

# Effects of advertising in hospitals



Hospitals are basically perceived to be organisations that provide essential medical services to people from various social segments. They are associated with medical ethics, which traditionally prohibit doctors from advertising their services.[1] Whilst hospital advertising is a common feature of modern society, it is perceived favourably only when it attempts to provide important information and not when it plainly engages in attracting clients for commercial purposes.[2]

Hospital advertising should thus be carefully conducted to ensure that the public feel that such advertising provides needed information and is not meant to entice people to come to the hospital in order to improve its revenues and profits. People in the UAE will appreciate hospitals that provide useful information about their services and other medical issues.

## **2. Hospital Ads increase Costs**

Whilst advertising is an essential part of modern day commercial activity, it is mainly perceived to be an expensive tool that is associated with glamour and used to attract new customers by business organisations.[3] Whilst hospitals also operate commercially and do need to be profitable to expand their operations and meet stakeholder needs, they are expected to fulfil the medical needs of different social segments and people by and large expect medical services to be provided at economic and affordable rates.

[4] Extensive advertising by hospitals can thus easily create an impression of such an institution being more interested in commercial benefits than in providing important medical services to people in need. Such advertising should thus be done carefully in order to ensure that wrong or negative perceptions are not created in the minds of the public.[5]

With the majority of people in the UK being expatriates, they are likely to be tolerant of hospital advertising, even as some of them may feel such advertising to be unnecessary expenditure.

### **3. I don't trust Hospitals that Advertise**

Such emotions essentially arise from people who think all medical and associated activities to be service oriented and noble in nature.[6] They look down upon medical professionals and institutions that appear to be using their skills and their professional capacities and abilities for personal or organisational financial benefit.[7] Whilst healthcare and its associated activities continue to be concerned with the provisioning of services that benefit humans, the altruistic offering of such services is an anachronism in modern neoliberal society.[8] Although the majority of healthcare institutions and indeed many of healthcare customers associate medical services with profitable professional or organisational activity, some conservative and traditional individuals think poorly of healthcare associations that are associated, directly or indirectly, with the soliciting of customers. Such people are likely to distrust hospitals that advertise their products and services.[9]

Whilst the expatriates in the UAE may well adopt a tolerant and even appreciative view of hospital advertising, traditional members of UAE's conservative society may react with distrust to hospital advertising.

### **4. Ads are useful in Choosing Hospitals**

Much of contemporary hospital advertising is conducted by expert advertising people who understand social sensibilities and perceptions about

medical services and take care to ensure that hospital advertising provides important information and messages without appearing to be commercial in nature.[10]Hospital advertising often deals with services provided by such institutions in different areas and particularly in their areas of specialisation like maternity care, cardiac health or oncology.[11]Such advertising plays an extremely useful role and helps prospective users with useful and relevant information.[12]

With education and literacy rates increasing steadily in the UAE and the region having a significant proportion of expatriates, information about hospital services will be welcome and is likely to be greatly appreciated.

## **5. Hospital Ads often exploit people's anxieties**

Hospital advertising by and large is informative and encourages people otherwise to engage in timely checkups for diseases like cancer and diabetics as well as to check for hypertension and other conditions associated with cardiac health.[13]Exploitation of anxieties is far more associated with the life and medical insurance sectors rather than with hospitals. Very few people in the UAE will be disturbed on account of hospital advertising exploiting their anxieties.

## **6. Hospital Ads make people aware of health related issues**

The overwhelming majority of hospital advertising, directly or indirectly, informs people about different health related issues.[14]Even direct advertising about the services provided by healthcare organisations is essentially concerned with health and provides information about it and associated issues.[15]A large portion of hospital advertising, irrespective of

use of media channels, essentially concerns information about health.

[16]The provisioning of such information is one of the biggest benefits of healthcare and hospital advertising.

People in the UAE will surely appreciate such information and use it for their personal medical and health associated benefits.

## **Section 2**

### **Advertising for healthcare in the U. A. E**

Healthcare is an important activity in the UAE, particularly in the urban concentrations of Dubai and Abu Dhabi. The quality of healthcare is also high and is accepted to generally be equal to that available in Western Europe and the USA, except for highly specialised medical and surgical services.

With Dubai's population being small and being serviced by numerous medical facilities in the public and private sector, advertising is routine and common, especially so for organisations in the private sector.[17]

Such advertising is carried out through various media channels like billboards, print advertising, digital signage and flyers.[18]Healthcare advertising targets specific market segments and communicates the unique selling points of various institutions in the sector to consumers.[19]Apart from advertising through regular channels, healthcare organisations in the UAE make significant use of PR that works towards developing workable and sustainable communication solutions for individual organisations.[20]

The UAE also has a number of healthcare publications that provide information on different aspects of health and provide a forum for healthcare advertising.[21]Many healthcare organisations in the UAE have well

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developed online presence and informative websites, even though online commerce is not commonly used by these organisations.[22]

Recent months have witnessed a growing concern in the region about protecting citizens and residents from unethical advertising by healthcare organisations.[23] Authorities are clamping down on advertisements that are targeted at vulnerable customers. Guides on advertising have also been released outlining practices that are considered to be unacceptable and could attract sanctions for breach of code.[24]

### **Section 3**

#### **Exit and Entry Barriers**

All business sectors are characterised by entry and exit barriers. The barriers to entry represent hurdles or obstacles that prevent or create difficulties for business organisations to enter a particular sector or area of activity.

