

MARKETING | RESEARCH ARTICLE

# The Thin Line Between Service Innovation and Brand Extension

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## ABSTRACT

This study investigates the strategic integration of service innovation and brand extension within the operational frameworks of medical schemes. It aims to explore how these dual strategies can enhance competitiveness, improve service quality, and strengthen brand equity in the dynamic healthcare sector. In innovation and brand extension within medical schemes, introducing Efficiency Discount Options (EDOs) represents a departure from traditional parent benefit options, offering equivalent benefits through a distinct healthcare delivery model. This unintended consequence underscores how these pricing strategies and innovative service models can reshape consumer preferences towards more cost-effective healthcare alternatives, impacting market dynamics and demographic segmentation within the healthcare sector. This research employs a qualitative approach, focusing on in-depth case studies of medical schemes that have successfully integrated service innovation and brand extension. A comprehensive literature review complements the empirical data, providing theoretical insights into innovation and brand management strategies in the healthcare context. The study reveals that integrating service innovation and brand extension creates synergies that enhance operational effectiveness and member satisfaction, reinforcing market positioning and adaptability to evolving consumer demands. EDOs within medical schemes have inadvertently skewed beneficiary demographics toward younger age groups, showcasing how pricing strategies and innovative service models influence consumer preferences for cost-effective healthcare options. These findings underscore the strategic impact of brand extension on market dynamics and demographic segmentation in the healthcare sector, highlighting evolving consumer preferences and the competitive landscape shaped by innovative pricing and service strategies. This research contributes to the academic discourse by providing actionable insights into the effective integration of service innovation and brand extension within medical schemes. It highlights practical implications for schemes looking to optimise service administration strategies and strengthen their competitive edge in the healthcare sector. The findings also underscore the importance of aligning innovation initiatives with brand management practices to foster sustained growth and enhance service quality.

**Keywords:** Service Innovation, Brand Extension, Market Strategy, Customer Perception, Business Growth.

**JEL Code:** G22, I11, M31, O31.

## I. Introduction

In today's competitive business landscape, service innovation and brand extension are pivotal strategies for organisations seeking to maintain market leadership and drive growth. Service innovation



involves developing or enhancing services through integrating new technologies, improved processes, or novel business models, aiming to create innovative value propositions that meet evolving customer needs and enhance competitive advantage (Chesbrough, 2011; Mahavarpour, Marvi & Foroudi, 2023). For instance, in the healthcare sector, medical schemes increasingly rely on service innovation to streamline administrative processes and improve patient care delivery through third-party partnerships. On the other hand, brand extension leverages a brand's existing reputation and customer loyalty to introduce new products or services under its umbrella, thereby reducing market entry risks (Aaker, 1991; Varadarajan, DeFanti & Busch, 2006). This approach is particularly relevant for medical schemes that contract with third-party providers for service administration, as it allows them to expand their service offerings while capitalising on established brand equity. Medical schemes partnering with specialised providers for claims processing and customer service can extend their brand into new service areas, enhancing overall service delivery and member satisfaction. The relationship between service innovation and brand extension in medical schemes often intertwines strategically. Service innovation enhances operational efficiencies and supports brand extension by establishing new service paradigms that complement existing offerings under the same brand (Vargo & Lusch, 2004).

Conversely, successful brand extensions may drive the need for further service innovation to ensure seamless integration and support for expanded service lines (Brandwell, 2024). This dual approach can significantly enhance the schemes' competitive positioning and member retention rates, which are crucial in the dynamic healthcare industry. In their exploration of service delivery and branding management in digital Platforms from the prism of innovation through brand extension, Sedighi, Sheikh, Tourani, and Bagheri (2022) demonstrate that integrating service innovation via brand extension positively influences customer satisfaction and loyalty. This study explores the intersections and strategic implications of service innovation and brand extension within medical schemes' operational frameworks. Through an analysis of their distinctive attributes, advantages, and challenges, this study offers practical guidance for schemes aiming to enhance their service administration strategies by proficiently merging innovation and brand management principles (Christensen, 2013; Xu, 2014). Ultimately, this approach aims to foster sustainable growth, improve service quality, and strengthen brand equity in the healthcare sector

## II. Literature Review and Hypothesis Development

### 2.1. Theories of Service Innovation and Brand Extension

Theories of service innovation offer valuable perspectives on how businesses can strategically enhance their offerings and market position. Disruptive innovation theory (DIT) holds significant sway in management science, corporate strategy, and cultural dialogue. Initially outlined in Bower and Christensen's seminal 1995 publication, "Disruptive Technologies: Catching the Wave," the theory has evolved considerably over time. A pivotal moment came with Christensen and Raynor's influential 2003 work, marking a notable transition from "disruptive technologies" to a broader conceptualisation of "disruptive innovation." DIT illuminates how smaller firms can challenge industry leaders by initially targeting niche markets with lower performance but eventually superior service solutions (Christensen, 2013; Christensen et al., 2018). This theory highlights the transformative potential of service innovation in capturing new market segments and displacing established competitors through innovative approaches. Markides (2005) argues that disruptive innovation requires more robust theoretical underpinnings to capture its implications and applications in business contexts effectively. Furthermore, Markides (2006) categorises disruptive innovations into three main types: technological, business model, and radical product innovations. This study specifically focuses on business model innovations and incorporates product and service offerings innovations.

