

## Medical Tourism in India: A Strategic Approach Towards Effective Branding for Health Care Services Marketing

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### Abstract

In the Asian belt, India along with Thailand, Malaysia, Singapore, Hong Kong, Indonesia and the Philippines are the popular medical travel destinations. India has a 'health tourism' business with a line of varied treatments and therapies. It is a global product having medical tourists from the US, UK, Mauritius, south-east Asia, Mauritius, Fiji, Bangladesh, Afghanistan, and Singapore besides having more than a billion domestic customers. This research paper focuses on an integrated branding strategy by understanding the various value drivers of the brand image of a medical tourism product. It builds the PPP model for promoting medical tourism in India.

**Keywords:** Medical tourism, Branding strategy, Services Marketing.

### 1. Introduction

A historical phenomenon is medical travel. People used to sail over the seas for medical care and healing almost thousands of years ago. They seldom ever felt the cultural shocks and instead sought high-quality medical care linked to medical knowledge. These days, millions of medical tourists' cross-national boundaries annually in quest of affordable, high-quality medical care. This industry is marketed as a tourist product. Currently, there is a significant growth in the business, particularly in the Asian region. India, Thailand, Malaysia, Singapore, Hong Kong, Indonesia, and the Philippines are the favoured locations for medical tourism. India has a thriving "health tourism" industry that offers a wide range of treatments and therapies, as well as holistic health management services. These services include yoga, massages, traditional Ayurvedic medicine, and other practices aimed at promoting overall well-being.

## 1.1 Health Care Service Concept

The health care services sector in India is not only a profession but also a commercial endeavour. The scope of coverage covers allopathy/English medicine, homoeopathy, naturopathy, Ayurveda, Unani, nature care, panic healing, reiki, and other forms of alternative medicine. This coverage is provided under the Consumer Protection Act of 1986.

(4) The primary service offerings in this industry include hospitals. Additional services include pathological labs, ambulance services, private mortuaries, and pharmacy centres. Paramedical services encompass fitness centres and beauty clinics that address obesity and skin problems. Academic institutions in this industry include medical colleges, nursing schools, and research centres.

Hospitals often offer a range of health care services, including diagnosis, treatment, and post-operative care. In addition, they provide supplemental services such as maintaining patient records, handling registration and payment, and offering support services including laundry, nutrition, pharmacy, stores, security, and transportation. The service process includes two main components: services for inpatients and services for outpatients. Additionally, it offers tele-medical consulting and counselling on numerous lifestyle factors.

## 1.2 Health Care Industry in India

Health care services are a crucial component of marketing for both social and commercial services. Health care services are provided by both public and commercial operators, offering a diverse range of health care products. In recent years, the Indian healthcare sector has experienced rapid growth. This sector is considered to be one of the emerging sectors in India and has significant market prospects. India is projected to allocate a total of US\$ 45.76 billion towards healthcare over the course of the next five years. This decision is driven by the country's shifting demographic makeup, the rise of lifestyle-related illnesses, and the escalating costs of medical treatment.

The healthcare sector contributes 5.2 percent of the GDP and employs more than 4 million individuals. By 2022, it is projected that revenues would account for 6.5 to 7.2 percent of GDP, and the number of jobs created, both directly and indirectly, is expected to double. In 2022, private healthcare is expected to remain the largest sector and is projected to increase two-fold to reach a value of US\$ 35.7 billion. If health insurance coverage is expanded to include the wealthy and middle class, it has the potential to increase by an extra US\$ 8.9

billion. According to the analysis by CII and McKinsey, the healthcare industry in the country could potentially grow to US\$ 53-73 billion (6.2-8.5% of GDP) in the next five years, driven by the anticipated growth in the pharmaceutical sector.

### 1.3 Health Care in India

Health care services are provided by both public and commercial operators, offering a diverse range of health care products. Lately, the corporate service providers in this industry have been establishing their influence. Medical institutions such as Global Hospitals, CARE, Dr. R.V. Prasad Eye Hospitals, Hinduja, and NM Excellence have been providing exceptional healthcare services. Several health care providers in India have received prestigious international accreditation for their high-quality services, affordable prices, and exceptional success rates. For instance, hospitals with specialised expertise such as Escorts and hospitals with a wide range of medical specialties like Apollo have received an A grade from CRISIL and NHS (UK), recognising India as a preferred location for surgery. Additionally, Escorts Hospital has been accredited by BSI.

