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A CRITICAL EVALUATION OF IMPORTANCE OF BRANDING FOR HOSPITALS IN INDIAN SCENARION

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Abstract

The healthcare industry in India has undergone significant transformation in recent years due to rapid technological advancement, increasing patient awareness, rising healthcare expectations, and intense competition among hospitals. In this competitive healthcare environment, multispecialty hospitals are increasingly focusing on developing strong brand equity to attract, retain, and satisfy patients. Brand equity has become an important strategic asset for hospitals because it influences patient perceptions, trust, satisfaction, revisit intention, and long-term loyalty. The study mainly focuses on understanding how service quality, patient trust, hospital image, and brand associations contribute towards the development of healthcare brand equity and how brand equity subsequently influences patient satisfaction, revisit intention, and patient loyalty.

INTRODUCTION

The healthcare sector in India has undergone significant transformation over the last two decades due to privatization, technological advancements, and increasing patient awareness multispecialty hospitals today function in a highly competitive environment where patient choice plays a crucial role. Patients are more informed and selective while choosing healthcare service providers, considering not only medical expertise but also hospital reputation, service quality, infrastructure, ethical practices, and overall patient experience. Brand equity is no longer limited to consumer goods and corporate products; it has become equally relevant in service industries such as healthcare. In multispecialty hospitals, brand equity reflects the level of trust, confidence, and emotional connection patients develop with the hospital brand over time.

A strong hospital brand influences patient preference, enhances loyalty, increases revisit intentions, and promotes positive word-of-mouth communication. With the rapid expansion of corporate hospitals across major and emerging cities in India, healthcare has become increasingly brand-driven. This creates a relevant environment to examine how brand equity is formed and how it impacts patient loyalty and satisfaction in the Indian healthcare system.

An enormous obstacle is the seemingly endless list of tasks that healthcare providers must do in order to ensure the effective delivery of medical services. Many of these things have to do with advertising, and among them, branding is one of the most important. Businesses and their products are "branded" when they adopt a name, logo, slogan, and other identifiers with the intention of creating a certain perception in the minds of consumers. Symbols that represent certain healthcare institutions, color schemes utilized on linked logos, and jingles used in television commercials are all byproducts of branding. Another name for branding is "identity management" since it is true that branding efforts give companies and their products names. At its most basic level, branding is the first step in the process of marketing communications. Therefore, before proceeding with the communications, it is necessary to exercise extreme caution to ensure that the branding problem is adequately and thoroughly addressed. It is crucial that trademarks be put together correctly since branding activities are the bedrock of all marketing communications; future advertising and other forms of promotion will be negatively affected by negligent formulation. Since the environment and the circumstances and challenges associated with it are dynamic and ever-changing, the persistence exists indefinitely as a means of guaranteeing that established identities have significance and applicability.

HEALTH CARE SECTOR INDIA

The scenario with reference to health sector has evolved in r noteworthy ways in last fourteen years: firstly, health priorities have become diverse and expanded. With maternal and infant mortality rates reducing, non-communicable diseases have increased. Secondly, significant growth in health care demand increasing percentage of catastrophic spending (out of pocket) because of the growing expenditure on health, believed to be amongst the primary cause for poverty. Finally substantial support from the government has enabled higher budgetary spending on health.

The health care sector, both in terms of employment as well as in terms of revenue, is considered to be one of the largest sectors in India. Healthcare sector operates through five segments: largest proportion of which comprise of Hospitals (public and private) which is 68%. Then, Pharma is 13%, medical Devices comprise 9% of the industry, and, 6% of industry is covered by Diagnostics and health insurance covers 4%. Public hospitals include general hospitals, government health centers, community centers, and district hospitals. Private hospitals include private clinics, nursing homes, and mid-to-high-end private health institutions.