Service-dominant logic (Vargo & Lusch, 2004) represents a paradigm shift by emphasising that service, rather than goods, is fundamental to value creation. This theory underscores the importance of co-creating value with customers through enhanced service interactions and experiences. Businesses can innovate effectively and sustainably within their markets by focusing on customer needs and preferences. The operational framework commonly observed in medical schemes leans towards an open innovation model, characterised by extensive outsourcing that fosters open service innovation. Open Services Innovation

(Chesbrough, 2011) advocates for integrating external and internal ideas to foster service innovation. This approach promotes collaboration and openness within the innovation ecosystem, facilitating rapid development and deployment of new services. By integrating external inputs and leveraging internal capabilities, organisations can enhance their ability to adapt and respond effectively to market demands (Chesbrough, 2011). However, a significant drawback of this approach arises when external parties exert dominance and potentially sway the innovation strategic direction of the entities they engage with due to issues such as conflict of interest. The Council for Medical Schemes government report found this effect prevalent, as depicted below in **Box 1**.

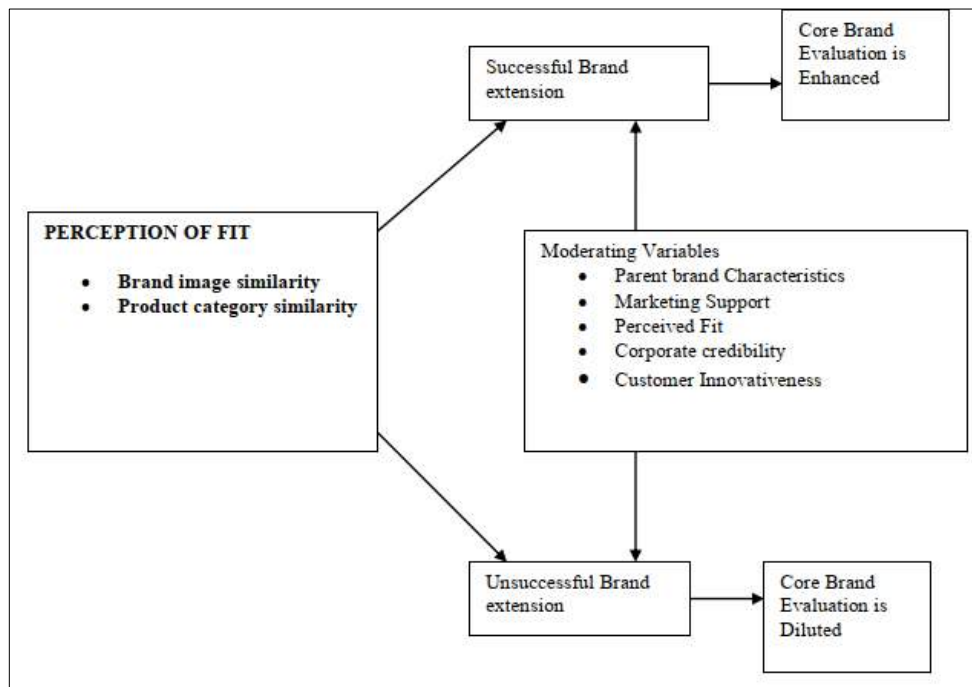
Some of the boards of the medical schemes concerned were found to be dominated by the third-party administrator, which had a strong influence on the affairs of the scheme. This often went beyond the contractual mandate and the role of administrators as contemplated by the Act. The administrator exerted its influence through its fund managers. Fund managers sometimes had a “permanent” seat on the board even though they did not have voting power. The principal officer of one scheme was an employee of the administrator, in contravention of the Act.

**Figure 1. The potential influence of contracted third parties in scheme affairs:**  
**Source: CMS (2006)**

In contrast, service theories and theories of brand extension explore strategies for leveraging existing brand equity to introduce new products or services. Brand Equity Theory (BET) (Aaker, 1996) underscores how a strong brand can facilitate successful expansions into new categories, leveraging consumer trust and familiarity to reduce perceived risks and enhance acceptance of new offerings. This theory emphasises the strategic advantage of leveraging brand strength to diversify product portfolios effectively. Consumer-Based Brand Equity (Keller, 1993) builds on this by highlighting the importance of maintaining consistency between the core brand and its extensions regarding attributes and benefits. This model emphasises the alignment of brand extensions with consumer expectations and the established brand image, ensuring continuity and reinforcing brand equity over time (Lye, Venkateswarlu, & Barrett, 2000; Pattuglia, Mingione & Cherubini, 2015).

