyalty, and competitiveness
- A hospital as a brand ensures it's considered to be an appealing service
- 0 A branded hospital receives preferential services, which speeds up the process to become leaders
- The brand value of a hospital is based on medical quality and outstanding service



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