



Analyzing a New Model of Medical Tourism Policy: Target Country-Specific Models and Marketing Strategies

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Abstract

Background: The three-year the pandemic has increased the preference for "safer and healthier" medical tourism destinations at a global level. Busan in South Korea aims to increase its competitiveness as a "medical city" destination. This study aimed to explore the best marketing strategies designed based on country-specific attraction model.

Methods: We collected data from surveys with 10 participants of a focus group from the medical tourism field in Busan and 352 participants of doctors, stakeholders, and moderators working in the medical tourism field in Nov and Dec 2022 to investigate key success factors for the medical tourism in Busan.

Results: The interview identified key target countries and effective strategies such as ease of visa acquisition, non-face-to-face care, insurance billing systems, foreign language expertise, win-win systems for agencies and healthcare organizations, and international accessibility. When participants were asked about their country-specific attraction for patients, they ranked healthcare quality and tourism resources as both important and satisfactory. Although cultural environment, economic support, and administrative support were ranked important, they were less satisfactory. For Japanese patients, the infrastructure showed high levels of importance and satisfaction.

Conclusion: This study identified specific items for a new model of patient attraction customized to target countries. This model was based on cultural background and preferences of each target country. Strategies are needed to strengthen the cultural environment and administrative support. Results of this study can be used to promote medical cities through target specific policies.

Keywords: Medical tourism policy; Medical hubs; Medical cities; South Korea

Introduction

After more than two years of the COVID-19 pandemic, patients are searching for the most convenient and safest destination for medical tourism. While the pandemic has shown negative consequences in the form of an unprecedented downturn in medical tourism, it has also provided

positive data on technological advancement of the digital healthcare industry (1). As a result, the pandemic has been influential in shifting standards of medical tourism destination to more 'safe' destination. For example, Iran used phone interviews for medical tourists who arrived during the



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pandemic to provide them practical help with their healthcare needs, demonstrating the country's credibility as a medical tourism destination that could deliver quality medical tourism (2). In general, the quality of a medical tourism destination depends on several factors, including the quality of services and how patients can trust that system (3). Due to the pandemic, infection prevention policies and smart technology for digital healthcare are driving healthcare demand and growth in medical tourism (4).

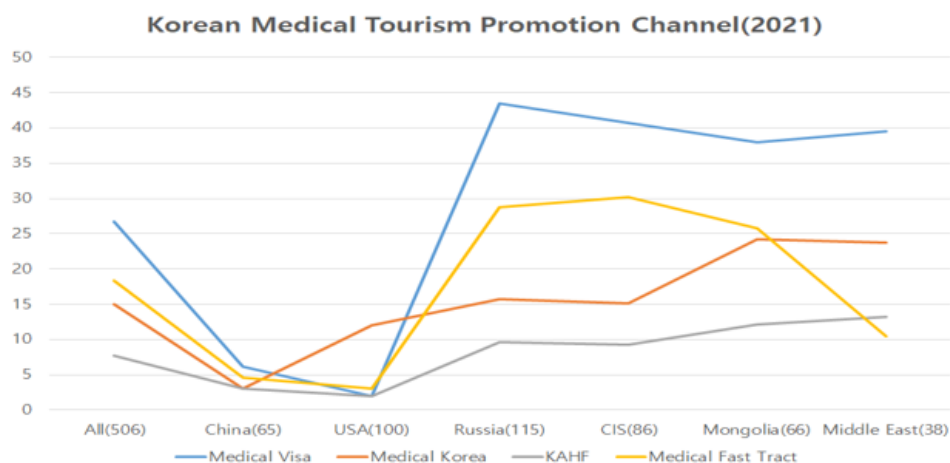
Smart city strategies are getting more and more significant and preferred in healthcare. They will further influence medical tourism destination preferences in the future (5, 6). South Korea have been advertising a digitalized medicine as a national brand. However, there has been a lack of research on a 'medical city' as a 'medical hub'. Competitiveness of medical tourism destinations in Korea depends on medical treatments and services, destination attributes, and tourism-specific factors (7). Yet, there is lack of a comprehensive research on how a destination in Korea can design strategies based on specific factors of medical tourists.