## 2.2. Integrating Service Innovation and Brand Extension

The effective integration of service innovation and brand extension can generate synergies that amplify the impact of innovation initiatives and brand management efforts, nurturing a cycle of heightened patient engagement and loyalty. However, their strategic implementation necessitates careful consideration of potential challenges (SI JIA, 2012). Issues such as Brand Dilution (Loken & John, 1993; Rastogi, 2012) underscore the risks associated with poorly aligned brand extensions that may diminish brand associations and weaken overall brand equity within the healthcare sector. Rastogi (2012) illustrated in his study, as depicted in **Figure 1** below, how brand extensions can either enhance or dilute the parent brand's image, which poses a significant concern for brand managers today. Maintaining a solid alignment between the core brand values and new service offerings is crucial to preserving brand integrity and cultivating patient trust amidst evolving healthcare demands (Pattuglia, Mingione & Cherubini, 2015; Maharani, Hidayat & Hidayat, 2023). Moreover, successful service innovation in medical schemes requires continuous patient engagement to solicit feedback and refine service offerings accordingly. This customer-centric approach is pivotal in ensuring that innovations meet patients' dynamic needs while enhancing their healthcare experience.



**Figure 2. Customer Innovativeness: Effect of Brand Extensions on Parent Brand**

### III. Research Method

This study employs a qualitative research approach centred on in-depth case studies to thoroughly investigate service innovation strategies and brand extension (Mohajan, 2018; Rashid, Rashid, Warraich, Sabir & Waseem, 2019). A comprehensive literature review is conducted to establish a robust theoretical framework (Snyder, 2019). This review integrates key concepts, theories, and models from academic literature and industry reports. For instance, theories such as DIT (Christensen, 2013) and BET (Aaker, 1991) provide foundational insights into innovation and brand management dynamics, respectively. These theoretical underpinnings help contextualise the study within the broader discourse on service innovation and brand extension strategies. The qualitative methodology focuses on conducting detailed case studies of organisations implementing these strategies. Case studies are chosen based on their relevance to the research objectives and the availability of rich qualitative data (Crowe, Cresswell, Robertson, Huby, Avery & Sheikh, 2011). Data collection methods include thoroughly examining company documents and analysing industry reports (Taherdoost, 2021). This qualitative analysis aims to uncover nuanced insights into strategic decisions, implementation processes, challenges encountered, and outcomes achieved by the selected organisations (Crowe, Cresswell, Robertson, Huby, Avery & Sheikh, 2011; Taherdoost, 2021).

Some key concepts used in this study include medical scheme, scheme type, and size. A medical scheme is a non-profit organisation with a board of trustees that must be registered with the Council for Medical Schemes. In exchange for a monthly contribution or premium, medical schemes in South Africa provide members with coverage for their medical expenses. Scheme Type: (Open Schemes, Restricted Schemes). The Medical Schemes Act of 1998 defines open schemes as open membership. As a result, they accept anyone who wants to become a member and pay the premium (Medical Schemes Act 131 of 1998). Closed or restricted medical schemes are limited to an employer or union (Medical Schemes Act 131 of 1998). Scheme Size: A large scheme has more than 30,000 beneficiaries. A medium scheme has fewer than 30,000 beneficiaries and over 6,000. A small scheme has fewer than 6,000 members (CMS, 2022).

**Table 1. Categories of brand extension in medical schemes**

<b>Brand Extension in Private Health Insurance</b>	<b>Description</b>
Line Extension	Introducing additional insurance plans or packages under the same health insurance brand that cater to specific demographics, coverage needs, or price points.
Brand Extension	Using the credibility and trust of an established health insurance brand to offer related financial services such as life insurance or disability insurance.
Category Extension	Expanding into new healthcare-related services beyond traditional insurance, such as telemedicine, wellness programs, or healthcare management solutions.
Companion Products	Offering supplementary products that enhance the value of health insurance coverage, such as health savings accounts (HSAs), wellness rewards programs, or discounted gym memberships.
Co-Branding	Partnering with healthcare providers or pharmaceutical companies to offer joint products that combine insurance coverage with specific medical treatments or medications.
Brand Licensing	Allowing other insurance providers or financial institutions to use its brand name and reputation in exchange for royalties or fees expands the brand's reach into new markets.