The accreditation of the US NGO Joint Commission's JCI certifies hospitals worldwide, ensuring that they meet global standards of healthcare. Several prominent private healthcare providers, including Apollo, Fortis/Wockhardt, Max, Jaslok Hospitals, Lilavati, Breech Candy, Bombay Hospital, and Hinduja Hospital, have established their own brand and presence in international markets by forming partnerships with insurance companies and patient facilitation centres. Indian healthcare products have gained global recognition and have a wide customer base in significant countries such as the US, the UK, Mauritius, Southeast Asia, Fiji, Bangladesh, Afghanistan, and Singapore.

India's home market is experiencing a surge in demand because to factors such as a large consumer base of over a billion people, longer life expectancy, rising disposable income, affordable pricing, and a focus on personal well-being. It is classified as a "superior good". The Indian healthcare business has developed expertise in heart care, joint replacements, cosmetic surgery, and dentistry, attracting medical tourists from around the world. Non-allopathic treatments such as Ayurveda, Yoga, acupressure, acupuncture, and others attract a distinct group of specialised customers.

## 1.4 Medical Tourism in India

Medical tourism is the combination of tourism and healthcare, hence referred to as 'health or medical tourism'. It can be broadly characterised as the provision of affordable private medical care in partnership with the tourist industry for people requiring surgery and other specialised treatments. (2) It comprises three directions: outward, inbound, and intra-bound medical tourism. Individuals who engage in travel for the purpose of receiving medical care are commonly referred to as 'medical or health tourists.' Individuals who travel over their country's boundaries in pursuit of high-quality medical care at a lower cost are sometimes referred to as "medical tourists." Indian medical tourism is characterised by its affordable medical treatments and surgeries, state-of-the-art facilities and expertise, cutting-edge technology, and high-quality standards.

In 2019, over 550,000 patients from around 105 nations travelled to India. The majority of these migrants originate from adjacent countries such as Bangladesh, Sri Lanka, and Nepal. A joint research conducted by the Confederation of Indian Industry (CII), a business advocacy group, and McKinsey, a consulting firm, has projected that India might generate an extra yearly revenue of 50 billion-100 billion rupees (\$1.1 billion-2.2 billion) by 2022 through the practice of "medical tourism." Medical tourism in India is a rapidly growing industry with significant potential due to the global expansion of this sector. The medical insurance sector is a highly appealing industry in India. The privatisation of health care services has stimulated the rapid expansion of the health care business. Today, a medical tourist combines their elective treatment with a holiday for tropical tourism. A medical tourism offering is designed to include many traditional therapies such as Ayurveda, naturopathy, allopathy, yoga, and meditation. It specifically caters to high-end medical tourists.

## 2. Review of Literature

According to Leigh Turner (2007), the phenomenon of globalisation has led to a growing trend of people seeking orthopaedic surgery, ophthalmologic treatment, dental surgery, cardiac surgery, and other medical procedures outside of their local areas. The decrease in health benefits provided by states and employers is expected to lead to a rise in the demand for inexpensive medical care in a global market that is dominated by privatised, commercial health care services. According to Devon Herick (2007), the increasing global

competitiveness in the healthcare industry has resulted in more people from rich countries seeking medical treatment in locations that were formerly considered underdeveloped.

A significant number of these individuals who engage in medical tourism are not affluent, but rather, they are in search of superior healthcare services that are reasonably priced. Annette Arellano (2017) notes that the trade in health care services today encompasses countries that offer high-quality treatments at low prices often associated with developing nations. Gunn (2011), as quoted by Chon (2015), asserts that tourist places have the ability to project artificially constructed images through specific marketing strategies. Frequently, the discontent of tourists arises from the noticeable disparity between the constructed depiction and the actual experience. According to Bourdeau (2019), the images and attitudes that a traveller develops regarding specific tourist locations are influenced by the variations that arise from the traveller's first-hand encounters in those places and their previous tourism experiences.

