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The Marketing Mix and Development of Medical Tourism in Shiraz

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ABSTRACT

Introduction: In recent years, medical tourism market has been raised as one of the income-earning and competitive industries in the world and is considered as a modern field of advanced tourism. Therefore, a great number of countries are seeking to develop this type of tourism and one of the strategies for developing this industry is using the marketing mix elements. **Methods:** This study was a descriptive-analytic and cross sectional one. The research community included all the public and private hospitals of Shiraz among which, 7 public and 9 private hospitals were studied. The study data were collected through a researcher-made check list whose face and content validity was confirmed by the experts. Then, the data were entered into the SPSS statistical software. According to the objectives of the study, the descriptive results were presented in frequency tables and Chi-square test was used for data analysis. In addition, $P < 0.05$ was considered as statistically significant. **Results:** According to the results, both public and private hospitals of Shiraz were in the best condition regarding staff and physician mix and in the worst condition concerning promoting and facilities mixes. No significant difference was found between public and private hospitals regarding the mixes. **Conclusion:** From marketing mix elements view, paying more attention to media advertisements and providing more facilities can improve the status of the hospitals which, consequently, results in attracting more medical tourists and developing this industry in Shiraz.

Key words: Development, Healthcare marketing mix, Health tourism, Iran, Medical tourism, Medical tourists

1. INTRODUCTION

Iran relies on its crude oil for gaining foreign currency revenues and in order to solve the problems arising from this dependence, it is necessary to invest on the export of the products and services which can obtain revenues. This country includes a defined set of products and services which can be potentially used as a source of foreign currency income (1). Tourism industry is one of these cases. This industry, as one of the most important and profitable world industries in the beginning of the third millennium, is expected to allocate a significant portion of the country's foreign currency revenues to itself.

According to the Declaration of the World Trade Organization, this industry was ranked the third in the international trade in 2000 after oil and car-building industries (2). In general, tourism is categorized into cultural tourism, adventure tourism, and health tourism. Health tourism is a choice for those with more attention to their health as well as well-being and intent to stay away from the stressful everyday life. These people usually travel to promote their health or cure their diseases (3). Medical tourism, as a branch of health tourism, represents a growing industry which involves the patients travelling beyond the national boundaries in order to receive medical services (4).

The factors which increase medical tourism are as follows:

high cost of health services in the industrial countries, increasing ease of international travels, favorable exchange rate of currency in the world economy, rapid advances in the medical technology as well as the standards of care in most countries, and access to the Internet (1). Considering Iran's advantages in medical tourism, including low cost as well as high quality of health services, qualified physicians, and having abundant natural attractions, the country has decided to use these advantages in order to attract medical tourists (5).

Nowadays, the number of the patients who travel from developed countries to third world ones due to medical reasons is rising. These patients are not prosperous, but look for medical care of high quality and reasonable price. Up to now, various estimations have been made regarding this issue. For instance, McKinsey has reported the income from medical tourism in the global market to reach around 100 billion dollars by 2012. He also believes that known international hospitals, such as Brumrungrad in Thailand and Apollo in India, will gain 2.3 billion dollars in 2012 and Singapore expect to serve a million patients in the same year (6). Overall, 10% of the patients of EU countries seek treatment outside their countries and it is estimated that they will have to pay about 12 billion Euros for this purpose (7). On the basis of the annual statistics of the World

Health Organization, about 50 billion dollars are annually spent for treating the patients in European and American countries and attracting a percentage of this amount can have a significant impact on the economy of the Asian countries. On the other hand, Iran admitted almost 11 thousand foreign patients in 2004 and this amount reached 17,500 patients in 2005 (8).

Medical tourism can be considered as the main source of income and job creation for the countries and its achievements can help grow the private sector, develop infrastructures, and improve the quality of health services (9).

Iran is expected to be one of the main poles of health tourism in the area by 2020. This not only prevents the exit of foreign currency, but it also yields considerable foreign exchange revenue for the country. This policy can also provide the ground for job creation and attract investment. Therefore, the perspective of Iran in 1400 will be 550000 health tourists, 27500000 dollars foreign exchange revenue, 392857 created jobs, and 550000 dollars investment (10).