Sources: (Varadarajan, DeFanti & Busch, 2006); (Hasan, Khan, Rehman, ur & Sobia, 2009); (Christiansen, Varnes, Hollensen & Blomberg, 2009)

**Table 2. Concepts related to parent and child product or benefit options**

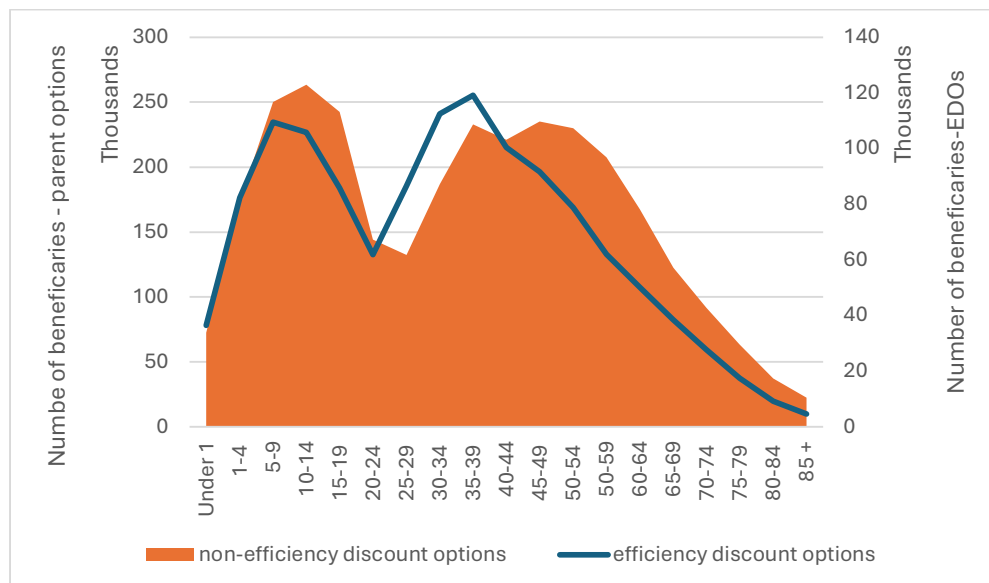
<b>Aspect</b>	<b>Parent Product</b>	<b>Child Product</b>
Definition	Original or core product under the brand	A new product introduced under the same brand
Relationship	Establishes the brand's foundation and equity	Extends the brand's reach and diversifies offerings
Purpose	Builds brand reputation and consumer trust	Expands market presence and meets new consumer needs
Example (Healthcare)	Basic health insurance plans by a medical scheme	Wellness programs, telemedicine services, and financial services like life insurance are offered under the same medical scheme brand.

Source: (Varadarajan, DeFanti & Busch, 2006); (Hasan, Khan, Rehman, ur & Sobia, 2009);

## **IV. Result and Discussion**

### 4.1. Analysis Result

An unintended consequence of service innovation and brand extension is its impact on target markets and demographic characteristics. As companies introduce new services or extend their brands, they often influence the demographic profiles that benefit most from these offerings (Figure 2). This can result in shifts in consumer behaviour and preferences, potentially favouring certain age groups or demographics over others. Efficiency discount options within these schemes appear particularly appealing to younger individuals. In 2018, these options catered to an average age of 33, which marginally increased to 35 by 2022. In contrast, non-efficiency discount options, which offer similar benefits but without age-specific incentives, started at an average age of 33 in 2018 and grew to 36 by 2022 (Table 3).



**Figure 2. Age profile - Efficiency discount options vs non-efficiency discount options: 2022**

The combined weighted average age across narrations, efficiency discount options, and non-efficiency discount options was 33 in 2018, gradually rising to 35 by 2022. This shift underscores how brand extensions within medical schemes have inadvertently influenced younger demographics with their pricing strategies, potentially influencing healthcare utilisation patterns and member demographics.

