

## The Relationship between Branding and Performance Indicators (Qa'em Hospital of Mashhad City; 2008)

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**Abstract: Introduction:** Personality of a brand is known as the core and the closest variable in customer's decision to choose. Branding is a new phenomenon in the sector of health care services. This study aims to determine the relationship between branding and performance in Qa'em hospital of Mashhad city. **Study Method:** The type of this study is correlation – cross sectional and has been carried out in the second half of 2008. Data on the created hotelling brands were collected by attending the hospital, interviewing authorities, observing the changes in study place, and studying performance indicators with the help of the statistics center of hospital and by studying the gathered materials. The data were analyzed using statistical software SPSS12 and Paires-Sample T-Test. **Findings:** No significant statistical relation was observed between branding and the mean value of variations in the number of patients ( $p=0.453$ ). There were significant statistical relations between the performed hotelling branding and variations in the mean value of bed occupancy percent ( $p=0.000$ ), bed circulation ( $p=0.016$ ), and emptiness ratio ( $p=0.012$ ). **Discussion:** Branding is effective in the improvement of hospital performance in the competitive environments in which they seek to attract selective patients.

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### Introduction

In the classic literature of economy, labor force, capital, and earth are considered as three main elements of production and also as the main resources of wealth. But this model is not capable of explaining how a commodity with the same efficiency, quality and beauty is sold for a price three times of the other one's. The contemporary marketing approaches explain this event by means of the identity which a brand has in customer's mind [1]. A reliable brand is one of the customer's preferences to choose a product. In most of the markets, brand forms a special identity for a product and connects it to a specific group of society. From the viewpoint of psychology, these types of commodities bring customers self-confidence and prestige along with their apparent use. Therefore, customer is willing to pay a different amount for it. Moreover, a dominant brand name subconsciously means a better quality of product to customer. When customer buys a brand product, he/she believes that he/she has received a valuable thing in return for the paid money. Indeed, brand name, like capital, technology and raw materials, has a considerable role in providing value added for an organization [1].

Both customer and organization take advantage of brand. When a consumer has already used a brand

afterwards, he/she would feel comfortable with it and his tendency to further use of it would rise. Brand names provide information about product quality, performance and other aspects of it and cause customer to face fewer risks. Brand name earns its proprietors meaning and is a part of his/her possession [2].

In today's marketing world, the personality of a brand has an attractive and impressive meaning. The brands contribution can be successfully developed by means of a good management of customer relationship, respecting him/her, and caring for his/her needs [3].

### Branding

Increasing emphasis is being placed upon the use of branding and it is now playing an invaluable role in the marketing strategies of companies. This is especially the case in the 'Service Industry' where providing tangible differences is becoming ever more important. Kotler [4] stresses the aspect of a need for differentiation in his definition of brand as, "a name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of sellers to differentiate them from those of the competitor." This classifies a brand from a functional standpoint and achieves the sole purpose of acknowledging that its

owner will be identified within a defined market position. In fact, brands are conveyed in a number of forms including logos, trademarks, names etc., and if developed and man-aged successfully they can give companies a competitive edge within the marketplace.

Aaker [5] in addition suggests that: "A brand includes tangible or in-trinsic qualities. Perhaps more importantly a brand involves aspects that the consumer attributes to it, beyond its tangible features. These aspects may in-clude attitudes towards the company that produces the produce or towards the brand itself, beliefs about the brand in relationship to self and others and so on." In essence, Aaker is saying that a brand not only provides the con-sumer with a consistent product but also a set of emotive values.

### **The role of Branding**

According to Gilbert [6]: "The Brand, if managed properly confers indi-viduality - something different among the crowd." This individuality or unique equity is becoming extremely important in a market place with slow growth and increased competition. When markets near the mature stage of their life cycle and growth decelerates the role of the brand becomes of key importance. In such situations brands need to be consistent and ensure they are fulfilling their intended role and satisfying customer needs. If the role of brands is achieved and the brand is managed correctly a brand or its equity enables:

- "Investment for the future" [7] by building strong brand images with customers.
- "Promote Customer devotion for their products/services" [6], therefore attaining customer loyalty.
- It builds upon the most important asset, which is the "loyalty of the customer base" [5].
- The company will enjoy reduced marketing costs because of the high level of consumer brand awareness and loyalty [4].