Employing the techniques of marketing mix helps organizations to make optimal decisions about product features, pricing, place, promotion, and processes promotion and successfully apply the selected marketing strategies based on the environmental conditions and the determination and definition units of the market. In fact, whether the number of the determination factors of marketing mix is considered (4, 6, 7, 10), etc. is not important; the important thing is that there shall be a framework for the marketing to organize its activities and strategies upon (11).

In a research entitled "medical tourism, the creator of outsourcing: the rise of a new pattern for the health services" which was done in 2006, the researchers concluded that medical tourism is a term which can be used to describe medical outsourcing and traveling outside one's area for both mandatory and optional medical measures (12). Rick and Lagiewsky state that the ability to attract tourists in the health sector and the international market is completely dependent on guaranteeing the service quality (13). Also, a researcher stated that the patients who were in long-term lists or did not benefit from health insurance usually sought their required services in the developing countries (14). Another scholar expressed the competitive advantages of India regarding medical tourism, including low cost, optimum health care sector history, and the abundance of tourist attractions in the country. From the researcher's perspective, the main barrier of the development of this industry is having little government's initiative, shortcomings in coordinating the components of this industry, lack of credit mechanisms, and lack of price and standard, consistent policies in the country's hospitals (15).

With regard to the benefits mentioned above (earning foreign currency revenues, job creating, enhancing the quality of health care, etc.) and considering the capacity and capabilities of Shiraz, including a significant number of medical centers and hospital beds, variety of its clinical and Para-clinical services, existence of experienced and famous physicians and Para-medical staff in the country, advanced medical equipment, proximity to the countries of the Persian Gulf, tourist attractions, and appropriate weather, reveal the necessity of doing this research in order for Iran, and particularly Shiraz, to be known as the world's largest tourism industry, especially in medical tourism. Moreover, the researchers hope to determine the strengths, weak points, opportunities, and threats of the hospitals under study based on the marketing mix elements and, using the results of

this research, develop the medical tourism industry Shiraz as well as the whole country.

2. RESEARCH METHOD

The present descriptive-analytical, cross sectional study was conducted in order to evaluate the status of public and private hospitals of Shiraz in attracting medical tourists based on the marketing mix elements in 2011. The research community included all public and private hospitals in Shiraz. According to the previous studies, most medical tourists travel due to the cosmetic surgery, infertility treatments, and eye surgery (1). Also, due to the fact that Shiraz is the pole of transplant in the Middle East, this item was added to the desired expertise, as well. Therefore, the hospitals which contained at least one of the four above expertise were chosen as the study samples. Finally, Namazi, Khalili, Hazrat-e-Ali-e-Asghar, Quotbeddin, Shahid Dastgheib, Kowsar, and Ghadir (mother and child) hospitals were selected as public hospitals and Shahr, Dr. Mir-Hosseini, Alavi, Shafa, Ordibehesht, Dena, Central (MRI), Dr. khodadust, and Besat hospitals were chosen as private hospitals.

Since there wasn't any check list of healthcare marketing mix in Iran, according to the studies by Taleghani and his colleagues, Sham Abadi and his colleagues, Vazir Zanjani and his colleagues, and Anil Kumar Damon and Hemant Sharma, the aspects of marketing mix which included product, price, place, and promotion (11, 16, 17, 18) were chosen as the elements of marketing mix in order to prepare a checklist at the beginning of the study. In doing so, the researcher used the previous researches performed in the field of marketing mix by referring to www.SID.ir, www.iranmedex.ir, www.irandoc.ac.ir, and www.magiran.com for the studies conducted in Iran and www.proquest.com, www.sciencedirect.com, www.pubmed.com, and www.emeraldinsight.com for those carried out in other countries.

After studying various research works, other dimensions, such as the staff, processes, facilities, and physician, were also added to the above-mentioned dimensions, the indicators related to each specific dimension were determined, and the basic check list was designed. In order to assess the reliability of the designed checklist, it was sent to 15 healthcare management experts 12 of whom answered. Then, their viewpoints were applied and, finally, the product, place, promotion, price, staff, process, facility, and doctor dimensions had (3, 6, 9, 11, 12, 13, 18) 6 indicators, respectively. After finalization of the checklist, the researcher referred to the study hospitals in order to complete the check-lists and did so through observation and interview. In case the researcher was not able to complete one of the checklist items via observation, he referred to the president of the hospital and completed the checklist through interview. After completing the checklists, the data were entered into the SPSS statistical software. In each dimension, if the study hospitals obtained less than 50%, between 50% and 70%, and above 70% of the total score of that dimension, the status of the hospitals was considered non-acceptable, average, and acceptable, respectively. The descriptive results were presented at the frequency distribution tables and Chi-square test was used for data analysis. Besides, $P < 0.05$ was considered as statistically significant.