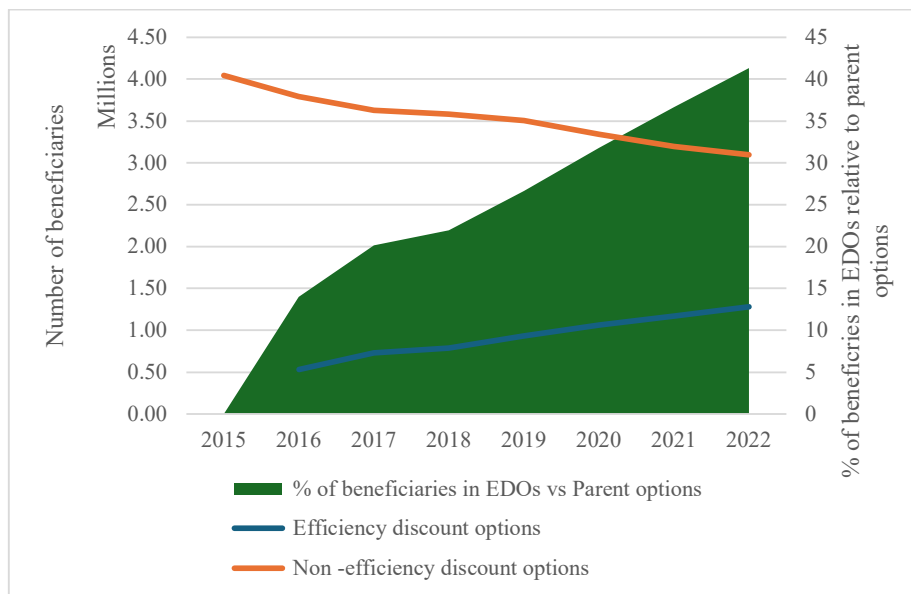
**Table 3. Weighted Average Age illustrates the unintended consequence of innovation and brand extension.**

	Efficiency discount options	Non-efficiency discount options	Combined
2018	31	33	33
2022	33	36	35

a. Brand line extension

The figure below (Figure 3) provides an insightful look into the adoption and growth of EDOs from 2015 to 2022, highlighting a significant shift in beneficiary preferences towards more cost-effective healthcare plans. EDOs, which offer the same benefits as their parent healthcare plans but at a lower cost due to more efficient service provision and care coordination, have seen a remarkable increase in enrollment over this period. The data reveals a growing trend towards adopting EDOs, reflecting beneficiaries' increasing demand for more affordable healthcare without compromising benefits.

The shift from parent options to EDOs suggests a successful brand extension strategy where service and care coordination efficiencies translate into user cost savings. The continuous increase in beneficiaries opting for EDOs indicates a growing preference for these discounted options. Rising healthcare costs and the need for more budget-friendly alternatives likely drive this trend. The steady growth in EDO enrollment highlights the market's positive reception to the innovative approach of maintaining high-quality benefits while reducing costs through enhanced efficiency.



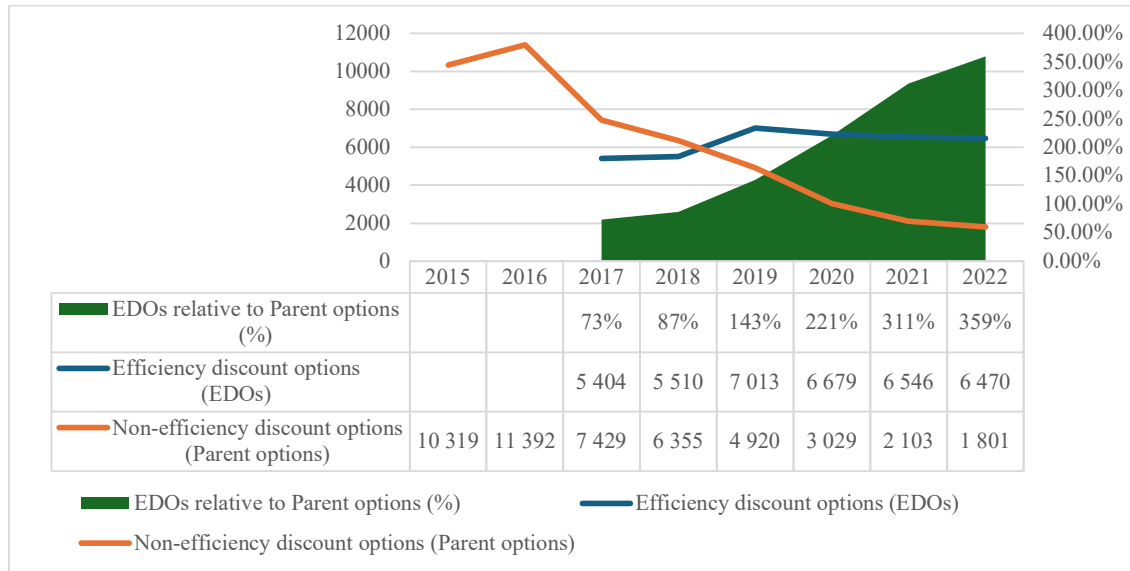
**Figure 3. Brand extension: Efficiency discount options trend analysis**

b. Brand extension unintended consequences: Dominance of EDOs over Parent options

The figure (Figure 4) below shows a significant shift in the medical schemes market towards EDOs, with a notable increase in their dominance over traditional parent options starting in 2018. This trend has profound implications for the structure of medical schemes and the broader healthcare market. EDOs are designed to provide cost-effective healthcare coverage by promoting preferred providers and services. This approach appeals to consumers who seek affordable and efficient healthcare options, leading to an increasing preference for EDOs over conventional parent options.

