

THE ANALYSIS OF INTERNATIONAL MEDICAL TOURISM IN TAIWAN

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ABSTRACT

International Medical Tourism (IMT) has become a trend in the healthcare services industry in recent years, leading to considerable annual growth in the value of medical tourism. According to Taiwan Ministry of Economical Affairs (MOEA), the economic scale of the global medical tourism is 200 to 300 billion US-dollars. While in the case of Taiwan are about 7 billion US-Dollars because its quality meets the requirement of the international standards.

Nevertheless, the IMT industry is at its early stage and relatively underdeveloped. Therefore, the purpose of this study is to identify the major obstacles that behind the development of medical tourism in Taiwan and make suggestions to overcome the identified problems and obstacles in order to fully promote the IMT in Taiwan.

The qualitative analysis method utilized in the study was SWOT analysis and in-depth interview. The purpose of the study is firstly to survey and discuss current situations of IMT in Taiwan. The second is to discuss Taiwan competitive advantages and disadvantages in developing IMT. The third is to identify and analyze the difficulties, problems, and obstacles to develop IMT in Taiwan. Finally, the study emerged suggestions to the Taiwan Government and stakeholders according to the outcome of proposed research.

Key words: International Medical Tourism (IMT), Health Care Quality, SWOT Analysis, In-Depth Interview

INTRODUCTION

Internalization has become a trend in the healthcare services industry in recent years, leading to considerable annual growth in the value of medical tourism. In view of this trend, the Council for Economic Planning and Development (CEPD) announced on March 21, 2007 that it has drawn up a three-year plan to promote medical tourism to Taiwan and will contribute NT\$ 10.5 billions to establish a complete value chain system, including communication, hospitalizing, post-surgical care both on the island and abroad, through strategic marketing and intensive advertising to build up the brand image of high-quality healthcare services in Taiwan.

Taiwan, with rich tourism resources and high quality advanced medical technology, has developed a strong niche to develop medical tourism industry. That will enable this part of Taiwan to attract medical tourists traveling for health and leisure reasons. Furthermore, the relatively more competitive prices of medical treatments and traveling expenses can be appealing to foreign travelers. These reasons underscore the high growth potential of the health tourism market in Taiwan.

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According to the report of World Tourism Organization(UNWTO), there will have three billions tourists to select Asian countries as their destination by 2020. It can be said that promoting medial tourism to western world has been a trend in Asian countries. Taiwan posses rich medical and tourist resources, that we believe, will appeal to foreigner to travel to Taiwan. This program integrates academia-industrial collaboration involving international and local organizations to make efforts in building up the brand image of medical tourism in Southern Taiwan and creating great output value.

LITERATURE REVIEW

Health-care tourism is also called medical tourism, wellness tourism. International Union of Official Tourism Organization (IUOTO, 1973) defined Health-care tourism as "get to the countries which have specific hot spring and weather". The report of North American Congress on Latin America (NACLA) in 1997 indicated that health-care tourism is an important industry focused on health, and the travel destination is close to the hospitals which could provide a series of surgery and recovery. Goodrich, J. N. (1993) indicated that health tourism provided tourists with tourism facilities to attract travelers, and to promote health services. The health services include medical screen, special diet, acupuncture, hot spring, herbs therapy, golf and city tour...etc. Pollock and Williams (2002) defined health tourism as" People leave their job or home town and go for leisure, recreation and educational activities to improve and maintain their health through a designed travel products and services. Until now, there have no a consensus definition of health care tourism in the world. However, there are three essential elements for health tourism, they are firstly to leave their home town, secondly it should be in a leisure environment, thirdly the main purpose should be health (Bennett, M., King, B., & Milner, L. 2003).