According to Morgan & Pritchard (2018), the concept of provenance is particularly important in the context of tourism destination branding. This is because countries already have an existing identity that is not created by marketers, and both advertisers and consumers cannot have unbiased perspectives on them. Providing information to tourists both prior to and after they arrive at a site is regarded as a crucial element of marketing. Beerli and Martin (2014) proposed a framework consisting of nine dimensions and their corresponding attributes that influence the perceived image of a tourist destination. These dimensions include natural resources, general infrastructure, tourist infrastructure, tourist leisure and recreation, culture, history and art, political and economic factors, natural environment, social environment, and the overall atmosphere of the place.

### **3. Need for the study**

This study article aims to comprehensively analyse the several factors that contribute to the establishment of brand image and perceptions of hospitals. Furthermore, it develops a strategic framework for enhancing marketing efforts. The necessity for conducting this investigation is evident based on the following concerns.

- There is a growing potential for India's health care products and medical tourism of late in domestic as well as inbound tourist market;

- There is a tremendous significance attached to positive perceptions and brand image for a niche product like health care where the human element is a crucial focal point throughout the service experience;
- There are some prominent health care service providers in public and private offerings where tourists' perceptions on brand and image are essential for better marketing;
- Understanding the various customer value drivers for effective marketing can help in utilizing the market potential.

#### 4. Research Objectives

This study presents the findings of an empirical investigation into the opinions of international visitors regarding specific high-quality hospitals and healthcare service providers, as well as the reputation of India as a destination for medical tourism. The main emphasis was on pursuing research objectives-

- To explore the brand image & perceptions on India as a medical tourism destination;
- To know the tourists' satisfaction on various services attached to a medical tourism product like hospital;
- To understand the marketing variables of effective branding for better marketing;
- To suggest a conceptual framework for effective branding by hospitals for medical marketing.

#### 5. Research Methodology

The research technique involved selecting a convenient sample of 70 incoming medical tourists who were using hospital services in the city of Delhi. All the medical tourists had travelled to India specifically for allopathic treatment, which included surgeries. The sample consisted of 62% males and 38% females. The participants in the study were selected from renowned medical institutions, including AIIMS, Apollo Hospitals, and St. Stephen's Hospital. Questionnaires were distributed to gather information regarding the demographic characteristics of the participants, as well as their opinions and level of satisfaction with the medical tourism services provided by hospitals. The data produced by this preliminary survey was analysed using the simple percentage approach.

## 6. Findings

### 6.1 Brand Image & Perceptions of Medical Tourism

The questionnaire was based on the factors that indicated the tourists' perceptions on brand image of India. Since medical tourism product includes all the 7Ps of services marketing, questions focused on the main offering, pricing, distribution, promotion, physical evidence, processes and people involved in medical tourism product-hospitals.

**Table-1 Perceptions on Brand image of India.**

Factors	Percentage
Tourist destination	31
Land of diversity	5
Home away from home	15
Great country	19
Pleasant experience	12
Unpleasant experience	01
Worth coming back	17
No comments	0
Total	100

Table-1 represent that, 31% people consider India as a tourist destination. 12 % of the medical tourists expressed being in India was “a pleasant experience”, 19 % felt it was “a great country” and 17 % wished to come back.