Therefore, this study aimed to explore a new model for Busan to strengthen its competitiveness as a medical hub destination. To be more specific, this study aimed to develop a target country-specific attraction model for Busan through importance and satisfaction analysis. To accomplish this, a literature review of medical tourism in Korea from 2009 up to now was performed, the recent medical tourism status in Busan was searched, importance and satisfaction analyses were performed to find determinant factors for medical tourism development in Busan, and implications and designing policy for a target country-specific model for Busan were suggested. Findings of this study will provide practical implications for medical tourism policy makers and authorities (medical institutions, agencies, and tourism organizations) in cities aspiring to become 'medical cities'.

Literature Review: Medical Tourism in South Korea

The global medical tourism market was valued at \$44.8 billion in 2019. It grew at a CAGR (Compound annual growth rate) of 21.1% during the forecast period. It is expected to grow significantly over the next decade, accounting for a significant portion of national economies around the world (8). South Korea's Ministry of Health and Welfare has also declared its intention to become a bio-health center. It has established a comprehensive plan to strengthen the digital medical infrastructure in Korea and support the entry of secondary medical care and attraction of foreign patients overseas (9). As of 2021, the United States, China, Vietnam, Mongolia, Thailand, and Russia are the top five countries for foreign patients visiting South Korea, with cancer, heart disease, critical illness, and cerebrovascular disease on the rise. In particular, the five-year survival rate for stomach cancer in Korea (73.1%) is more than double the U.S. rate of 29.3% and the five-year survival rate for thyroid cancer has recently reached 100% (10). Amid these changes in the healthcare landscape, KHIDI's 2021 "Foreign Patients' Experience and Satisfaction with Korean Healthcare" report has found that when it comes to satisfaction with medical tourism in Korea, patients from China, Mongolia, and the Middle East prioritize medical technology, CIS countries prioritize treatment outcomes and effectiveness, the United States prioritizes service, and Russia prioritizes trust in medical institutions (11). The overall satisfaction rate was 89.9%, broken down by nationality as follows: CIS, 93.8%; Mongolia, 91.4%; Russia, 90.9%; Middle East, 90.5%; US, 89.5%; and China, 83.6%.

This high level of satisfaction among foreign patients is a result of the Korean government's medical tourism policies and promotional strategies such as KAHF (7.7%), Medical Fast Track, Medical Korea, (15%), and Medical Visa (26.7%), with Russia showing the highest results across all categories Fig. 1.



*Source: Khidi, 2021 Statistical Analysis of Foreign Patient Attraction Performance

Fig. 1: Four ways to promote Korean medical tourism

Such generally high satisfaction and popularity are also due to the fact that Seoul is the preferred medical tourism destination for foreign patients. This is because Seoul has a high concentration of advanced hospitals with wellness tourism information provided through a promotional channel called 'Medical Tour Seoul' (12). In comparison, although Busan has 133 medical institutions and 74 agencies, it is ranked differently as a medical tourism destination by patients from the following countries. It is ranked 2nd by patients from Japan and Russia, 3rd by those from Southeast Asia, 4th by those from Middle East, 5th by those from US, and 6th by those from China. Mongolia and Central Asia have very few medical tourists visiting Busan. In particular, the agency that attracts the most foreign patients is Busan's 14.1%, which ranks second overall, but is still a far cry from Seoul's 74.3%, which ranks first overall. Therefore, Busan needs a new model and promotion strategy for attracting foreign patients customized for target countries to bridge the gap with Seoul and enter the global 'Medical City'.

'SMART CARE MEDICAL BUSAN' (SCMB) Brand Revitalization Plan

Busan is South Korea's second-largest city with a

mild four-season climate and abundant tourism resources. It has been named Lonely Planet's #1 Best Destination in Asia (2018) and one of the New York Times' "52 Must-See Global Attractions". Busan is a digital medical city that aims for the 'Smart Care Medical Busan' brand. It has excellent infrastructure and enough potential for development as a 'medical city' (13).

Paradigm shift in Busan medical tourism after the pandemic

The number of foreign patients visiting Busan changed from Russia (29.7%), China (19.6%), Japan (13.8%), and the United States (7.6%) in 2019 to Russia (15.3%), China (12.4%), the United States (12.2%), the Philippines (10.6%), and Vietnam (5.6%) after the pandemic. In the last five years, from 2016 to 2021, the average annual growth rate of foreign patients decreased for Japan, Russia, China, and the United States, while that of Southeast Asia showed an increase. This change of foreign patients from Southeast Asia is noteworthy, with Myanmar increasing by 766% Year-on-Year (36.2% CAGR), Indonesia by 416.3% YoY (37.6% CAGR), the Philippines by 270.9% YoY (20.6% CAGR), and Vietnam by 67% YoY (31.7% CAGR) (Table 1).