EDOs typically offer more flexible and customised plans, which attract members looking for coverage that aligns closely with their unique healthcare needs and financial situations. This growing inclination towards EDOs could result in brand dilution for traditional parent options. As members increasingly choose the specialised and cost-effective EDOs, traditional schemes' perceived value and appeal may diminish, potentially leading to decreased member loyalty and weakening of the brand. While EDOs are efficient in cost and service utilisation, they often restrict access to a broader network of healthcare providers. This limitation can raise concerns about the comprehensiveness of coverage and the potential decline in the quality of care if essential services fall outside the EDO network.

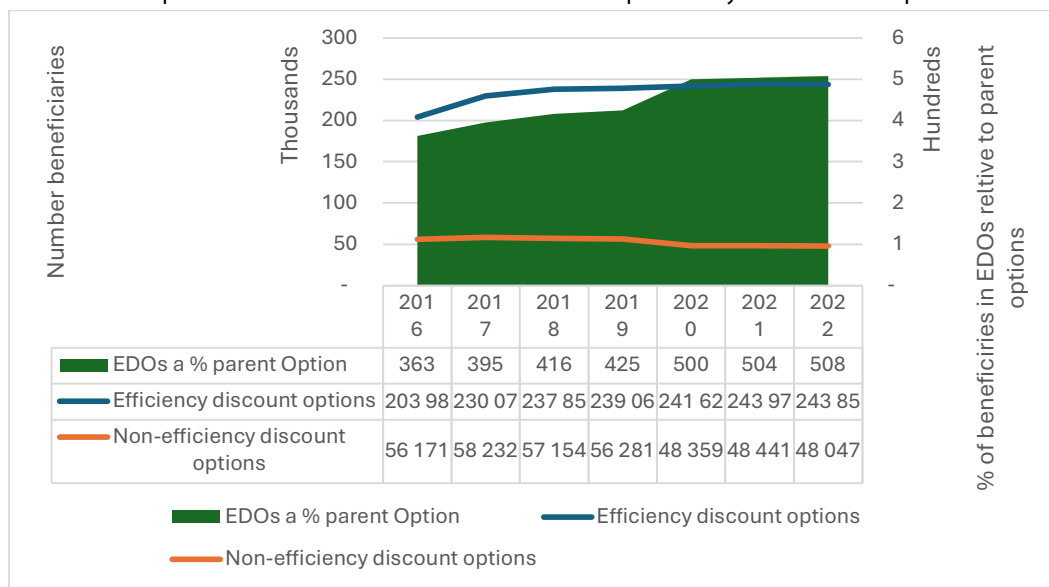
Medical scheme providers may need to reassess their portfolio of offerings in response to this shift. It is crucial to emphasise the benefits of EDOs while ensuring that traditional parent options are not completely phased out, thereby retaining members who prefer more extensive coverage and are willing to pay a premium for it. To counteract potential brand dilution, providers could enhance the value proposition of parent options by adding additional benefits or services that justify their higher costs, appealing to a market segment that values comprehensive coverage over mere cost savings. As EDOs continue to gain popularity, the market for these options is becoming increasingly competitive. Medical schemes must innovate to maintain their competitive edge, potentially offering more attractive pricing, expanding provider networks, or introducing additional value-added services.



**Figure 4. The effect of brand dilution**

c. Momentum Health case study

The Momentum case study presents a unique scenario where child options, specifically EDOs, have significantly outpaced their parent options regarding coverage, illustrated in **Figure 5** below. Since 2016, EDOs have consistently shown higher exposure, and this trend has only intensified over the years. In 2016, EDOs accounted for 363% of the parent option coverage. This means the exposure to EDOs was more than three times that of the parent options. This data indicates that by 2022, the exposure to EDOs was more than five times that of the parent options. The substantial and continuous growth of EDOs highlights their increasing importance and preference among members compared to non-efficiency discount options. This trend underscores the effectiveness and appeal of EDOs within Momentum's portfolio, suggesting a strategic shift and member preference towards these more tailored and potentially cost-effective options.



**Figure 5. The effect of brand dilution**

d. Momentum Health case study (Number of beneficiaries)

The data in Table 4 illustrates significant variations in premium costs between EDOs and Non-efficiency discount options across different scheme categories, underscoring the impact of designated service provider arrangements within each scheme. EDOs consistently offer lower premiums for comparable benefits, reflecting cost efficiencies achieved through optimised service delivery models and provider networks. For instance, in Open schemes, the average premium for EDOs stands at R1,721.8 compared to R2,680.8 for Non-efficiency discount options, representing a 56% cost differential favouring EDOs. These price differentials fluctuate across scheme sizes and types. Large schemes, for example, show EDO premiums averaging R1,663.7 versus R2,694.9 units for non-efficiency discount options, marking a 62% reduction in costs for EDO beneficiaries. Similarly, Medium schemes exhibit a 51% decrease in premiums with EDOs compared to their Non-efficiency counterparts. The variations highlight how different scheme structures and provider arrangements influence pricing strategies, impacting affordability and member choices within the healthcare market.