**Table-2 Reasons for Medical Tourism**

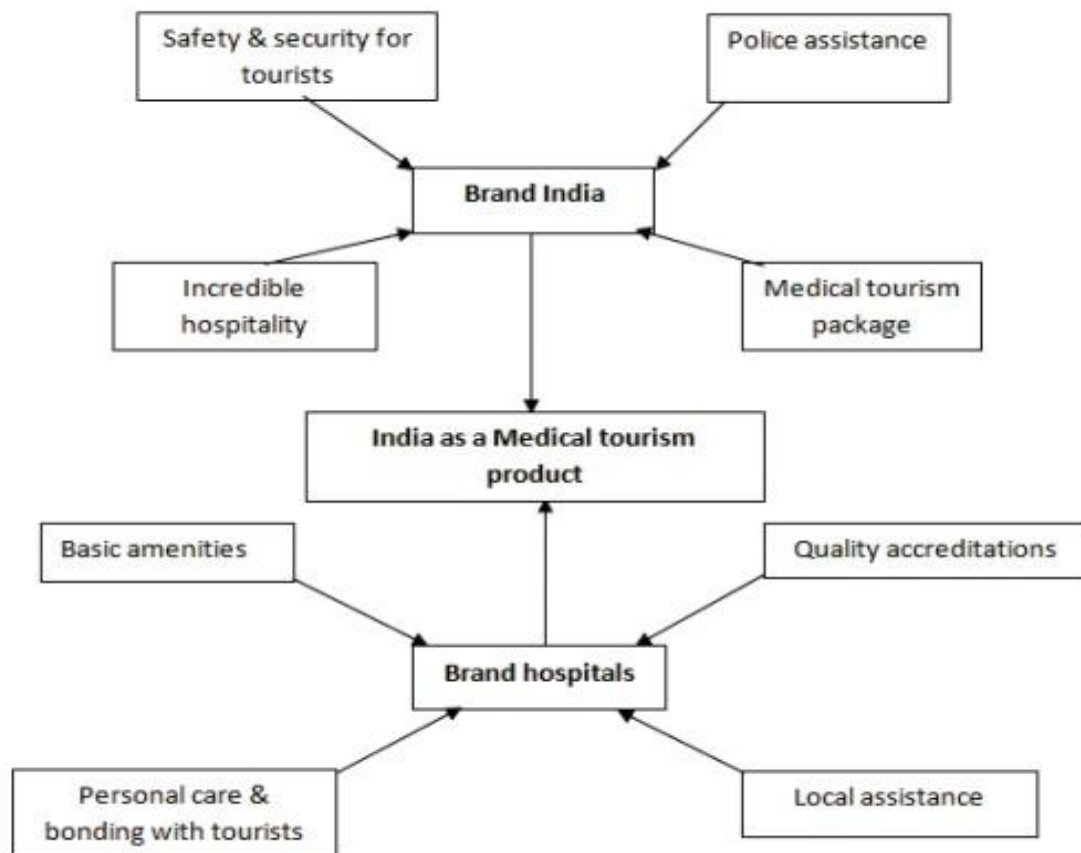
Factors	Percentage
Low costs	45
Quality health care services	20
Expertise	8
Insurance budget	4
Personal care & bonding	7
Home country	4
Tourist package	7
Quality certifications	3
Personal reasons	1
Tourist destination	1
Total	100

Table-2 represent that, on exploring the reasons for medical tourism, it was apparent that 45 % arrived due to low costs of medical treatment and 4% visited due to insurance budget limits. Over the satisfaction on the hospital and other allied tourism services, majority of them felt that most of the hospitals are offering good services. The services were compared on their perceptual responses from 'excellent' meaning world class to unsatisfied scale. Air connectivity, costs and quality of health care, physicians' proficiency, quality accreditations etc. had 'world class' perceptions.

## 6.2 A strategic approach towards effective brandings of Medical Tourism

The survey findings led to conceptualization of a framework which can promote medical tourism in India. The effective branding of 'India' as 'medical tourism destination' and of hospitals as 'medical tourism product' can be taken up as illustrated in the following figure.





**Figure- 1 Model of Effective branding for better marketing**

Medical tourism in India can be promoted by Public (i.e. Government authorities) and Private (i.e. the super specialty Hospitals) Partnership. The public authorities can brand 'India' as 'Medical tourism destination' by promoting safety, security and police assistance to tourists. Medical tourism packages can be proposed linking health care and tropical tourism. Hospitals can have uniform global quality accreditations and go for customized marketing with personal touch and bonding with the patients.



**Figure- 2 Model of Better marketing through effective branding**

The synchronization of Public and Private Partnership alone can project the medical tourism as a lucrative foreign exchange earner and open a new sector of global business promoting employment and health care industry growth.

### 6.3 Medical Tourism at a Glance:

Globalization has resulted in an increase in the number of independent businesses. As a result of globalization, an increasing number of people are travelling to other nations in order to receive quality treatment at a reasonable cost. Another crucial component for Medical Tourism is health care attention, which includes both surgical and non-surgical procedures. At a cumulative annual rate of growth (CAGR) of 10.8%, the global medical tourism industry is expected to rise \$21.93 billion in 2021. The expansion is mostly due to enterprises resuming operations and adapting to the new normal while recovering from the impact of COVID-19, which had previously resulted in stringent confinement measures such as social separation, remote working, and even the suspension of operations.

### 6.4 Cost comparisons of Medical Expenses:

Due to high medical expenses of various medical treatment specially developed countries people are preferring developing countries for quality and cheap medical facilities'. Following chart indicating the medical treatment expense of various countries.