3. FINDINGS

This study aimed to determine the status of public and private hospitals of Shiraz in attracting medical tourists by using

the elements of healthcare marketing mix. Among the 16 study hospitals, 7 were public and 9 were private. Table 1 shows the general characteristics of the hospitals under study.

The study findings showed that according to the elements of the marketing mix, both public and private hospitals were in a moderate status in terms of attracting medical tourists (71.4 % for public hospitals vs. 77.8% for private hospitals) and were not in unacceptable conditions. Also, no significant difference was found between the status of Shiraz public and private hospitals regarding these mix elements (Table 2).

Raw	Name of hospitals	type of hospital	Number of beds	Evaluation degree
1	1	public	90	Usual A degree
2	2	Public	100	Usual A degree
3	3	Public	140	Usual A degree
4	4	Public	133	Usual A degree
5	5	Public	756	Usual A degree
6	6	Public	64	Usual A degree
7	7	Public	300	Excellent A degree
8	1	Private	90	Usual A degree
9	2	Private	60	B degree
10	3	Private	68	B degree
11	4	Private	200	Usual A degree
12	5	private	65	B degree
13	6	private	32	B degree
14	7	private	32	Noun
15	8	private	51	B degree
16	9	Private	100	Usual A degree

Table 1. General characteristics of the study hospitals

4. DISCUSSION

In the era of globalization, the patients buy the appropriate health services around the world, which would lead to the development of health tourism (14). In order to attract these medical tourists, investors have established 5-star hospitals in developing countries in which most doctors are licensed from advanced countries. These hospitals try to attract tourists by their high quality of products (services) and reasonable prices (19, 20). In the fourth development program which was planned in Iran in 2005, the main approach of health tourism was the active participation in the global markets because of the increasing growth of the concept of globalization. One of the methods of having access to healthcare market is improving the status of the institutions in marketing mix.

In this part, the status of public and private hospitals in Shiraz in attracting the medical tourists according to the marketing mix elements is going to be discussed. It should be noted that one of the limitations of the present study was the lack of similar research at both national and international levels.

After determining the reliability of the checklist by health services management experts, the check list came to 79 indexes.

Regarding attracting medical tourists according to the product mix, both public and private hospitals were at the moderate status. The studies have shown that continued treatment is one of the priorities of the medical tourists (21). Medical tourists are also concerned about investigation of their treatment processes and the hospital's taking the responsibility of the subsequent probable problems after returning to their countries (22). One study expressed that the development of human resources, development of the system of information and marketing, product development, such as compiling a variety of service packages for the patients, and coordination of the health industry with the tourism industry are among the requirements of promoting the medical tourism industry (23).

Regarding place mix, public and private hospitals had acceptable and moderate statuses, respectively. Studies have shown that the position of the hospital is of utmost importance because of the principle of time and availability of the services. In addition to proximity and availability, the hospital should not be located in a place which is harmful to health; if a hospital is located near industrial and crowded places, it will cause a great number of problems (24). In fact, place refers to easier access of the clients to services (25). Place mix can lead to difficult access and its large gap may also result in increasing the costs and also reducing the customers' motivation for selecting the hospital (26). It seems that since most private hospitals are located in high traffic areas of Shiraz, the status of these hospitals is worse than that of the public hospitals.

Considering the promotion mix, the status of public and private hospitals was not so desirable; such a way that overall, the public hospitals had a weakly acceptable condition, while the private hospitals were not in the acceptable condition at all. This might be due to the lack of up-to-date websites, lack of using television and mass media for propaganda, etc.

