

Marketing of Hospitals in the Modern Era and the Ethical Questions

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In olden days when the number of hospitals was few and far between there was no need to advertise the services available and market the hospital to create a brand value. As the hospital industry grew to corporate status and with higher investments needed to create the niche facilities there was the need to ensure adequate returns for the services given and also generate reasonable profit for the money invested. In other words a healthy balance sheet and bottom-line had to be ensured.

If we remember the way we travelled previously we will understand how MakeMyTrip or TripAdvisor has changed the way we now make travel decisions. Now hospitals are facing the same world of transparency and competition. They would do well to consult the marketing of hotels and other service businesses to enhance their customer experience.

Marketing is providing the customer empowerment. In the past customers did not have the expertise or access to information to judge service professionals. What a doctor, teacher or lawyer said was taken at face value. Now the efficacy of the information is checked online and experiences are shared with other customers. Also importance is given to patient satisfaction as evidenced by information from surveys. Hospitals take these surveys seriously since the reimbursements from the insurance sector depend on these results since the Affordable Care Act was passed in the US. Thus hospitals are paid for the services rendered based on the patients level of satisfaction.

Since increasing patient volumes brings financial success, planning is needed to perfect the marketing strategy. To effectively plan marketing first market research is needed to decide the core areas and type of campaign and the target population. Next marketing goals are decided. Financial budgets are decided and tactical plans are created.

Marketing efforts are needed but should be ethical and appropriate. US Hospitals spend more than 1.5 billion dollars annually on advertising. Hospitals often tout the early adoption of emerging technologies from device companies like robotics, cyber knife and 3D Mammography. Sometimes the manufacturer is named, other times the logo is clearly visible without mentioning the name. Sometimes the manufacturer pays for the ad rather than the hospital. Appropriate marketing helps the flow of information to promote the efficient, appropriate and cost effective use of services to benefit both the consumer and the health care facility.

At present lot of ethical violations happen in advertising and promotional activities. No publicity stunts should be undertaken through television, radio, newspapers, magazines and other promotional modes to increase market competitiveness.¹ Promotional content appearing in mass media should explain new techniques and service projects in simple appropriate language. Citizens have a right to know and to monitor the hospital activities. Patient doctor communication should be improved to promote harmonious relationships in the industry. Faculty can be advertised in specific situations. Concerns also exist regarding the ethics of online marketing.

AMA Code of Ethics 2008 requires that members conform to three ethical norms of conduct – no harm, foster truth and trust and embrace ethical values that foster consumer confidence and 6 ethical values. Online marketing requires a notice and an option to opt out of future email solicitations. Permission marketing should be encouraged. Discriminatory attitudes about race, colour, national origin or any characteristic that would constitute illegal discrimination are not acceptable in advertisements.²

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In India a lot of unethical marketing is seen. False claims attract patients with unrealistic expectations. Marketing of doctors are allowed in specific situations like fresh appointment, starting of new procedures, to announce leave, to publicise medical camps and new services offered. Unfair advertising campaigns result in trade wars between institutions and individuals. Often the Medical Council intervenes with show cause notices; explanations are called for and monitoring done. But lot more need to be done to provide a level playing ground for corporate, medium and small institutions alike. Medical Council has to assume more powers and effectively implement the existing laws to regulate the situation more ethically.

In conclusion the opportunity to use new media for advertising is challenging but appropriate and ethical advertising needs effective balance between the various market considerations.

END NOTE

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