

Chapter 91

Innovation in Medical Tourism Service Marketing: A Case of India

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ABSTRACT

The aim of this chapter is to critically examine the latest development of medical tourism as an innovation in India. The existing theories and concepts in medical tourism are reviewed and synthesised in order to lay down a foundation for marketing managers to deploy marketing mix strategies to deliver values to the medical tourists. A secondary research method is adapted to gather relevant literature. This chapter not only provides a background introduction to the growing importance of the medical tourism industry to the Indian economy, but also makes major contributions: firstly, that global healthcare service marketing is quite different from marketing of other services and goods. Secondly, it proposes to examine the application of 8Ps of tourism marketing-mix along with another 6Ps, such as personalisation of healthcare, publication for patient, patient packaging, patient education, patient privacy, and patient medical and cultural sensitivities for effective marketing of the popular Indian wellness and medical tourism destinations, super-speciality hospitals, and complex diagnostic tests and surgeries to the world.

INTRODUCTION

This paper discusses the growing economic significance of the medical tourism sector as one of the niche innovative special interest health tourism segment in the global healthcare economy. Medi-

cal tourism is also described as health tourism, wellness tourism, and travel abroad for global healthcare by media, medical as well as tourism literature. India Medical Tourism (2009) defines medical tourism as provision of 'cost effective' medical care in collaboration with the private

DOI: 10.4018/978-1-4666-6543-9.ch091

corporate hospitals and the tourism industry. In 2010, global medical tourism market was worth US\$ 77 billion and is forecasted to be worth US\$ 114 billion. India's share in the market in 2010 was 2% that is a total of US\$ 1500 million, and is expected to rise to 3% by 2013 (RNCOS, 2010). In 2009, India ranked second in medical tourism after Thailand (IMT, 2009) in terms of number of medical tourists visiting and the foreign exchange revenue earned from medical tourism and for providing low cost, less or no waiting time, international quality of medical treatment where English is widely spoken. A consultancy report on Booming Medical Tourism in India reported that in 2007, 450,000 patients from foreign countries were treated in India in comparison to Thailand's 1200,000 medical tourists (RNCOS, 2010). The key competitor for India is Thailand, and for complex surgeries it is Singapore.

There has been an increase in the outsourcing of medical tourists from USA and Canada to India by employers and the private health insurance companies (Baliga, 2006; McReady, 2007; Smith & Forgione, 2007; Bies & Zacharia, 2007; Brian & Bhatt, 2010; Singh, 2012). "Medical tourists include patients from countries which have national health insurance such as USA, UK and Canada and where healthcare is rationed" (Herrick, 2007, p.5). The numbers of foreign patients, as medical tourists visiting India, for treatment grew at the rate of 30-40 per cent a year in 2010. The total revenue of US\$81.7 billion was generated in 2011, by the Indian healthcare providers, with a compound annual growth rate (CAGR) of 19.5% between 2007 and 2011 (Asian Medical Tourism Analysis, 2012) and the total foreign exchange revenue is expected to reach US\$ 3 billion by 2013, increasing to CAGR of 26% during 2011-2013 (RNCOS, 2010). It was projected that the numbers of foreign medical tourists visiting India will grow at the rate of 30 per cent a year and that the healthcare market will be worth around US\$ 2.2 billion which is 5.2% of gross domestic product (GDP) by 2010, to between US\$ 50 billion

and US\$ 69 billion, or 6.2% and 8.5% of GDP by 2020 (CII & McKinsey, 2002; Ernst & Young, 2006; Chinai & Goswami, 2007; FICCI, 2008; Deloitte, 2008).

According to Government of India (GOI) (2003) Ministry of Tourism report, India has a competitive advantage as a medical tourism destination due to overseas trained and experienced medical doctors and surgeons, fluency in English language, latest medical facilities, equipment and technology, collaboration with international hospitals and accrediting bodies, quality of nursing care with low patient to nurse ratio (given that 10,000 nurses graduate annually in India) providing first world health care for complex surgeries such as cardiac, cancer, cosmetic, reproductive, orthopaedic, neurological, dental, tele-medicine and stem-cell therapy in private 5 star medical hospitals at third world prices (Turner, 2007) to patients from developed countries. In case of wellness tourism too, Ministry of Tourism has positioned India as a centre for the age old traditional medicine of ayurveda, siddha, naturopathy, homeopathy, yoga (RNCOS, 2010) and spiritual cleansing in 2011, by providing -accreditation by National Board for Accreditation of Hospitals and Healthcare Services (NBAHS), guidelines for international marketing, training, capacity building to the service providers and other stake holders at the state level, for wellness tourism.

Given the rising medical and insurance cost, long waiting time for specialist appointments and elective surgery more and more patients are travelling from developed to a developing country such as Thailand, India and Malaysia for medical treatment (Connell, 2006; McReady, 2007; Douglas, 2007; Horowitz & Rosensweig, 2007; Hopkins et al., 2010; Singh, 2012; Ghose, 2010; Stanley, 2010; Lunt & Carrera, 2010; Taleghani, et al., 2011; Ali, 2012). According to Research & Markets Report (2012) in 2010, the Apollo Group of 54 hospitals and Max-Healthcare Group of 8 hospitals treated the largest numbers of foreign medical tourists, who arrived in India, from de-

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