Diagnostics include laboratories that provide diagnostic or analytical services, including the analysis of body fluids. Medical insurance includes medical reimbursement facility and health insurance that covers the cost of an individual's hospitalization due to illness. Medical supplies and equipment include organizations that primarily manufacture medical supplies and tools, such as surgery equipment, dentistry, orthopedics, ophthalmology, laboratory instruments, etc. Pharmaceuticals include manufacturing, processing, extracting, purifying, preparing, and packaging the chemicals and materials that can be used as human or animal medicine. Additionally, in VC funding India holds fourth position in health-tech sector, with investments between 2016 and 2021being US$ 4.4 billion, and with US$ 1.9 invested in 2021 alone.

Due to advancements in medical education and training, medical technology and diagnosis, pharmaceutical production and distribution, construction and coverage of hospitals, and ancillary services, the Indian population has become increasingly accessible to healthcare and the patient base is expanding from other countries. Traditionally, the health sector has relied heavily on government service delivery mechanisms and referrals from local private practitioners. Since 2000, the Indian health sector has undergone further changes and has gradually become a mixture of private and public sectors, although the organized private sector is expanding its presence across the country. NGOs and civil society have also begun to play a more important role. This indicates a significant step toward corporatization of healthcare institutions.

The healthcare framework in India is a mixture of proprietary models and various medical systems - allopathic, Ayurveda, Unani, Siddha, and Homeopathy. The country's entire healthcare system can be divided into three main categories, namely - public health system, the private system and households using healthcare. The public healthcare sector includes agencies at the state level, municipal level, central and local levels. Health is the obligation of the state government; however, union government also contributes significantly through grants and centrally funded healthcare programs. Other ministries, for instance, public security, national defense, mines, ports, and railways have their separate medical and healthcare service framework. The hospitals and healthcare institutions under the Employee State Insurance Scheme (ESIS) provide medical care to other organized sector employees.

BRAND ACQUISITION

In the Indian healthcare context, brand acquisition refers to the strategic process through which a healthcare organization acquires or merges with an existing hospital or healthcare brand to strengthen its market presence, expand service networks, and increase brand visibility. Large corporate hospital chains in India often acquire regional or specialty hospitals to expand their geographical reach, patient base, and service portfolio. Unlike traditional product industries, healthcare brand acquisition involves integration of trust, reputation, service culture, and patient relationships associated with the acquired hospital.

Brand acquisition plays a significant role in shaping the overall perception of hospital brands in India. Poor integration of service quality and ethics after acquisition can damage brand equity, while effective integration can enhance patient trust and organizational reputation. In this study, brand acquisition is considered as one of the strategic factors influencing healthcare brand positioning and patient perception in the Indian healthcare industry.

Brand acquisition refers to the process by which a company purchases, merges with, or takes control of an existing brand to strengthen its market position, expand customer base, increase brand value, and achieve competitive advantage. In the healthcare sector, brand acquisition occurs when one hospital group or healthcare organization acquires another established hospital brand to improve market presence, enhance service offerings, and gain patient trust and loyalty.

Brand acquisition helps organizations benefit from the acquired brand’s reputation, customer loyalty, market recognition, goodwill, and existing patient base. Instead of building a new brand from the beginning, organizations can utilize the established image and credibility of an existing brand to achieve faster growth and business expansion. In multispecialty hospitals, brand acquisition may occur when large healthcare chains acquire smaller hospitals or regional healthcare providers to expand healthcare services across different geographical areas. Such acquisitions help hospitals improve operational efficiency, technological capabilities, healthcare infrastructure, and overall healthcare brand equity. The major objectives of brand acquisition include:

- Increasing market share
- Expanding customer or patient base
- Strengthening brand equity
- Improving competitive advantage

- Enhancing organizational reputation
- Achieving business growth
- Entering new markets
- Acquiring advanced technology and infrastructure

Successful brand acquisition depends upon factors such as brand reputation, financial performance, patient trust, service quality, organizational culture, and strategic compatibility between the acquiring and acquired organizations. In the healthcare industry, brand acquisition can positively influence patient perception, hospital image, service quality, and long-term patient loyalty when managed effectively.