**Table 4. Brand extension and the effect on price: 2022**

<b>Price Differential between EDOs and Parent Options [R]</b>			
	<b>Efficiency discount options</b>	<b>Non-efficiency discount options</b>	<b>% change-discount [Price Differentials]</b>
Open	1 721,8	2 680,8	56%
Large	1 663,7	2 694,9	62%
Medium	1 679,5	2 532,4	51%
Small	2 086,9	2 750,2	32%
Restricted schemes	2 095,8	2 360,3	13%
Large	2 091,9	2 311,3	10%
Medium		1 887,3	
Small	2 135,4	3 441,4	61%
Consolidated	1 813,8	2 564,1	41%

e. The effect of non-healthcare costs

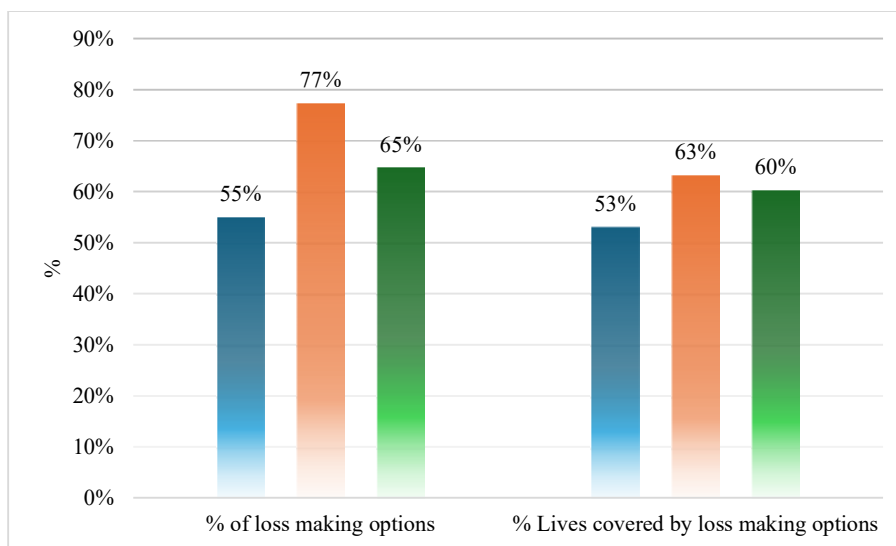
This study further assessed the disparities in non-healthcare costs between child options (Efficiency Discount Options) and parent options (Non-Efficiency Discount Options). The analysis revealed significant differences in the percentage of non-healthcare expenses relative to Risk Contribution Income (RCI) and the per-beneficiary per-month (pbpm) costs (Table 5). The results indicate that Efficiency Discount Options have higher non-healthcare costs than Non-Efficiency Discount Options, as a percentage of RCI and on a per-beneficiary per-month basis. Specifically, EDOs incur 11.76% of their RCI on non-healthcare expenses, significantly higher than the 8.22% observed for Non-EDOs. Similarly, the pbpm non-healthcare costs for EDOs (R196.30) exceed those of Non-EDOs (R190.87). These disparities suggest that while EDOs might offer attractive benefits and discounts that appeal to a younger demographic, they also carry higher administrative and operational costs. This could be due to the tailored services and additional features provided under EDOs, which require more resources to manage effectively.

**Table 5. Brand extension and the effect on non-healthcare expenses: 2022**

	<b>Net non-healthcare expenses as % of RCI</b>	<b>Net non-healthcare expenses: pbpm</b>
Efficiency discount options	11,76	196,30
Non-efficiency discount options	8,22	190,87
Consolidated	9,03	192,46

f. Financial performance

In our financial analysis of healthcare plan options, we examined the performance and coverage of both efficiency and non-efficiency discount plans. The results indicate a significant discrepancy in the percentage of loss-making options and the proportion of lives covered by these loss-making plans across the two categories (Figure 6).



