

**“MEDICAL TOURISM IN SOUTH INDIA- A RELATIVE
STUDY OF THE PRINCIPAL PARTICIPANTS IN
HOSPITAL AND HOSPITALITY INDUSTRY IN SOUTH
INDIA”**

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Abstract

India today has abundant opportunities to compete with other developed nations & building a quality health care system of its own. This paper addresses the prospects of Medical Tourism as a 'cost effective' private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. The growth is being facilitated by the corporate sector involved in medical care as well as the hospitality sector. There is also a constant effort taken up by the corporate hospitals to support medical tourism with its fullest potential. Medical patrons across India look forward for high end medical facilities with value added services often referred as coordinated services. Coordinated services are offered by the hospitality sector as a cliché to diversify the tourism products from the arena of travel and tourism. It would lead the South to a new road map in ensuring quality and enhancing better customer satisfaction. Hence the paper makes an attempt to understand the administration perspective in a wider aspect.

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- **Introduction**

The subject of travel is exiting and fascinating as travel and tourism is a global phenomenon. The past few years have witnessed many storms in the Travel & Tourism industry due to its vulnerable nature. Addressing the diverse and mounting challenges the Travel & Tourism sector remains a critical economic sector worldwide and one that provides significant potential for economic growth and development internationally. There are enormous contributions as the sector is an important driver of growth and prosperity, particularly within developing countries (Woodman, J 2007). As times are changing and so are the demands and expectations of the travelers who are endlessly in search for different experiences, different adventures, different lifestyles which has paved the way for various concepts defining different paradigm in the arena of tourism. Attention is being turned to explore new frontiers for meeting the demands. India has been offering varied niches to its tourists and to large extent shares a competitive edge when compared to its competitors. This emerging sector offers an array of travel services benchmarking India at a global level with its products like adventure, wildlife, historical monuments, culture & heritage, nature, pilgrimage and so on. Medical tourism is an upcoming concept and a growing phenomenon meeting the need of the hour (Theobald, F.,T 1998). India to a large extent is also been branded for its wellness and surgical competency. Medical patrons across India look forward for high end medical facilities with value added services often referred as coordinated services.

Coordinated services are offered by the hospitality sector as a cliché to diversify the tourism products from the arena of travel and tourism. Coordinated services can also be termed as an all-inclusive package offered by the travel facilitators to the medical tourist who includes the transportation, transfers, medical treatment, holidaying, leisure and all allied services related with it (Gan, Lydia, and James & Frederick R 2011). Medical tourism in the fore front is backed by the corporate hospitals offering high end infrastructure, medical amenities, allied services and an effective healthcare network with the hospitality sector. These are indeed the private hospitals that have gone one step ahead in commercializing their services, with a high-end sophistication, in the local as well as international market. Tourism industry has been facing a paradigm shift as the need and requirement of the industry is not static in nature and is more vulnerable to its environment. Responding to these shifts there are a number of initiatives which are likely to fuel

the growth of tourism in terms of generating revenue and increased inflow of tourist in India. A table representing the Foreign Exchange Earnings (FEE) in India is illustrated below:

Table 1.1 - Foreign Exchange Earnings (FEE) (Rs. Crores) from Tourism in India, 2006 - 2010

Year	FEE from tourism in India (in crores)	Percentage (%) change over the previous year
2006	39025	17.80
2007	44360	13.70
2008	50730	14.40
2009	49385	-2.60
2010	53630	8.60

Source: Ministry of Tourism, Govt. of India

2. Review of Literature

The literature reviews reflect on various aspects and areas concerned on medical tourism. This imminent arena covers the prospects of medical tourism, emerging trends and the future of upcoming medical hubs.

Bookman & Bookman(2007), in their book discussed about the western patients who are increasingly traveling to developing countries for health care are increasingly offered with the best skills and facilities to cater to their needs. This international trade in medical services has huge economic potential for developing countries and serious implications for health care across the globes. It is successful only in countries with economic and political advantages that enable them to navigate around international and domestic obstacles to trade in medical services.

Billie Ann Brotman, (2010) examines demand factors for sophisticated medical treatments offered by private hospitals operating in India. The article classifies three types of medical tourism - Outbound, Inbound, and Intra bound. Increased profitability and positive growth trends by private hospital chains can be attributed to rising domestic income levels within India.