BRAND VALUATION

Brand valuation in healthcare refers to the process of estimating the financial worth of a hospital brand based on its market performance, patient volume, revenue generation, and long-term growth potential. Unlike tangible assets such as buildings and equipment, a hospital brand represents an intangible asset that reflects accumulated trust, reputation, and goodwill.

Brand valuation in the healthcare sector has gained importance due to increasing mergers, acquisitions, and the emergence of large hospital chains in India. Investors, stakeholders, and healthcare groups assess hospital brands not only on current performance but also on future brand strength and patient loyalty.

The surge in corporate healthcare investments and hospital collaborations has further emphasized the importance of brand valuation as a separate strategic and financial discipline. A strong and well-valued hospital brand not only attracts patients but also helps in attracting investors, doctors, and strategic partners. In the present study, brand valuation is acknowledged as the financial dimension of brand equity, which is supported and strengthened by positive patient perceptions and loyalty.

BRAND IMAGE

The perceived quality and esteem elements combine to form a brand's image. This is the general idea that a consumer has about a brand based on what they remember about it. A company's capacity to maintain its market position is directly related to the strength of its brand image. A valuable intangible asset, the brand is hard to replicate and contributes to long-term success. So, branding's end purpose is to have people consistently think of a firm in a positive light. Branding is expensive, but it pays off in spades. Build differentiating equity with strong brands.

Because consumers are familiar with the name of a company's brand, doing business with that company becomes more simpler. Branding is essential for commodities in today's market since consumers are well-informed and there are so many options to choose from. So, to stand out, be distinct, and be perceived as more than simply another company providing similar services, branding the service is essential at all times. According to Kotler and Shalowitz (2008), a patient's perceptions, thoughts, and feelings about a hospital are collectively known as the hospital's brand image in the healthcare setting.

A hospital's reputation is related to that of other hospitals in the area, not absolute. Based on their own experiences with medical examinations and treatments, individuals frequently develop a perception of a hospital as a brand. An aging population and a heightened public interest in health are driving up the number of people with specific health care requirements in the United States. Right now, the market for medical services is tilted in favor of consumers over providers. This is why customer-centric marketing is getting a lot of attention in the healthcare industry.

The dangers and advantages of corporate social responsibility (CSR) activities should be known by every firm that promotes or undertakes such projects. For this reason, it is essential for CSR and marketing to work together to create a long-term strategy that offers a competitive edge. Business practices, brand image, consistent messaging, and consumers' very real experiences are all need to back up CSR claims. In order for this hospital to thrive in the modern, highly competitive market, it is crucial to build its brand, and this research covers all of that ground.

A marketer's primary competency is in building, developing, sustaining, and safeguarding brands. But the strategic importance of creating and maintaining a brand identity is known to the majority of product firms. However, for many healthcare service firms, branding is more of a tactical issue, with little strategic input beyond managing the company's image. Here is where the marketing team at Kasturba Hospital in Manipal comes into play when it comes to managing the hospital's brand strategically. Brand management is the process of creating, launching, and overseeing marketing initiatives with the goal of increasing the value of brands. Following these techniques, the brand management is being carried out.

IMPORTANCE OF BRANDING FOR HOSPITALS

Today's healthcare delivery system is becoming much more difficult owing to increased competition, and hospitals seem to give the same level of service, necessitating the creation of a hospital brand. In the healthcare sector, hospital branding primarily tries to turn each patient into a brand ambassador for that facility. Choosing a brand for a hospital is crucial to promoting the services the hospital offers in the marketplace. Hospital service brands provide them a distinct advantage over rivals in the marketplace and with clients. Patients will visit the hospital more often as a result of developing a strong brand image. Marketing by alone cannot defeat the competition; building a brand is essential to securing a strong position in a cutthroat industry. Customers interact with hospitals via their brand, and that interaction forges a bond between the hospital and its clients. Once consumers learn about the service the hospital provides, the brand's name immediately comes to mind. Effective branding enhances both the hospital's financial standing and patient flow. Examples of hospital branding techniques include the use of new technology, medical advancements, national accreditations, and quality rankings. It is observed that the healthcare and hospital sector is becoming more corporate; branding contributes to this corporate culture.

