

# Key Success Factors in Medical Tourism Marketing

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## Abstract

The planners in tourism businesses and medical institutes, the evaluation criteria and dimensions for Medical Tourism Marketing are determined by experts through expert interviews. The weights and correlations among the dimensions and criteria are determined by Analytic Hierarchy Process (AHP) to construct an evaluating indicator model suitable for Medical Tourism Marketing. By organizing the overall weight of the key success factors in Medical Tourism Marketing, the top five indicators contain (1) Brand positioning, with the overall weight 0.152, (2) Healthcare facility, with the overall weight 0.133, (3) Healthcare quality, with the overall weight 0.104, (4) Touring spots, with the overall weight 0.095, and (5) Horizontal alliance, with the overall weight 0.083. This study intends to provide the reference in Medical Tourism Marketing for relative sectors deeply understanding the present situation and the future development of the industry and supplementing relevant information for further research.

**Keywords:** AHP Analytic Hierarchy Process, key success factor, Medical Tourism Industry, Marketing

## Research background and motivation

Globalization is a major change for international economy. People are moving far away from the obstacles of transnational businesses and investment, in which the economic differences are resulted from distinct government control, cultural background, and economic system, and stepping towards a new world system with economic integration and dependency among countries (Hill, 2000). Under the continuous globalization, World Tourism Organization (WTO) indicated that the market share of tourism industry in Asia would be about 25.4% of the world in 2010, which grew about 6.5% in comparing to 1995 and was ranked the second in the world (WTO, 2008). Asian countries have therefore made a lot of efforts to develop tourism, provide various favorable measures, and increase diverse services to attracting tourists.

Synovate, the top ten marketing research company, indicated in 2005 that about one-hundred-thousand people/times international medical tourists visited Malaysia every year, and the medical tourists to Singapore and India were also increasing annually (Teh and Chu, 2003). Meanwhile, research also pointed out that Thailand, Malaysia, Singapore, Jordan, and India successfully appealed about 1.3 million medical tourists every year, with the medical expenses about one billion US dollars. Medical tourism presents the importance on the annually 20%

increasing medical tourism income (Acharyulu and Reddy, 2004). In regard to the domestic and international tourism marketing, every country has tried to develop relevant themes for promoting and attracting tourists. According to Council for Economic Planning and Development (2006), Medical Tourism has become a new niche point in Taiwan, covering the healthcare services of health checks, cosmetic surgery, dental treatment, laser for nearsightedness, and Chinese medicine. In recent years, the expensive and insufficient medical resources in advanced countries and the lower prices but high-quality healthcare services in developing countries have appeal population in advanced countries to completing healthcare in developing countries. Consequently Medical Tourism becomes so popular that it enhances the development of Medical Tourism Industry in Europe, Asia Pacific Zone, South Africa, and India. Well applying medical resources in Taiwan to attract tourists could enhance the industrial development. This study therefore tends to preliminarily discuss the development characteristics and norms of domestic Medical Tourism Industry, expecting to provide reference in operation, policy formulation, and successive research on Medical Tourism.

## **Literature review**

### **I. Medical Tourism**

According to the definition of World Tourism Organization (WTO), Medical Tourism is the tourism services based on healthcare and nursing, sickness and health, and recovery and rehabilitation, where Medical Tourism contains Health Tourism and Medical Tourism. The former aims at tourism but is assisted with healthcare, while the latter focuses on healthcare but includes travel. Early medical tourism, based on health tourism, promoted tourism for health; however, modern people pursue health abroad because of the progress of medical technology. With the popularity, the classification of health tourism is broadened, including medical tourism, cosmetics surgery, SPA, and other medical treatments (Henderson, 2004). The constant change of living value has enhanced the living styles and quality of modern people who pay more attention to healthy life (Tsao, 2004). Besides, wider services are covered because of the development of medical industry that the leisure tours have been changed to health checks, cosmetic surgery, and surgical operations to cover healthcare and medical treatments. Pursuing Health becomes the reason for people leaving the countries for a different country (Borman, 2004). When tourists intend to participate in medical treatment or healthcare, medical tourism or travelling to the countries for health appeals to the customers acquiring better feeling than being at home, relaxation, and health. The leisure and cosmetic surgery in Queensland near Gold Coast in Australia is a famous example (Connell, 2005).