Henderson(2004)divided health-care tourism into three parts, and they are medical tourism、 cosmetics surgery、 SPA 及 others. The classification is described as figure1。

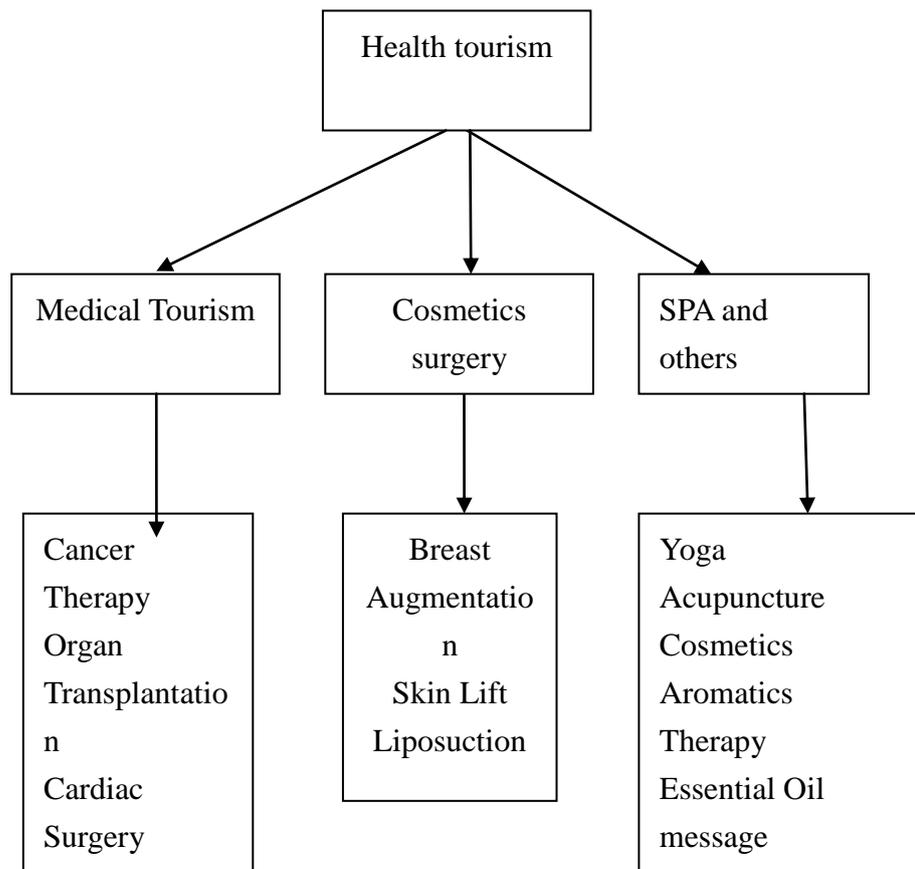


Figure 1. The classification of Health-care tourism (Henderson,2004)

RESEARCH DESIGN

The research started with literature review, SWOT analysis, followed by in-depth interview, the five interviewees include leaders in healthcare and tourism industries; administrators of Joint Commission International (JCI) accredited hospitals, and the officers of Taiwan Government. The data collected from in-depth interview are analyzed by content analyses. Finally, marketing strategies of Taiwan medical tourism are developed, recommendations for Taiwan Government regarding to the development of IMT and significant findings for researchers interested in this topic. Some suggestions for further research directions base on the conclusions are submitted.

DATA COLLECTION

In this study, in-depth interview was used, and the analysis of the interview data was based on content analysis. In-depth interview allows researchers to explore in-depth knowledge of the participants, and

this is appropriate when a researcher needs to obtain in-depth knowledge on sensitive subject matter in order to provide appropriate strategies. It is important that a researcher have well-framed research questions prior to initiating in-depth interview (Stewart & Shamdasani, 1998). Six conversational, clear, short and open-ended questions were designed as a guideline for in-depth interview.

The data gathered from the in depth interviews were used to explore the competitive advantages, weaknesses, and obstacles while IMT was being developed in Taiwan from the interviewee's experience to answer the sixth research question. In-depth interviews were also used to discover methods to develop IMT successfully and then enhance tourism and medical revenue. This was possible because the interviewee's experiences provide first hand data.