In order to differentiate themselves from competitors, hospitals employ branding strategies. Hospitals are able to stand apart because to this. The result is an increase in consumer loyalty and trust. Public perception, confidence, and standing are all impacted. There are a lot of moving parts in the process of hospital branding. What a brand says and sells determines how the market responds to it. Through hospital branding, healthcare providers may establish a connection with their outpatients. Various aspects of hospital service are discussed during their conversations. Outpatient purchase decisions might be guided by it, leading to an increase in income. The following are involved in hospital branding

- Branding dimensions: these are things like brand trust, brand wealth, brand loyalty, brand image, and brand knowledge.

- A branding plan and a process for branding.

Results and advantages of branding This includes making patients aware of the hospital's outpatient services, referring them to the hospital, helping them be more satisfied with their care, encouraging them to recommend the hospital to their friends and family, and attracting new patients. Hoardings, the hospital's website and internal display boards, software applications, and the internet all serve as platforms for Indian hospitals to attempt branding. Social media platforms such as Facebook can potentially be a venue for such incidents.

Several aspects show the results and advantages of branding. Both the more apparent and less apparent aspects of hospital branding might fall under this category. "Increase in revenue" and "expanding base of customers" are two apparent causes. Consider elements that are not immediately apparent, such as those that have nothing to do with branding. Outpatients' impressions of the hospital's cost and the quality of the treatments they receive are affected by branding, which in turn increases the likelihood that outpatients will return. Therefore, the results and advantages of branding may be used to evaluate hospital branding. When hospital branding efforts provide desirable results, it's clear that hospitals are heading in the correct path.

From affordable care to specialist services, every hospital represents a brand. Every member of staff, from the chief executive officer on down to the front desk volunteer, must convey the organization's purpose clearly and concisely. A brand-guided organization is the end product. Directly, a positive perception of the hospital's brand increases patient loyalty; indirectly, it raises patient satisfaction via better service quality, which increases patients' intentions to return. Hospitals, to succeed in today's cutthroat healthcare industry, need to direct their marketing efforts toward building a strong and consistent brand. The customer's impression of a service, product, or company is what makes it a brand. So, from the point of view of marketing and consumers, a brand is the assurance of future profits; from the point of view of employees, it is a culture and purpose; and from the point of view of businesses, it is the promise and fulfillment of an experience. A brand is much more than just a logo. To acquire acceptability, one uses a brand, which is a representation of self-expression. They represent the intangible and tangible attributes that contribute to a company's worth, which in turn affects the company's operations and its image, both internally and outside.

CONCLUSION

The healthcare sector in India has witnessed remarkable growth and transformation over the past few decades. Increasing competition among healthcare providers, rising patient expectations, rapid technological advancement, and growing awareness regarding healthcare quality have compelled hospitals to focus not only on clinical treatment but also on branding, patient relationship management, and service quality improvement. In this changing healthcare environment, brand equity has emerged as a critical strategic asset for multispecialty hospitals. A strong healthcare brand helps hospitals build trust, attract patients, improve satisfaction, strengthen loyalty, and achieve long-term competitive advantage. The study primarily focused on analyzing the impact of service quality, patient trust, hospital image, and brand associations on healthcare brand equity and examining how brand equity influences patient satisfaction, revisit intention, and patient loyalty. The research adopted a quantitative research approach and collected primary data from 300 patients visiting multispecialty hospitals in Hyderabad through a structured questionnaire. The study also relied on secondary data sources such as books, journals, research articles, reports, and online healthcare resources to support theoretical understanding and literature development.

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