It is much more productive to retain already loyal customers than try to attain new ones. This is because having a large base of loyal customers can provide a sizeable competitive advantage. Brands also need to be positioned so as to compete well with competitors. According to Gilbert (1999), the ideal positioning strategy should con-template whether the position is:

- Apparent to consumers and offers real added value to them
- Built upon real brand strengths which reflect performance po-tential
- Clearly differentiated from competitor brand positions but not too narrow
- Capable of being understood and communicated to all stake-holder groups

- Able to be achieved and then defended if attacked by com-petitors.

There is a positive relationship between the performance and reliability of a company, that is, as the company reliability increases, the market share, and thence the value of the company are increased as well. Of course, the reliability of a company is also originated from its previous performance in social and financial aspects. An ethical name raises company's reliability and this reliability, in turn, raises the name [8].

Globalism process, demographic transition, technical progresses in medicine, politically-intended activities like programming, financial support and health investments, administration of different payment systems like payment based on related recognition groups, replacement of scattered healthcare with integrated structures, increment of market clarity, promotion of the competition between hospitals and providers of healthcare services, increasing demands on investment, increase in the number of private sector hospitals, and limited hospital budgets are among the main changes of the health market. In this condition, the providers of healthcare services should accept the prevalent principle of market, regulations, and their medical and economical position as a prosperous service provider by means a professional, ethical, and customer-based management [9].

Professional managers should be aware of all the principles dominating internal and global services markets and exploit them in real world. One of these principles, which have recently become common in business world, is branding. Turning medical cares into an economy in hospitals requires beds circulation and sufficient patient acceptance. To achieve this, the creation of an appropriate environment for acceptance is unavoidable [10]. Currently, patients, based on their own perception, choose a hospital that has a better caring quality compared to other hospitals. Technological progresses have promoted this choice of clients and have enforced hospitals to use branding techniques in order to prosper in completely competitive environments [11].

Branding in health care services is a new-born phenomenon and most health care organizations have just limited experiences in developing branding strategies, but now they progressively understand its competitive advantages. The restricted economic resources in health care is the chief reason for the attentions paid to appropriate and efficient use of existing facilities in all fields of healthcare management. On this occasion, hospitals as the most costly part of the healthcare system, which are allotted a considerable part of Gross National Product, require special attentions. In addition,

branding marketing technique is a valuable tool for managers in keeping and employment of nurses [10, 12]. This study aims to investigate the branding and its relation with hospital indicators in Qa'em hospital of Mashhad city so that along with propounding the issue of "branding" in Iranian healthcare markets makes it possible for health service managers to use this advantageous policy. It is expected that acquired results would be a step towards the promotion of competition between health care services providers. The objective of this study is to determine the relationship between branding and hospital performance.

#### **Study Method**

This study is of correlation - cross sectional type and has been carried out during the second half of 2008 in Qa'em hospital of Mashhad city. Considering the previous activities by Qa'em hospital for branding and contradistinguishing its hospital services, this hospital was chosen for study. In this investigation, variation of the mean value of performance indicators for third three months of 2005 and 2006 (before branding) were compared to those of 2007 and 2008 (after branding). Since performance indicators can change by time as a result of management activities and because these changes are created apart from the effect of branding, the changing procedures for before and after branding were compared with each other and data were gathered for two years before and two years after branding in order to estimate the specific effect of branding and eliminate the other factors. The studied brands were in the field of hotelling. Required data about the created brands were collected by attending the hospital, interviewing authorities, observing the changes in study place, and studying performance indicators with the help of the statistics center of hospital and by studying the gathered materials. The gathered data were analyzed using statistical software SPSS12 and Paires-Sample T-Test. In this study four indicators of bed occupancy coefficient, bed circulation, distance between bed circulation and the number of patients were studied.

#### **Findings**

The mean value of variations in bed occupancy before branding is negative for all departments except two departments of surgery department 2 and internal department 3. The department of women surgery has the minimum decrease (-71). Except for internal department 3, the percentage of bed occupancy has been increased after branding for all other departments. The maximum amount of increase has been observed for the department of women and midwifery (93) and the minimum amount has been recorded for internal department 3.