Table 1: Status of foreign patients visiting Busan (unit: %)

<i>Variable</i>	<i>Russia</i>	<i>China</i>	<i>USA</i>	<i>Philippines</i>	<i>Vietnam</i>	<i>Indonesia</i>	<i>Myanmar</i>	<i>Thailand</i>	<i>Japan</i>
2016	29.5	17.6	6.7	4.6	8.6	1.4	0.4	1.0	7.5
2017	33.3	14.5	9.1	4.1	3.0	0.8	0.3	1.0	9.5
2018	32.2	14.6	8.7	3.4	3.6	2.2	0.4	1.6	12.1
2019	29.7	19.6	7.6	2.6	3.9	0.9	0.4	1.7	13.8
2020	23.2	15.8	9.2	4.7	5.5	1.6	0.9	7.0	9.8
2021	15.3	12.4	12.2	10.6	5.6	5.0	5.0	2.8	1.9
year-on-year	7.4	27.7	116.4	270.9	67.0	416.3	766.0	34.9	68.7
annual average	8.8	11.0	15.7	20.6	31.7	37.6	36.2	57.2	4.2

*Source: [Korea Healthcare Industry Promotion Agency] 2021 Foreign Patient Attraction Performance Statistical Analysis Report

In Oct 2022, Busan announced its goals to strengthen health and medical care, including "globalization of Busan" and "attraction foreign tourists" (13). This city plans to improve the quality of Medair, Medistay, and Medigo to "strengthen the healthcare system" and "build foreigner-friendly infrastructure". Medair operates information centers for the convenience of foreign patients. Medistay provides information on various accommodation facilities. Medigo provides medical services, culture, and tourism as one product to experience wellness medical tourism.

To address the most problematic communication issues in Korean medical tourism, foreign language courses and training programs have been established at 12 universities in Busan to train medical professionals and support international students from target countries. Busan is trying to provide medical tourism services based on target country-specific models and strategies.

Methods

To design the best target country-specific attraction model for medical tourism in Busan, this study was conducted with two different phases of data collection. The focus was on five main fac-

tors in the medical tourism system of Busan: medical service quality, tourism resources, infrastructure, cultural factors, and administrative support. The factors were adopted from two previous studies and then modified based on the aim of our study, one was searching for the satisfaction level in the health tourism sector in Korea (14), and the other one was about the activation of medical tourism in Korea using IPA (15).

In the first phase, information were collected through focus group interviews with medical tourism stakeholders who directly or indirectly were familiar with the system of medical tourism in Busan. The focus group consisted of 10 participants (3 hospital officials, 3 agency representatives, and 4 professors) with an average of 16.5 years of experience. Focus group interviews had three questions regarding changes of determinant factors in attracting foreign patients due to the pandemic, countries as main target countries for Busan medical tourism and characteristics of medical culture and patients in each target country, and determinants of attracting foreign patients after the pandemic. In the second phase, a survey was conducted using a questionnaire asking 352 participants, including people with experience in Busan medical tourism sector, employees of international medical centers, and hospital coordinators. More than 100 participants were

multinational coordinators. Their nationalities were China, Russia, Japan, the United States, Vietnam, Mongolia, South Korea, Hong Kong, Thailand, the Philippines, Indonesia, Pakistan, Africa, Canada, and Turkey. Participants were asked about factors associated with 'importance and satisfaction' on decision-making determinants in Busan's post-pandemic medical tourism program. The research period was six months, from Jul to Dec 2022, with questionnaire distribution and collection from Nov 30 to Dec 13, 2022 (three weeks). Patient and medical tourism stakeholder surveys were created and distributed in Korean, English, and Russian. The first section of the questionnaire included demographic questions. The questionnaire consisted of 42 questions on importance and 42 questions on satisfaction of decision-making items for attracting foreign patients to Busan. The focus was on the five factors mentioned above. The survey response rate was 237% (initial target 200, 473 respondents). Only countries with 60 or more respondents (China, Russia, and Japan) were used for sample analysis.

Results

First phase: Focus group interview

Analysis results of responses and data are shown as follows.

For the first question to find changes of determinant factors in attracting foreign patients the two following were found for hospitals, "difficulty to issue visas" for agencies and "utilization of virtual care and changing national guidelines".