The guideline included six broad questions: (a) What is the current situation of IMT in Taiwan? Which organizations who are developing IMT? (b) What have been the advantages and disadvantages to Taiwan as a result of implementing the IMT program? (c) What obstacles do you think inhibited the development of IMT? (d) What policies for Taiwan central and local government should have in order to overcome the barriers and then effectively implement IMT? (e) What marketing strategies include communication, channel, product and price to develop IMT in Taiwan? (f) Additional questions were asked as necessary to expand on issues or probe into areas being discussed.

DATA ANALYSIS

Some points include the current situation, competitive advantages, weakness and obstacles of IMT reflected in the in-depth interviews were analyzed to assist understanding of the practice of IMT in Taiwan. From the answer analysis it was hoped to gain insight into whether IMT is valuable to develop, and what is the current situation of public-private sectors participating in the IMT program, as well as the benefits, negative effects to participants in implementing IMT program. The results of data analysis are described as follows:

The analysis of current situations of IMT implementation in Taiwan

- Taiwan medical tourism is in its early development stage, there are only few private sectors to implement IMT. Therefore it requires central government to provide strong leadership, guidance and assistance.
- Taiwan medical industry is well developed and the quality of health care system is very high. However, the major barrier to promote medical tourism is language communication abilities of the personnel.
- Government should develop related rules and regulations in accordance with the needs of the medical tourism industry.

The analysis of competitive advantages of IMT implementation

- The study reveals that the Strengths for Taiwan to implement IMT are listed below.
- High quality and affordable price of health care in Taiwan.
- There is no difference in language and culture between Taiwan and Mainland China.
- Taiwan has good scenery and friendly people, so the tourists to Taiwan are more than 2 million per year.
- Taiwan not only has rich medical resource, but also has internationally competitive medical services.
- Taiwan has international marketing experience and it is useful to promote IMT.

The analysis of weaknesses of IMT implementation

The health insurance system of Taiwan is not compatible with international insurance system.

- Lack of Joint Commission International (JCI) accredited hospitals.
- Lack of internationalization in hospitals' software and hardware and the shortage of professions who can speak English fluently.
- For the promotion of medical tourism, Taiwan Government has yet to propose specific incentives, counseling, and supporting regulations.

The analysis of Obstacles to implement IMT

Three major obstacles for Taiwan to implement IMT are described as follows:

- Governmental limitation: such as the Act is restricted to the mainland tourists to Taiwan; the regulations regarding to the employee procurement, health care marketing are rigor and complex; and the diplomatic inconvenience of Taiwan makes the promotion of IMT difficult.
- Hierarchical and bureaucratic culture: the process of visa application is too long and complex; the tight restriction on medical promoting advertisement.
- The barriers of health care insurance: The health care insurance system of Taiwan is not compatible with international insurance system; so that international insurance company would not cover the medical fee occurred at Taiwan.

DISCUSSION AND SUGGESTION

The recommendations that emerged from this study for Taiwan Government and sectors to more successfully implement IMT are described as follows.

1. The first stage, the target population would be the people of Mainland China, due to there are no any difference in language and culture between two districts, then could focus on the Chinese travelling worldwide.
2. Taiwan Government should ease the visa application procedures for international tourists who intend to come to Taiwan for medical and healthcare purposes, in addition, to loosen tight

restriction on medical promoting advertisement.

3. In communication aspects, Taiwan Government should take the key rule in promoting Taiwan medical tourism.
4. In distribution channel aspect, it is possible by participating major exhibitions to expand the distribution of Taiwan medical tourism.
5. In product aspects, starts with non invasive or low invasive medical service.
6. In pricing aspect, emphasizes on quality instead of quantity. Differentiating market with high quality product than competing in price will definitely help improving Taiwan medical tourism.

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