Cooperman.,S (2007) envisage upon the search for quality health care at discounted prices, in foreign hospitals who offer proficient services in state-of-the-art facilities with complete luxury suites, on-call concierges and personal chauffeurs and so on. Today, India, Thailand, Singapore and Hong Kong are popular medical travel destinations. For negotiating in

the world of discount medical care, an entire industry of middlemen has sprung up. Though the options are seemingly endless, buyers ought to beware.

Debra Melani focuses on the growth of medical tourism industry in Colorado. The author state's that the healthcare providers are expanding on medical tourism aiming to attract more patients to the state. Medical tourism also helps employers reduce medical expenses while offering employees a wider range of treatment.

L. Brenzel discusses the potential economic benefits from expansion of trade in health services and the challenges in achieving these benefits. Some economic benefits and challenges were addressed. The paper also proposes ways to overcome the challenges and provides recommendation and recognizes an incremental approach to expand trade in health services which should be adopted on a country-by-country basis.

Sack, C., Scherag A., Lütkes, P., Günther, W., Jöckel ,K.,H., & Holtmann, G.,(2011) in their article reveals that the countries where hospitals are undergoing accreditation as mandatory or voluntary measures are believed, with the fact that accreditations positively influence quality of care and patient satisfaction. The article states the relationship between patient satisfaction and accreditation status.

Stephanie Cooperman envisage upon the search for quality health care at discounted prices, in foreign hospitals who offer proficient services in state-of-the-art facilities with complete luxury suites, on-call concierges and personal chauffeurs and so on. Today, India, Thailand, Singapore and Hong Kong are popular medical travel destinations.

S. Oswald and J. Clewett envisage about the key policy recommendations and operational implications for stakeholders involved in delivering health services in fragile states and difficult environments. The paper highlights several key principles for policy makers and implementers to improve the delivery of health services. Develop accountability mechanisms and to facilitate an appropriate mix of aid modalities thereby, focusing on health systems as a whole.

3. Concept of the Study

Healthcare service industry is one of the flourishing sectors of the Indian economy. Lifestyle diseases have emerged from the demanding and hectic pace of life led by people today. There is thus a need to de-stress and increase involvement in leisure activities. Increase in

awareness to keep oneself healthy coupled with rise in standard of living have led to increase in demand for quality healthcare services. Thus the research focuses on the prospects of the booming medical sector coupled with the growing hospitality sector considering four prominent cities of South India and highlighting the scope & growth of medical tourism & increasing the visibility of India in the global map as a medical tourism hub.

4. Need of the Study

Although, India is a recent entrant into the medical tourism arena, it is poised to emerge as a major global player. India offers world-class healthcare that costs substantially less than those in developed countries, using the same technology delivered by competent specialists attaining similar success rates. Further the necessity is towards creation of an effective value creation network and healthcare environment thereby building professional competency through healthcare managers. The purpose of the study necessitates the role of the hospitality sector in promoting medical tourism in coordination with the hospital sector. Considering all these factors there is an imperative need to undertake the present study of the various independent variables impacting the growth of medical tourism in south India.

5. Research Methodology

The process of research includes two broad segments of data collection. The primary data was gathered through structured questionnaires and interviews from the service provider and the medical tourist. The secondary data was gathered from libraries of research centers, Universities, Management institutes by referring to books, journals, magazines, travel guides, travelogues, monographs etc.

6. Objectives

The research was conducted with the following objectives listed as follows:

- To determine the extent of correlation between quality and standardization norms and the demand for medical tourism in South India.
- To identify the degree of balance between quality of assured services and coordinated services that is allied to the hospitality industry.

7. Hypotheses

The following study portrays subsequent Hypotheses which were tested respectively.

- **H1** There is significant role upon quality and standardization norms and demand for medical tourism.
- **H1** There is significant relationship between coordinated service and the brand image portrayed in the international market.

8. Sampling Technique

Procedure for sampling adopted for the research is non-probability sampling technique namely judgmental sampling as the items for the sample are selected deliberately; since the choice concerning the items remains supreme. However, the limitation stands as there is no assurance that every element has some specifiable chance of being included.