The comparison of variations in the mean value of occupancy indicator for before and after branding shows that there is a significant statistical relation between branding and variations in the mean value of bed occupancy indicator ( $P < 0.001$ ). In addition, the comparison of variations in the mean value of bed circulation indicator for before and after branding shows that there is a significant statistical relation between branding and variations in the mean value of bed circulation ( $P = 0.016$ ).

Discussing the mean value of bed emptiness ratio before branding, the maximum amount belongs to the department of plastic surgery (21) and the minimum amount was observed for the internal department 3. After branding, the mean value of bed emptiness ratio has been decreased for all departments except two departments of thorax surgery and internal 3. The comparison of variations in the mean value of bed emptiness ratio for before and after branding shows that there is a significant statistical relation between

branding and variations in the mean value of bed emptiness increment ( $P = 0.012$ ).

#### **Discussion and Conclusion**

The findings of this investigation, that is, the existence of significant statistical relations between branding and variation in the mean values of bed occupancy indicator, bed circulation, and bed emptiness increment are in good accordance with Wagner's study on branding, its creation method, required tools, and its advantages in radiology and imaging facilities in which he has indicated the effects of branding on the enhancement of profitability [13]. Branthwait and cooper have also shown that the branded tablets are more efficient in pain relieving than the others [14].

The results of this study confirm the observations by Gombeski, Kantor and Klein. They have found that there is a growing interest in branding around integrated medical groups in health care systems. Most of the clients are influenced by the choices of physicians when choosing a health facility. Therefore, branding of medical groups can effectively result in the nominal distinction of systems. With a positive and powerful brand identity, medical groups can enhance the dominance of managed caring systems, number of clients and referrals. In addition, they can provide opportunities for internal selling, persuade to repetition of use, and raise the employment of physicians [15].

A good accordance with the findings of Amirshahi and abbasian is also obvious where they show the existence of a relation between consumers acceptance, consumers recommendation, and guarantee [16]. The study made by Kim et al in Korean hospitals demonstrates the importance of

brand reputation in providing a competitive advantage in markets. Customer relation management finds meaning only with the raise of brand reputation. The theory of positive relations between following

factors was confirmed with investigation: trust, consumer satisfaction, relationships commitment, brand loyalty and awareness of brand.

