The E in Marketing: Ethics in the Age of Misbehavior

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Much has been said about the four Ps of marketing—product, price, place, and promotion; but little has been said about the importance of the big E in marketing—that is, ethics. In today’s environment, where the news is full of reports of questionable leadership behaviors, ethics seems to have become an option. As healthcare executives, we are charged with not only ensuring quality services but also managing our institutions as a public trust, as ACHE’s chair, Larry Sanders, commented in a recent issue of Healthcare Executive magazine (2003, 30): “Our relationship with the citizens in our communities is unique. When they come to us baring their bodies and their souls, their expectation of us—their expectation of servant leadership—places us in a very different role than that of a typical CEO or leader.” Many professional organizations, including ACHE and the American Hospital Association’s Society for Healthcare Strategy and Market Development, have adopted ethical behavior guidelines for their respective memberships. However, Jeffrey Seglin (2002, 76), a noted business columnist, simplifies the main point of these guidelines: “Generally speaking, behaving ethically means avoiding lying, cheating, and stealing, as well as cruelty, deception and subterfuge.”

Marketing is frequently viewed by healthcare executives as a means for creating or expanding demand for services that the organization provides. This view is entirely appropriate when a new service is developed that meets a real need for consumers or the community. But often, executives are faced with questions regarding the real need of a certain product or program: How many heart centers do most communities require? Has the efficacy of full body scanners been satisfactorily determined? Is the recent growth in bariatric surgery warranted, and are candidates for these procedures being appropriately screened and prepared? Across the country, cost issues dominate discussions regarding the healthcare industry. Given that, questions about the necessity of certain services will continue to arise and test the mettle of executives. In turn, this questioning can cause executives to carefully consider the underlying motives behind the introduction of new products and services and the degree to which they themselves follow ethical standards in their marketing efforts.

In this column, ethics in marketing is examined, paying special attention to the appropriateness of some marketing activities.
SUPERLATIVE CLAIMS

Perhaps no other aspect of healthcare (other than financial matters) receives as much attention from the public as do communication efforts to the public. Whether the marketing communication piece is a newsletter, a billboard, or an advertisement on radio or television, it increases the organization’s visibility. Therefore, marketing communications and advertising messages must be accurate and truthful and meet appropriate standards. For example, some organizations claim to be the “best” or the “consumer’s choice” provider of certain services. But how many bests can there be in a particular geographic market? How many areas can one organization be best in? Unless backed with factual data (which may be difficult), such claims are inappropriate and should be toned down. Many healthcare consumers in this country are savvy, so they may see through even the slightest truth distortions. Not only can unjustified claims backfire for the sponsoring organization, they can also color the manner in which consumers view other, more informative messages.

MARKETING GUIDELINES

Guidelines for advertising in the healthcare industry have been developed by various organizations, including the American Hospital Association. Hospitals and healthcare organizations should develop internal guidelines for their advertising and other marketing communications and share those with advertising agencies, graphic designers, photographers, advertising writers, and other appropriate parties. The guidelines should address and clarify controversial issues such as the following:

- use of actors or models instead of actual patients and staff,
- inclusion of awards information and patient satisfaction survey results,
- avoidance of unsupported claims that create unrealistic expectations, and
- addition of messages that create demand for unnecessary services.

In addition, these guidelines should include standards for dealing with legal issues, such as those that may come up if a hospital advertises the practice of an independent physician; in this case, the promotion should be reviewed by the hospital’s legal counsel.

REFERRAL DEVELOPMENT

Many executives engage in business development and physician-relations efforts to capture a greater share of physician referrals and patient admissions. Legal guidelines that govern these activities seem to be in a constant state of evolution, but certain principles underlying these guidelines (such as avoiding private inurement) are well established. Physician decisions regarding the best location for care of a patient should be respected, and referral development activities must, in the
end, stay true to this principle. In this case, promoting to physicians the value of the organization’s disease screening and health risk assessment services must be thoughtfully planned. Marketing strategists must frame these services not only within the view of tools to generate additional downstream revenue, but within the perspective of addressing specific patient needs while providing physicians an added value, such as a follow-up mechanism that contacts a physician when the patient’s test results are in.

THE ROLE OF THE MARKETING STRATEGIST

Ultimately, the marketing strategist shoulders the responsibility of representing the public’s needs and expectations in the organizational decision-making process. He or she should ask the following questions: How can the organization be accountable to its various publics? How can the organization’s values help to shape that accountability? Serving as the corporate conscience can be a valuable role. A simple test of how effectively this role is accomplished is to ask, “if this action is held up to public scrutiny, will I still feel that it is what I should have done and how I should have done it?” (Cleveland 1972).

Ultimately, the organization’s chief executive officer needs to be its chief ethics officer as well. The CEO’s office is where the organizational culture starts, so it should be where the buck stops. An effective market strategist works closely with the CEO, providing valuable counsel and input and continuously emphasizing this point: Marketing is not simply the means for generating increased demand; it is about meeting the needs of those who count on us.

References


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