9. Sample Distribution

Sample Size – International Patients	140 nos
No. of Hospitals visited	30 nos
Types of Hospitals –	
a. Corporate or Private Hospitals	26
b. Medical Institutions	01
c. Government Hospitals	01
d. Alternative Treatment Centres (Wellness & Ayurveda)	02
Hospitals visited in South India	
a. Andhra Pradesh (Hyderabad)	08
b. Tamil Nadu (Chennai)	07
c. Karnataka (Bangalore)	07
d. Kerala (Calicut, Cochin and Trivandrum)	08

10. Testing of Hypotheses

- **H1** There is significant role upon quality and standardization norms and demand for medical tourism.

Significant Factors for Quality Assurance

Table showing Result of Chi-Square Test on Significant Factors for Quality Assurance

Quality Assurance Factors	Location				χ^2 cal	p-value
	Kerala	Bangalore	Hyderabad	Chennai		
Hospital Accreditation	40.00%	40.00%	31.43%	48.57%	2.1429	0.5433
Hospital Affiliation	3.33%	0.00%	0.00%	0.00%	3.6930	0.2966
Physician's Credentials	50.00%	65.00%	74.29%	74.29%	5.6051	0.1325
Online Communities	10.00%	17.50%	14.71%	11.43%	1.0200	0.7964
Goodwill	0.00%	2.50%	2.86%	8.57%	3.8370	0.2796

Interpretation

The above analysis represents that there is no difference in the importance of different parameters of quality assurance amongst the different medical tourism destinations. The above analysis projects the p-value, which is more than 5% and hence there are no significant differences in the factors to be considered for quality assurance, amongst the locations, and the null Hypotheses are accepted.

- **H1** There is significant relationship between coordinated service and the brand image portrayed in the international market.

Factors Affecting the Accessibility of Coordinated Services

Table showing Result of Chi-Square Test on Factors Affecting the Accessibility of Coordinated Services

Types of Factors	Location				χ^2 cal	p-value
	Kerala	Bangalore	Hyderabad	Chennai		
Lack of Coordination	13.33%	37.50%	34.29%	37.14%	5.9051	0.1163
Delayed Response	63.33%	50.00%	45.71%	40.00%	3.7627	0.2883
Poor Networking	3.33%	7.50%	2.86%	20.00%	8.4006	0.0384
Inefficiency in Troubleshooting	3.33%	7.50%	11.43%	0.00%	4.7948	0.1875
Poor Follow-up	26.67%	15.00%	11.43%	22.86%	3.2434	0.3556
Rigid Procedures	0.00%	0.00%	2.86%	0.00%	3.0216	0.3883

Interpretation

The above analysis represents that there were significant differences in the perception of poor networking affecting the accessibility of coordinated services amongst the locations, hence the null Hypotheses could be rejected. Poor networking as a factor affecting accessibility of coordinated services was perceived to be the highest amongst respondents coming to Chennai for treatment, and the lowest amongst respondents coming to Hyderabad for treatment. There were no significant differences in the perception of other factors affecting the accessibility of coordinated services amongst the locations and hence the null Hypotheses are accepted.

The following analysis is carried out after a thorough investigation at popular hospitals in South India to determine various factors in healthcare sector.

- **Reason for South India as a Healthcare Destination**

Table showing Reason for South India as a Healthcare Destination

Particulars	Frequency	Percent
Cost	14	46.7%
Healthcare Advancement	16	53.3%
Total	30	100.0%

Interpretation

It's determined that in the majority of cases, the medical tourist gave importance towards cost and healthcare advancements at an equal stance, as the hospital authorities reveal. The above analysis shows that 46.7% of the sample grade cost as a significant factor and the healthcare advancements are graded as 53.3%.