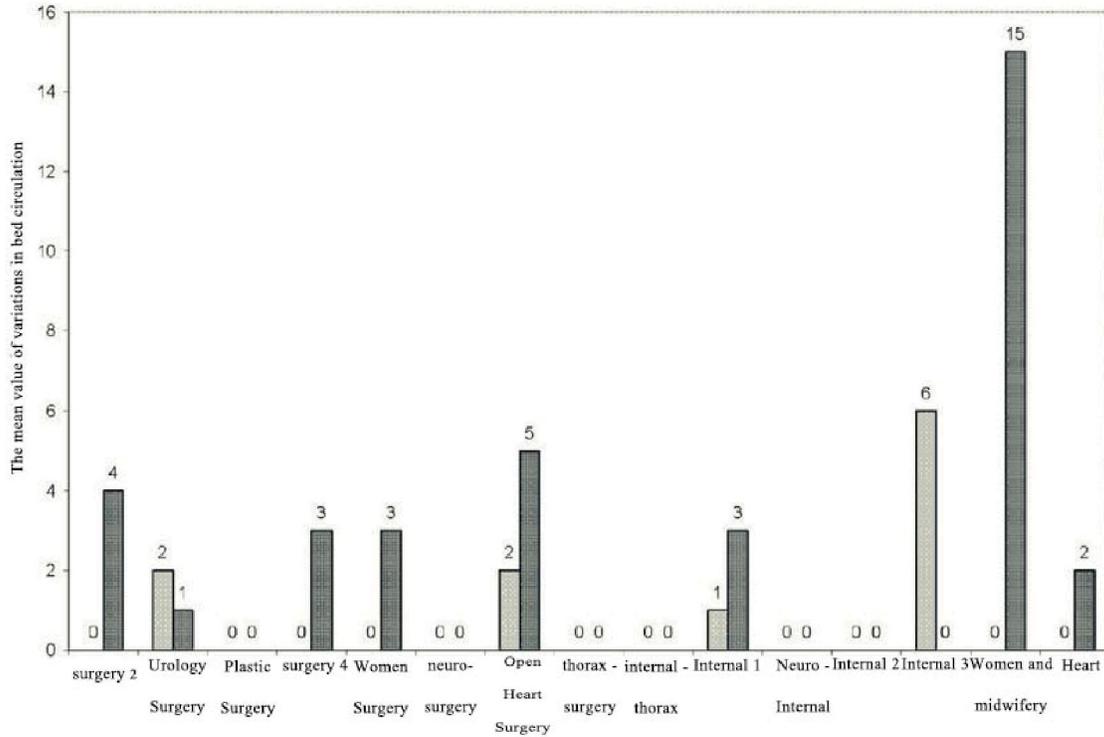


Figure 1. The comparison of the mean value of variations in bed occupancy for before and after branding in Qa'em hospital of Mashhad city; 2008

Table 1. Variations in the mean value of studied performance indicators before and after branding

The mean value of variation in patient number		The mean value of variations in bed emptiness		The mean value of variation in bed circulation		The mean value of variation in bed occupancy		<i>Indicator</i>
After	Before	After	Before	After	Before	After	Before	Department
-4	-2	-4.7	0.6	4	-2	43	10	Surgery 2
11	92	-1.8	0.3	1	2	20	-14	Urology Surgery
-5	-4	-4.7	21	-1	0	12	-32	Plastic Surgery
223	-264	-1.7	0	3	-7	41	-8	surgery 4
-285	-132	-3.3	5.1	3	-3	36	-71	Women surgery
0	-30	-1.5	0.7	0	-2	6	-31	Neurosurgery
103	46	-2.1	0.1	5	2	46	-14	Open Heart Surgery
-14	-27	1.2	1.3	-2	-2	5	-11	Surgery – thorax
-4	-4	-1.2	.6	-1	0	8	-4	Internal –thorax
38	4	-5.2	-2	3	1	25	-15	Internal 1
-14	-3	-5.2	-2	3	1	25	-15	Neuro - Internal
-14	-3	-5.4	2	0	0	29	-7	Internal 2
-166	-45	-4.6	1	0	-2	36	-1	Internal 3
33	116	0.3	-1.2	0	6	-7	1	Women and Midwifery
74	-36	-0.7	0	2	-1	15	-13	Heart

Brand reputation is a vital concept in the field of trade and commerce and powerful brands increase the trust in companies' products and services [17].

A research by Gombeski, Kantor and Klein [15] shows that branding of medical groups can effectively result in the nominal distinction of systems. With a positive and powerful brand identity, medical groups can enhance the dominance of managed caring systems, number of clients and referrals. In addition, they can provide opportunities for internal selling and persuade to repetition of use.

In this study, no significant statistical relation was acquired between the performed branding in Qa'em hospital of Mashahd city and variations in the mean value of clients number increment. This finding accords well with that of a study by Eli et al [18] which has been carried out to look for suitable branding regions in pharmaceutical industry. According to their findings, no evidence for the increment of brand value in pharmacy, similar to the value found for products in previous studies, was found here, although some preliminary studies on Czech physicians had confirmed the existence of an emotional brand in pharmaceutical industry [18]. The research by Amirshahi and Abbasian reveals that there is a negative relation between social identity of consumers and the acceptance of popularization of their brand [16]. Roger P. Levin in his paper entitled 'The Role of Branding in Dental practice Marketing' emphasizes the importance and widespread role of branding in Dental practice Marketing [19].

There are significant statistical relations between the performed branding in Qa'em hospital of Mashahd city and variations in the mean values of bed occupancy indicator, bed circulation, and bed emptiness ratio. The maximum increase in performance indicators are observed for plastic surgery and women departments which accept non-urgent and selective patients, while the minimum increase is observed for internal department which hosts urgent patients. These observations suggest that branding has a positive effect on the improvement of hospital performance. Results can be extended to other hospitals especially those which have other hospitals in their neighborhood and encounter a competitive environment and seek to attract selective patients. Thus, it would be so advisable to do branding for the other parts of the hospital along with performed branding in the field of hotelling services. Employees should be trained to create a positive imagination between consumers. Further investments

should be made to increase informational and advertising activities in order to create a positive public image. It would be better to use the names of proficient physicians in advertisements. Furthermore, the capabilities of hospital and its distinctive services should be highlighted, paid more attention, and put greater effort into.

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