For the second question to find main target countries and their characteristics, main target countries were found to be Russia, Japan, China, and Vietnam. Since countries in Americas (including diaspora), Central Asia (CIS), and the Middle East are new target countries, marketing strategies for medical specialties in new countries are needed. Main requested treatments were predicted to be major surgeries, especially cosmetic surgery, cardiovascular, cancer, and medical checkups.

For the third question to find determinants of attracting foreign patients after the pandemic, the following changes are predicted and requested:

- Agencies need to support the convenience of long-term stays for critically ill patients.
- Hospital officials should build host-country-friendly infrastructure and increase accessibility for fast-tracking.
- There is a need to secure the country's insurance billing system.
- Content that utilizes Busan's tourism resources should be created.
- The number of foreign language specialists should be expanded.

The focus group concluded that Busan would be differentiated from other cities in the future through city branding and high recognition as a 'medical city', with win-win system and systematic support for agencies and medical institutions, agency expertise, diverse tourism resources, and high overseas accessibility.

Second phase: Questionnaire analysis

The following shows results of analysis of 84 items on the "Importance and satisfaction" of the five main factors in the medical tourism system of Busan, including medical service quality, tourism resources, infrastructure, cultural factors, and administrative support. Only three countries (China, Russia, and Japan) with more than 60 participants were considered in the analysis.

China had 160 respondents, including 38 (24%) males and 122 (76%) females. Their preferred treatment in Korea were internal medicine (35%), checkup centers (21%), and plastic surgery (21%). Chinese patients have loyalty to the medical institution they visit since they visit one institute regularly. Healthcare professionals were: coordinators, hospitals, agencies, public organizations, and education & consulting.

There were 101 Russian respondents, including 34 (34%) males and 67 (66%) females. Their preferred treatments were internal medicine (31%), checkup center (19%), and plastic surgery (14%). There were 88 (87%) people involved in medical

tourism, including 54 medical tourism coordinators, 11 doctors & nurses, 10 agencies, 10 hospital officials, 2 public institutions, and 1 consultant.

For Japan, 91 respondents participated in the data collection, including 19 (21%) males and 72 (79%) females. Their preferred treatment were plastic surgery, internal medicine, and checkups. There were 80 (88%) people involved in medical tourism, including 54 coordinators, 13 doctors and nurses, 8 hospital staff, 4 agencies, and 1 public organization.

All three countries ranked ‘healthcare quality’ and ‘tourism resources’ as both important and satisfactory. Although ‘cultural environment’ and ‘economic and administrative support’ were considered important, they were less satisfactory. The factor of ‘infrastructure’ was ranked similar by China and Russia, while Japan ranked its importance and satisfaction at higher levels.

Items for each factor are shown as follows. Table 2 presents the level of importance and satisfaction of each factor given by representatives of each country.

Table 2: Five Factors that Determine International Patient Attraction (China, Russia, Japan) (Units, counts)

<i>Items and countries</i>		<i>Importance- H</i>	<i>Importance -L</i>	<i>Importance -H</i>	<i>Importance - L</i>
		<i>Satisfaction- H</i>	<i>Satisfaction- H</i>	<i>Satisfaction -L</i>	<i>Satisfaction - L</i>
Healthcare Quality (14)	China	8	1	2	3
	Russia	7	3	3	1
	Japan	6	1	2	4
Tourism resources (7)	China	3	1	0	3
	Russia	2	1	2	2
	Japan	3	2	2	0
Base Environment (8)	China	2	3	3	0
	Russia	4	2	0	2
	Japan	4	1	1	2
Cultural Resources (4) Economic and Administra- tive Support(9)	China	3	2	6	2
	Russia	4	1	7	1
	Japan	1	5	6	1

*H: High, L: Low.

- Medical service quality (14 items): after-sales service, state-of-the-art medical facilities, stability of technology, insurance application, provision of medical information, sanitary condition of medical institutions, kindness of medical staff and staff, excellent medical technology, reputed medical staff, organized medical service, coordinator competence, non-face-to-face and telemedicine efficiency, communication, and 1:1 customized medical care.
- Tourism resources (7 items): shopping

tourism, food tourism, new tourism experiences, visiting tourist attractions, procedures and clear costs of medical tourism, various tour programs, and convenience of movement within Busan.