- **Specialized Treatments Offered**

Table showing Specialized Treatments Offered in the Hospitals in South India

Specialized Treatments	Frequency	Percent
Major Surgery	23	51.1%
Minor Surgery	16	35.5%
Alternative Treatments	6	13.3%

Interpretation

The above analysis shows that most frequent forms of medical treatment were the ‘major surgeries’ which constitutes to 51.1% followed by ‘minor surgeries’ with 35.5%. Also 13.3% opted for alternative treatments. The ‘major surgeries’ include organ transplants, cardiac surgeries, hip / knee replacement etc. ‘Minor surgeries’ include dental treatments, cosmetic and scans & investigations. It was observed that alternative treatments were preferred for wellness and rejuvenation. Most popular destination amongst South India was Kerala for the alternative treatments.

- **Factors Considered for Quality Assurance**

Table showing Descriptive Report of Factors Considered for Quality Assurance

Significant Parameters for Quality Assurance	Mean	Std. Dev.
Physician Credential	1.13	.434
Global Competency	1.83	1.020
Accreditations	1.87	1.137
Online Communities	2.07	.907
Affiliations	2.30	1.208

Interpretation

The most important factors perceived by hospitals for quality assurance were physicians’ credentials, followed by global competency, and accreditations. Online communities (word-of-mouth) and affiliations were also moderately important.

Result of Cross Tabulation Test

Particulars		Report				
		location				
		Kerala	Bangalore	Hyderabad	Chennai	Total
Accreditations	Mean	1.50	1.71	2.63	1.57	1.87
	Std. Deviation	.756	.756	1.768	.535	1.137
Affiliations	Mean	1.75	1.71	3.25	2.43	2.30
	Std. Deviation	.886	.756	1.282	1.272	1.208
Physician credential	Mean	1.13	1.00	1.38	1.00	1.13
	Std. Deviation	.354	.000	.744	.000	.434
online communities	Mean	2.13	1.43	2.50	2.14	2.07
	Std. Deviation	1.126	.535	.756	.900	.907
Global competency	Mean	2.00	1.57	2.38	1.29	1.83
	Std. Deviation	.756	1.134	1.302	.488	1.020

Table 6.43.3 - Table showing Result of Anova Test

			ANOVA Table				
Particulars			Sum of Squares	df	Mean Square	F	Sig.
Accreditations * location	Between Groups	(Combined)	6.449	3	2.150	1.802	.172
	Within Groups		31.018	26	1.193		
	Total		37.467	29			
Affiliations * location	Between Groups	(Combined)	12.157	3	4.052	3.495	.030
	Within Groups		30.143	26	1.159		
	Total		42.300	29			
Physician credential * location	Between Groups	(Combined)	.717	3	.239	1.308	.293
	Within Groups		4.750	26	.183		
	Total		5.467	29			
online communities * location	Between Groups	(Combined)	4.420	3	1.473	1.970	.143
	Within Groups		19.446	26	.748		
	Total		23.867	29			
Global competency * location	Between Groups	(Combined)	5.149	3	1.716	1.784	.175
	Within Groups		25.018	26	.962		
	Total		30.167	29			

Interpretation

There were significant differences in the perception of importance of affiliations of hospitals for quality assurance between locations. Affiliations were perceived to be significantly more important for hospitals in Bangalore and Kerala than in Chennai and Hyderabad. There were no significant differences in the perception of importance of other factors for quality assurance between locations.

11. Outcomes of the Study

The study envisages certain challenges facing healthcare organizations in South India. An integrated approach to the management of quality, drawing upon the interrelationships between quality and productivity, and between quality and technology is one of the pivotal challenges for South India. Experts believe that quality improvement leads to productivity increase. Healthcare administrators are often misleading into spending huge money without first giving a chance for continuous improvements. It amounts to a policy of buying “quality” through costly technology related strides in improvement, as opposed to small but steady, more cost efficient and deliberate improvement efforts involving employees.

Another prime challenge for South India is to be cognizant on a complete service quality management as only off late healthcare organizations are showing concern over issues such as quality, cost and competitiveness. The imperatives of competition dictate that a hospital whose

current status is poor must improve rapidly for its survival. One whose status is superior must improve to preserve its competitive edge, and a hospital which is average must improve to prevent its status from regressing to poor and to make it superior.

Total service quality control (TSQC) is a business management philosophy, which, when applied to healthcare organizations in South India which seeks to provide healthcare customers with satisfaction through quality in the services provided. It is supported by several administrative processes, including quality control teams, policy developments, cross- functional management, and quality in routine activities.