A research showed that among the variables of notification mechanism, just the advertising media had a significant correlation with attracting the medical tourists (27). This implies that the advertising opportunities in the international media in the field of health care, physicians, high quality services, and technology can lead to attracting the medical tourists (23). A

Elements of marketing mix	Status	Product mix (in per cent)	Place mix (in per cent)	Promotion mix (in per cent)	Price mix (in per cent)	People mix (in per cent)	Process mix (in per cent)	Physical attractive mix (in per cent)	Physician mix (in per cent)	total (in per cent)
Public hospitals	unacceptable	0	14.3	28.6	0	0	0	57.1	0	0
	Moderate	57.1	14.3	42.8	42.9	28.6	14.3	14.3	14.3	71.4
	Acceptable	42.9	71.4	28.6	57.1	71.4	85.7	28.6	85.7	28.6
Private hospitals	unacceptable	11.1	0	44.4	11.1	0	0	33.3	0	0
	moderate	33.3	44.4	55.6	66.7	0	33.3	44.5	0	77.8
	Acceptable	55.6	55.6	0	22.2	100	66.7	22.2	100	22.2
P.VALUE	P.VALUE	0.49	0.27	0.22	0.29	0.17	0.39	0.42	0.43	0.6

Table 2. Scores of assessment of the hospitals with healthcare marketing mix

researcher expressed that advertising the country's capabilities and health facilities in the international media, informing the embassies of other countries, providing brochures and pamphlets for the tourists, participating in the international medical exhibitions, creating port information, and prepare pictures of health centers and putting them up at the airports and terminals (28) can be of great help in attracting the medical tourists. In the same line, Afshani and his colleagues suggested that one of the major weaknesses of the country's medical tourism industry is the lack of awareness of internal and foreign medical tourists regarding the actual capabilities of the international health services, lack of professional and appropriate information, and the existing disturbance in PR electronics at the hospitals of the country (29).

Regarding the price mix, public hospitals had a better status compared to the private ones. This might be due to the higher tariff of the services and not giving discount or giving low discount in these hospitals. In general, price is the initial motivational factor for most patients. The cost of medical care in most developed countries has led the people to seek cheaper care elsewhere, particularly in less developed countries (1). Another study showed that the patients were looking for medical care of high quality and reasonable price (6).

Concerning people mix, the majority of both public and private hospitals were in an acceptable condition. A study suggested that appropriate training of the staff and their acquisition of desired qualifications could support medical centers in providing the medical tourism services. The study also showed medical education programs to support medical tourism (30).

Considering the process mix, public and private hospitals were in approximately good conditions; of course, the condition of public hospitals was a little better than that of the private ones. This might be due to the fact that public hospitals are able to implement EFQM and clinical governance better than the private hospitals (31). One of the indicators of process mix is informing both the patients and their families about the details of service delivery. Several studies have also emphasized that the patients and their companions have the right to be informed about care, treatment, and their consequences and be actively involved in the treatment processes (21, 31, 32).

The status of the physical attraction mix was not so desirable in the public and private hospitals and this represents the lack of sufficient attention to the interior and exterior attractions of the hospitals. A study reported the low standard of facilities to have resulted from the old hospital buildings as well as the lack of awareness of the employees regarding the health conditions in hospitals (33).

5. CONCLUSIONS

The findings of the present research showed that both public and private hospitals were at the moderate status which can be indicative of the relative readiness of the study hospitals in attracting the medical tourists. Regarding physician mix, people mix, and process mix, both private and public hospitals had acceptable conditions (above 75%); however, regarding some other mixes, such as promotion mix and physical attractiveness, they were not in good conditions and needed to improve (less than 30% in an acceptable condition in the 2 types of the hospitals).

According to the strengths and weaknesses of the study hospitals regarding the mixes studied, the hospitals under study

can invest on their strengths, use the existing opportunities to promote the status of the marketing mix elements which can affect the development of medical tourism and attraction of medical tourists in Shiraz, and design strategic plans for the areas of improvement; for example: a) updating the hospitals' websites; b) contract with companies for sending SMS in order to introduce the hospitals; c) using telephone counseling services; d) providing periodic reports for the people; e) giving discount to the patients from other countries based on the international markets as well as the patients' place of living; f) preparing special forms and giving them to the patients when leaving the hospital; g) asking the patients to give feedbacks on the services they were provided with 10 days after being discharged; h) paying attention to the peripheral view of the hospital; i) providing the patients with facilities, such as Internet, television, and computer games, and 10- installing signs for the hospital.

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