### **II. Domestic medical tourism**

Travel in Taiwan, published by Tourism Bureau (2006), reported that Kenting was one of the most favorable touring spots for revisit and appeared the most tourists. Department of Health, Executive Yuan, establishes a medical tourism demonstration area, with the cooperation of Hengchun Tourism Hospital, D.O.H., Howard Plaza Hotel Kaohsiung, and Weisheng Clinic, where the healthcare contains non-invasive SPA, spiritual stress release, and general aromatherapy. Therapists and physicians from Hengchun Hospital are scheduled in

the hotel every week, while Kaohsiung Medical University and I-Shou University are in charge of cosmetics, including intense pulsed light and laser (Yu & Chien, 2009). It not only takes care of the health of the citizens in Kenting and guarantees the safety of tourists, but also promotes the development of medical industry in Kenting with the beautiful scenery and the medical technology in Taiwan, increases national foreign exchange, and provides medical tourists with a new option (Liu, 2010).

With the neighboring geographical advantage and cultural relations between Taiwan and Japan, Japan Association of Travel Agents plans to build a heavenly land for the elderly in Puli, Nantou, and Liouguei, Kaohsiung, to appeal to new customers (Saito Junichi, 2006). The activities of Taichi, short-term calligraphy, and tea ceremony and touring plans in southern areas allow the elderly leisurely enjoy such medical tours.

According to the investigation of secretariat in Taiwan Nongovernmental Hospitals & Clinics Association, Health checks and Cosmetics was mostly engaged in, and 69% of the 25 interviewed nongovernmental hospitals & clinics was willing to investing in the marketing (Wu, 2009), showing that most nongovernmental hospitals & clinics would like to promote international medical tourism.

### III. Factors in Marketing

Yu (2000) defined international marketing as the corporate activities in which the products (or services) were popular from marketers to consumers (or users) who were from different countries. Moreover, Anholt (2000) proposed six dimensions for national brand image, including tourism industry, export brand, external and internal policies, citizens, investment, and immigration rate, and cultural and historical heritage. Tourism industry is considered as the major dimension to reflect the national brand, as the product characteristics and positive image in tourism industry would result in considerable benefits. For this reason, the promotion of national brand image internationally, in addition to the cooperation of medical institutes and travel agencies, should be taken into account of Medical Tourism itineraries and the package tours for Medical Tourism marketing.

## **Research design and method**

### I. Research subject

Professional planners in tourism businesses and medical institutes are invited to evaluate the factors in Medical Tourism Marketing, and the questionnaire is structured with AHP format. Having the Medical Tourism team in Kenting Medical Tourism demonstration area as the research subjects, total 500 questionnaires are distributed, and 327 valid copies are retrieved, with the retrieval rate 65%.

## II. Data collection

The required data contain 1. Expert interview, which tends to supplement the insufficient sub-data so that the AHP-structured questionnaire could specifically define the indicators for Taiwan Medical Tourism Marketing and 2. Questionnaire survey, which is divided into the first phase for broad opinions from the managers in tourism businesses and medical institutes to extract the key factors in Taiwan Medical Tourism Marketing with expert interviews and the second phase for the excellent opinions of experts with Medical Tourism planning background to discuss the key factors in Taiwan Medical Tourism Marketing.

## III. Establishment of evaluating indicators

The following evaluating indicators are modified through data collection.

1. Marketing Promotion, including Advertisement, Brand positioning, Pricing model, and Marketing channel.
2. Journey Service, containing Touring spots, Catering, Accommodation, Transportation, and Interpretation.
3. Medical Resource, covering Healthcare facility, Healthcare quality, and Multiple healthcare services.
4. Horizontal Cooperation, including Horizontal alliance and Medical tourism platform.