Policy development is a process in which management works together to focus resources on achieving customer satisfaction for patients and other customers (Juran, J.M, and A.B Godfrey 1999). Cross- functional management is all necessary interdepartmental activities aimed to achieve corporate objectives such as, quality, cost, delivery etc. Application of quality control systems is a vital aspect that hospitals in South India cannot disregard. It would lead the South to a new road map in ensuring quality and enhancing on customer satisfaction.

12. General Findings

1. Understandably, the overall perception of the quality of service of the assured services and that of the coordinated services were high and were positively correlated. Further analysis confirms that the overall perception of the quality of service of assured services is significantly higher than the overall perception of the service quality of the coordinated services.
2. The research determines that there were significant differences in the overall perception of the service quality offered and the overall level of satisfaction with associated and coordinated services amongst the locations. It was perceived that a lesser ratio of medical tourists preferred the services of medical facilitators.
3. The research confirms that there is no difference in the importance of different parameters of quality assurance amongst the different medical tourism destinations and hence there are no significant differences in the factors to be considered for quality assurance amongst the locations. It was understood that the medical patrons considered a physician's credentials as the predominant factor in assuring quality in comparison to hospital accreditation & affiliations.

4. The study also confirms the most important factors perceived by hospitals for quality assurance as physicians' credentials, global competency, and accreditations. Online communities (word-of-mouth) and affiliations were also moderately important.
5. The study confirms that the various parameters like travel assistance, language translators, coordinated services, cost transparency, post-operative care, insurance assistance and first aid at the airport are offered by the hospitals to differentiate themselves from their competitors.

13. Suggestions

The stakeholders in medical tourism i.e. hospital authorities, hospitality industry, policy makers and other intermediaries can consider the following suggestions for building professional competency & a better healthcare management and thereby reduce their perplexities to keep with a trend of quality assurance, quality service and service proficiency.

1. A new paradigm in healthcare segment gives a broader space for the government to play a role of healthcare facilitator with effective trade policies to ensure a seamless value chain.
2. Indian healthcare businesses are receiving medical tourist from developing countries who travel for proficient medical procedures with cost and surgical competency being the prime focus. The policy makers need to focus on this segment and eye for a larger share of this market to reposition India as a premium upmarket medical hub.
3. Homogeneity in medical aspirants and heterogeneity in medical services demanded would be challenging for South India from the healthcare providers perspective.
4. The administrative authorities should undertake capacity building programmes to train the subsidiary division in the medical tourism framework i.e. the paramedical and non-medical staffs of the service providers who occasionally come across the barriers of cross-cultural sensitivities.
5. South Indian healthcare segment can also focus on alternative forms of treatments like ayurveda, unani, siddha etc. to tap the potential global market thereby creating a niche for itself.
6. The private hospitals can network with the international embassies and the government to attract the government funded medical tourists thereby globalizing its healthcare services.
7. The stake holders in South India can explore exhibitions, trade fairs and associations with international bodies to enhance its medical tourism.

8. The healthcare segment can flourish effectively if the hospital managers are directly involved in promoting healthcare services in the global market, thereby leaving no space for further ambiguity in the minds of the medical aspirants.

14. Scope for Further Research

The arena of medical tourism can be transversely diagnosed to foster the prospects of medical tourism with the changing market expectations. The following areas can endow scope for further research in medical tourism:

- The gap pertaining to the medical tourist's expectations and the relevance in the value chain of healthcare network.
- The complexity in rules and norms followed internationally and the influence on the medical tourists' decision in travelling abroad for medical treatments.

15. Conclusion

Medical tourism has radically changed with the divergent role played by the stake holders over the years. Increased competition have pulled various other stake holders into the trade. Predominantly, the policy makers, community & other private participants have played significant role in globalizing the South Indian healthcare systems. Equally challenging is the cultural and regulatory barriers which can affect significantly the healthcare globalization in Southern India. Proficiency in delivering healthcare services and lesser perplexity in the healthcare network can enhance the capacity building process. Quality and standard assurance are prime parameters in benchmarking medical hubs to prosper. The South Indian metros have largely outreached in the developed and developing countries and have benchmarked itself with increased goodwill and globally competitive brand image.

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