**Figure 6. Distribution of loss-making health plans and coverage impact: 2022**

Efficiency discount options are designed to offer cost savings through better resource utilization and targeted incentives. Despite their intended cost-saving measures, 55% of these plans are operating at a loss. These loss-making plans currently cover 53% of the lives enrolled in efficiency discount options, suggesting that a substantial proportion of individuals are affected by the financial inefficiencies in these plans. On the other hand, non-efficiency discount options, which typically do not incorporate specific cost-saving strategies, show a higher incidence of financial losses. A striking 77% of these plans are loss-making, encompassing 63% of the lives covered under non-efficiency discount options. This highlights a significant exposure to financial risk for most individuals enrolled in these plans. When we consolidate the data across both types of plans, we find that 65% of all healthcare plan options are loss-making. These loss-making plans collectively cover 60% of the lives enrolled in our health plan offerings. This underscores a systemic issue: Most of our health plans are not financially sustainable, affecting a significant portion of our covered population.

4.2. Discussion

This study explores the strategic integration of service innovation and brand extension within the operational frameworks of medical schemes, aiming to enhance competitiveness, service quality, and brand equity in the healthcare sector (Farhana, 2012). The findings shed light on several critical aspects that align with existing literature while offering new insights into the dynamic interplay between innovation, brand management, and consumer behaviour. The introduction of EDOs within medical schemes represents a significant departure from traditional benefit options, offering equivalent benefits through a distinct healthcare delivery model. This strategy inadvertently impacts consumer preferences, favouring younger demographics seeking cost-effective healthcare alternatives. This unintended consequence underscores the transformative potential of pricing strategies and innovative service models in reshaping market dynamics and demographic segmentation within the healthcare sector (Rastogi, 2012).

Aligning with theoretical perspectives, our findings emphasise how integrating service innovation and brand extension generates synergies that enhance operational effectiveness and member satisfaction. As

conceptualised by Chesbrough (2011), service innovation facilitates the development of new service paradigms that complement existing offerings, reinforcing market positioning and adaptability to evolving consumer demands. This strategic alignment is crucial for schemes that navigate competitive pressures and sustain growth in a rapidly changing industry landscape (Pattuglia, Mingione & Cherubini, 2015). Moreover, the observed shift towards EDOs highlights the strategic implications of brand extension on market dynamics. The dominance of EDOs over traditional parent options underscores their appeal in offering cost-effective healthcare solutions without compromising benefits, aligning with Aaker's (1991) insights on leveraging brand equity to introduce new service categories. However, the growing preference for EDOs raises concerns regarding potential brand dilution for traditional schemes, necessitating careful management to maintain brand integrity and member loyalty amidst evolving consumer preferences. This study contributes to the academic discourse by providing empirical evidence of how service innovation and brand extension can be effectively integrated within medical schemes to optimise service administration strategies and enhance competitive advantage. Practical implications include aligning innovation initiatives with brand management practices to foster sustained growth and improve service quality in the healthcare sector. Future research could explore longitudinal impacts and refine strategies for balancing innovation with brand equity preservation in dynamic market environments.

Several targeted recommendations can be proposed based on the insights gathered from this study on integrating service innovation and brand extension within medical schemes. Firstly, medical schemes must maintain a stringent alignment between core brand values and new service offerings introduced through brand extensions. This alignment ensures consistency in consumer perceptions and expectations, safeguarding brand integrity amidst evolving market dynamics (Aaker, 1991). Regularly soliciting and analysing consumer feedback will be pivotal in fine-tuning service innovations to better meet diverse healthcare needs while bolstering brand equity (Keller, 2003; Farhana, 2012). Secondly, given the observed demographic shifts towards younger age groups with the adoption of EDOs, continuous monitoring and adaptation of demographic trends are essential. This entails tailoring marketing strategies and service enhancements to cater effectively to the preferences and behaviours of different demographic segments (Rastogi, 2012). Furthermore, schemes should prioritise ongoing innovation and collaboration with external partners to enhance operational efficiencies and expand service offerings. By leveraging external insights and internal capabilities, schemes can remain agile in responding to competitive pressures and consumer demands in the healthcare market (Chesbrough, 2011). These recommendations aim to fortify schemes' competitive positioning, sustain growth, and ensure enduring member satisfaction in a rapidly evolving healthcare landscape.

## V. Conclusion

This study has explored the strategic integration of service innovation and brand extension within the context of medical schemes, revealing valuable insights into their synergistic effects and unintended consequences. The study underscores the significance of aligning innovation initiatives with brand management strategies to enhance operational effectiveness, improve service quality, and strengthen brand equity in the healthcare sector through a comprehensive examination of case studies and theoretical frameworks. The findings highlight how EDOs have reshaped demographic profiles within schemes, emphasising the need for schemes to adapt their strategies to cater to evolving consumer preferences and market dynamics. Moving forward, it is recommended that medical schemes prioritise maintaining brand integrity through consistent alignment with core values while leveraging consumer feedback to refine service innovations. Embracing ongoing collaboration and innovation will be essential for schemes to sustain competitiveness and effectively meet healthcare consumers' diverse needs.

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