[25] Barriers to exit on the other hand comprise of the numerous difficulties that organisations may face in withdrawing from a business sector or in closing down a business.[26] The healthcare sector in the UAE is likely to have numerous barriers to entry as well as to exit. Five such potential entry and exit barriers are detailed below.

One of the most important barriers to entry to the sector is likely to be the cost of establishing a new healthcare establishment. The UAE is one of the richest areas in the world and is experiencing inflation. The cost of a new healthcare institution is likely to be expensive and beyond the reach of many organisations.

Most healthcare institutions require sophisticated and modern equipment. With medical equipment not being manufactured in the Emirates, all such equipment will have to be ordered and purchased from organisations in different countries. With such equipment being manufactured by a range of organisations in the advanced countries, efficient procurement is likely to be a challenging task.

New healthcare organisations can also be expected to face difficulties in obtaining specialists for provisioning of healthcare services to customers. The majority of such specialists will have to be attracted from different countries, mainly from the west and from the Indian subcontinent.

Apart from scarcity of medical specialists, the UAE also has a shortage of local paramedical staff like physiotherapists and nurses. Arranging for proper individuals to handle these functions can also prove to be a challenging task.

Last but not least the issue of arranging for proper housing of healthcare facilities is also likely to be difficult. With the UAE being one of the most expensive real estate markets in the world, obtaining appropriate land and buildings for the healthcare facility could be a difficult task.

The preceding paragraph lists five barriers to entry for healthcare organisations. Healthcare institutions that wish to close down their operations and exit from the market could also face different types of exit barriers.

Some organisations may be popular for the quality of their services and their loyal clientele. Such customers could become very disturbed on hearing the

news of closure and make efforts to persuade the organisational management to desist from taking such actions.

Healthcare organisations that have taken loans from financial institutions and are in debt may face objections from their financiers in closing down operations.

Other healthcare organisations who want to sell their operations could again face difficulties in locating appropriate buyers who are willing to offer suitable prices.

The organisational staff of healthcare institutions could resist closure because of the threat to their jobs and livelihood.

Finally healthcare organisations might face resistance from governmental and political authorities, who may think that such a closure could affect the lives and wellbeing of people.

## **Section 4**

### **Application of BCG Matrix**

The BCG matrix is a strategic tool that helps organisations in classifying their business units by virtue of their potential to add to organisational wellbeing and competitive advantage.[27]

Business units are, with the BCG matrix, segregated into four cells, namely cash cows, stars, dogs and others.[28]Cash cows represent businesses that have good market share but low growth potential. Such products are the mainstays of corporations and are likely to be profitable and should thus be maintained. Surgery can be considered to be a member of this category.

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Stars are products or services that have high growth potential, high market share and need to be supported with reinvestment. An imaging centre can be considered to be a star.

Dogs are businesses that are distinguished by low growth potential and market share. Businesses are usually started to be stars but some of them turn out to be unsuccessful and fall into the category of dogs. Such businesses need to be closed as soon as possible. An expensive CAT scan facility that has now become obsolete and is not drawing customers can be considered to be a dog. Business units of indeterminate potential and low market share are generally placed in the category of others. The potential for an ambulatory-surgery service could be very strong even though it may not be providing good returns. Such a service can turn either into a star or into a dog with time. The application of the BG matrix to a healthcare institution is provided below:

**High**

**Low**

**High**

Stars

Others

**Low**

Cash Cow

Dogs

## Application of GE Matrix

The GE matrix was developed to overcome the problems commonly associated with the BCG Matrix like lack of plausible business information and its focus on commodities.[29]The GE screen has a 3X3 matrix that includes a medium category, uses industry attractiveness rather than market growth and substitutes the market share element of the BCG matrix with competitive position.[30]Book on strategic marketing

The GE Matrix for a healthcare institution is provided below.

Market attractiveness is on the vertical axis and competitive position is on the horizontal axis.

**Strong**

**Average**

**Weak**

**High**

Oncology

Surgery

Radiology

**Med**

Cardiac Care

Orthopaedics

Pathology

**Low**

Dental care

X Ray

Medical Stores

Nine functions of a healthcare institution have been graded with the use of the GE matrix in terms of market attractiveness on the vertical scale and competitiveness on the horizontal scale. A certain amount of approximation and estimation has been applied because of the compulsion of putting only one unit in a box. The organisation has special skills, including the services of high quality specialists in oncology, cardiac care, and surgery and should reinforce these functions with appropriate investments in equipment, staffing and resources. The three squares on the right hand bottom of the matrix represent functions that are commonly available and do not tangibly add to the competitive position or the market attractiveness of the organisation. These functions are however required and should be carefully consolidated. The three other functions, namely dental care, orthopaedics and radiology have strengths either market attraction or in competitiveness and should be selectively and carefully strengthened.