**Table-3 comparative cost treatment chart of various countries (in usa \$)**

Medical Procedure	India	Thailand	Malaysia	Singapore	Turkey	South Korea
Heart Bypass	7900	15000	12100	17200	13900	26000
Angioplasty	5700	4200	8000	13400	4800	17700
Heart Valve Replacement	9500	17200	13500	16900	17200	39900
Hip Replacement	7200	17000	8000	13900	13900	21000
Hip Resurfing	9700	13500	12500	16350	10100	19500
Knee Replacement	6600	14000	7700	16000	10400	17500
Spinal Fusion	10300	9500	6000	12800	16800	16900
Dental Implant	900	1720	1500	2700	1100	1350
Lap Band	7300	11500	8150	9200	8600	10200
Gastric Sleeve	6000	9900	8400	11500	12900	9950
Gastric Bypass	7000	16800	9900	13700	13800	10900
Hysterectomy	3200	3650	4200	10400	7000	10400
Breast Implants	3000	3500	3800	8400	4500	3800
Rhinoplasty	2400	3300	2200	2200	3100	3980
Rhytidectomy	3500	3950	3550	440	6700	6000
Liposuction	2800	2500	2500	2900	3000	2900
Abdominoplasty	3500	5300	3900	4650	4000	5000
Lasik (both eyes)	1000	2310	3450	3800	1700	1700
IVF Treatment	2500	4100	6900	14900	5200	7900

Above chart indicating that compared to other countries India has less medical expenses except Angioplasty, Spinal Fusion, and Lap band, Rhinoplasty, Rhytidectomy and Liposuction. According to a study conducted by the Centers for Disease Control and Prevention, approximately 0.75 -1.6 million people from the USA travel out of the country for medical care to avoid high treatment cost. For instance, a hip replacement surgery in the USA costs approximately \$39,299 while the same surgery in India, Costa Rica or other developing countries would cost between \$7000 and \$15,000 including logistics. India is favorable medical destination in the world. With the developed countries finding themselves over burdened with the task of providing cost effective healthcare, India has emerged as a popular global Health Tourism destination.

## 7. Conclusion

What are the challenges facing the Indian medical tourism industry? The government has implemented numerous initiatives to offer healthcare services to the underprivileged section of society. The Rashtriya Swasthya Bima Yojana, Vajpayee Arogyashree, Yashasvini Cooperative Farmers Health Care Scheme, Suvarna Arogya Chaitanya for School Children, Employees Insurance Scheme, and ESI scheme are intended to offer financial protection to economically disadvantaged individuals seeking healthcare, specifically to mitigate the burden of high treatment costs. Nevertheless, the majority (90%) of procedures are performed in private institutions. Merely 1% of the entire GDP is designated for health care, resulting in government hospitals lacking the essential infrastructure and resources required for delivering adequate health care.

The imposition of service taxes on air-conditioned private hospitals leads to a minimum increase of 20-25% in medical expenses. In the domestic market, we have a ratio of only 51 doctors per 100,000 people, but America has a ratio of 279 doctors per 100,000 people. It represents a mere 5.1% of the total value of goods and services produced inside a country. Individuals in the BPL (Below Poverty Line) category face financial constraints that prevent them from accessing healthcare treatments. Despite its large population, only 60,000 heart procedures are performed annually in this country. India draws less medical tourists than countries like Thailand in the international market. The majority of individuals entering in India originate from economically disadvantaged nations. Countries such as the USA, Britain, and Canada have expensive and burdened healthcare systems, resulting in lengthy waiting lists. This situation presents a significant market opportunity for Indian service providers. Despite India's extensive qualifications, certifications, and cost-effectiveness in many areas of healthcare, including new drug research, testing, and surgical procedures, it is not widely regarded as a highly appealing location for medical tourism.

While the health care sector is not typically considered a source of revenue, medical tourism can be seen as a profitable means of earning foreign money. The government should reassess the policy and prioritise addressing the significant deficiencies in infrastructure, such as connectivity from the homeland to various destinations, inadequate road conditions, and unsatisfactory sanitation and hygiene, and telecommunication blockades. These issues contribute to a limited selection of hospitals as a medical tourism offering. Moreover, the heterogeneous accreditations of hospitals contribute to both confusion and distrust. A

standardised global accreditation system for healthcare services is feasible. Healthcare marketers can address cultural issues such as emotional connections between medical tourists and healthcare providers on an individual level.

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