## Data analyses

Having completed the weights in all hierarchies, the relative importance is distributed for ranking the indicators in the entire evaluation system and generating the overall weight of Medical Tourism Industry Marketing, Table 1.

Table 1: Overall weight of Medical Tourism Industry Marketing

Dimension	Hierarchy 2 weight	Hierarchy 2 ranking	Indicator	Hierarchy 3 weight	Hierarchy 3 ranking	Overall weight	Overall ranking
Marketing Promotion	0.336	1	Advertisement	0.262	2	0.079	6
			Brand positioning	0.375	1	0.152	1
			Pricing model	0.145	4	0.026	13
			Marketing channel	0.218	3	0.065	8
Journey Service	0.228	3	Touring spots	0.287	1	0.095	4
			Catering	0.183	3	0.038	11
			Accommodation	0.234	2	0.051	9
			Transportation	0.157	4	0.031	12
			Interpretation	0.139	5	0.022	14
Medical Resource	0.267	2	Healthcare facility	0.438	1	0.133	2
			Healthcare quality	0.362	2	0.104	3
			Multiple healthcare service	0.200	3	0.049	10
Horizontal Cooperation	0.189	4	Horizontal alliance	0.586	1	0.083	5
			Medical tourism platform	0.414	2	0.072	7

From Table 1, the following conclusions are summarized.

Marketing Promotion, with the weight 0.336 about 33.6% of the overall weight, is mostly emphasized in Hierarchy 2, followed by Medical Resource (weight=0.267), Journey Service (weight=0.228), and Horizontal Cooperation (weight=0.189). The results show that Marketing Promotion is the key factor in Medical Tourism Industry Marketing. The weights of the evaluating indicators in Hierarchy 3 are ranked as 1.Brand positioning, Advertisement, Marketing channel, and Pricing model under Marketing Promotion, 2.Touring spots, Accommodation, Catering, Transportation, and Interpretation under Journey Service, 3.Healthcare facility, Healthcare quality, and Multiple healthcare services under Medical Resource, and 4.Horizontal alliance and Medical tourism platform under Horizontal Cooperation.

## **Conclusion and suggestion**

Based on the empirical analyses, the following conclusions are proposed for definite guidance and direction in the development of domestic Medical Tourism Industry. From the overall weight of the key success factors in Medical Tourism Industry Marketing, the top five indicators contain (1) Brand positioning, about the overall weight 0.152, (2) Healthcare facility, about the overall weight 0.133, (3) Healthcare quality, about the overall weight 0.104, (4) Touring spots, about the overall weight 0.095, and (5) Horizontal alliance, about the overall weight 0.083. From the above analyses, characteristic and competitive medical services could be applied to building the international healthcare image of Taiwan and establishing a clear and unique national image with which to reinforce the affirmation, reliability, and identity of foreign people towards Taiwan Medical Tourism. Medical value is the result of healthcare that excellent medical services and quality are regarded as the keys. Excellent and advanced medical equipment are required for reducing waiting time and enhancing diagnosis accuracy. Complete evaluation systems and patient safety measures should achieve the valuation of International Society for Quality in Health (ISQua) to promote the competitiveness of Medical Tourism Industry of Taiwan. In regard to touring spots, places with Taiwanese cultural characteristics should be arranged in the itineraries. In addition to the introduction of traditional touring areas, dynamic cultural shows, such as traditional dance and plays, could be arranged for different customer demands, consumption, and consuming power. The measures for tailored demands could appeal to tourists' revisit intention. Tourism and Healthcare are distinct fields that it would be difficult to integrate the resources. In this case, the government negotiation is necessary so that medical institutes provide Medical Products of health checks, diagnoses, and operation, and tourism businesses pack them with accommodation, travel, catering and other featured tours. The cooperation to connect the system with the world and to develop the international medical service platform would satisfy the consumption demands of international medical tourists.

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