- Environment (8 items): safe security, simple immigration procedures, provision of convenience facilities for companions, international accessibility, visa issuance, possibility of re-entry, immigration policy and responsiveness, and pleasant climate.
- Cultural resources (4 items): economic and administrative support (9 items): tra-

ditional oriental medicine treatment experience, religious and ethical culture, traditional culture, Korean wave entertainment experience, low & clear medical cost, simple treatment procedure and short waiting time, insurance claim system establishment, consumer reviews and feedback, diversity of promotion channels, and easy and simple inquiry process.

Discussion

Although there are diverse tourism resources in Busan, there is a lack of systematic support for medical institutions and agencies active in medical tourism. However, considering both high medical facilities and infrastructure for overseas accessibility in Busan, this city has potential to be recognized as a 'medical city'. Though, it seems that such recognition depends on designing strategies in accordance with the needs of those tourists who are loyal to visit this destination.

Busan is trying to redefine its city brand to 'Smart Care Medical Busan' and to establish a new patient attraction model customized for target countries to increase its desirability as a medical tourism destination. Besides 'performance risk' and 'quality risk', 'Health risk' has been always one of the main dimensions of perceived risk for traveling (16, 17). Moreover, the latest pandemic increased the level of uncertainty for selecting a destination (18), especially for medical tourists. For medical tourism, such an issue is likely to be more important since the perceived risk is defined as the perception of medical tourism that may influence their travel decisions (19). Though, South Korea as a medical tourism destination has several advantages. The public health of this country performed a successful action plan during the pandemic which increased the trust level for foreign patients, especially for those who had been familiar with this country. Hence, this country could already ensure its potential medical tourists about the low level of risk which has been even more significant after the pandemic (20). The result of this paper also confirms the

importance of the perceived risk in selecting a destination since most of the participants mentioned the availability of virtual care in Korea.

Busan is already well known as a destination for foreign tourists, for instance, the high accessibility and the loyalty of tourists (especially from the neighborhood countries) are among the advantages of this city being recognized as a medical tourism destination. Yet, this city is still far from building a host-country-friendly infrastructure. The most significant advantage is that Busan is already a popular destination for visitors from China, Russia, and Japan. Loyalty is a factor that the authorities of Busan can use as a strength point in their policy planning. Chinese patients showed to have loyalty to the medical institution they visit since they visit one institute regularly. Hence, all they need is to improve the infrastructure as a 'medical city'. Besides, new marketing strategies are required to increase the satisfaction of the tourists coming from new targeted countries. This study indicates that China, Russia, and Japan can be targeted as the countries with loyalty levels, and medical tourists from Central Asia and the Middle East would be the potential new target countries.

To attract patients from these countries, ease of entry and exit (visa, stay, and travel), professional staff (more foreign language training for coordinators), insurance claims systems and fast-tracks, cultural and tourism infrastructure tailored to each country, and digitalization of the medical environment are commonly needed. Besides the infrastructure factors, the cultural variables are likely to be more vital for the medical tourists to feel secure and satisfied. Cultural factors especially language has been always one of the main determinants of building trust in medical tourism (21). Likewise this study confirms that while the healthcare quality and tourism resources are both important and satisfactory for the visitors, cultural environment and administrative support are yet to be satisfactory by the customers, nevertheless, these factors are considered as highly important by the medical tourists from China, Russia, and Japan. Therefore, in order to continue to grow as a 'medical hub' in the future, in-depth analysis of

the characteristics of customers from target country should be provided to policy practitioners. These significant findings on the possibility of segmentation and regionalization of medical tourism destinations can be used as concrete evaluations for many cities that aspire to become 'medical cities' in the future.

However, this study has several limitations. First, generalization of empirical analysis results needs caution due to an unbalanced distribution of gender ratio in socio-demographic characteristics and the convenience sampling method. Second, this study might have regional limitations as it analyzed opinions of those involved in and experienced with medical tourism in Busan. Third, the competitiveness of foreign patients as a whole could not be identified because only China, Russia, and Japan with more than 60 foreign patient respondents were targeted. Therefore, future research that complements limitations of this study is needed to confirm findings of this study.

Conclusion

We identified specific items for a new model of patient attraction customized to target countries. This model was based on cultural background and preferences of each target country. Strategies are needed to strengthen the cultural environment and administrative support.

Journalism Ethical considerations

Ethical issues (including plagiarism, informed consent, misconduct, data fabrication and/or falsification, duplicate publication and/or submission, and redundancy) have been completely addressed by authors.

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Conflicts of Interest

The authors have no conflicts of interest relevant to this study to disclose.

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