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Competitiveness of the UAE in the Global Healthcare Market.

Dr. Sheeza Ismail Patel
University of Wollongong
Corresponding Author: Dr. Sheeza Ismail Patel

Abstract: *Purpose: Medical tourism is a multibillion dollar industry that is likely to grow exponentially with ever increasing globalization and ease of travel. The aim of this study is to evaluate the United Arab Emirates as medical tourism destination.*
Methodology/Approach: The research methodology uses indices, published information by hospitals and health authorities, blogs, interviews etc. and uses these as comparative tools against the following five case studies: Mashhad Razavi Hospital, Iran case study; Case study on Canadian hospitals; Taiwan's Kenting medical tourism case study; Korea's Samsung hospital case study; Bumrungrad international hospital case study.
Findings: The findings reveal UAE's strong pull factors such as stable macro environment, highly qualified staff. Although high turnover rate of doctors and expensive course of treatment have hindered UAE's brand image as medical tourism destination.
Research limitations: Perceived image of a medical tourism destination takes time, therefore quantitative study with structured questionnaire analyzed over a period would allow in depth understanding of patients thought process while choosing their desired destination to seek treatment.
Practical implications: Achieving cost effective treatment through service convergence and service integration, training local healthcare workforce. Alliance between hospitality and healthcare will allow tourist to have comfortable experience. Post-operative care will help UAE hospitals gain word of mouth popularity.
Value of paper: this research is aimed at stakeholders such as industry players, government agencies, third party players, associations and market research companies to evaluate and manage UAE as medical tourism brand.
Keywords: *Brand Image, Diversification, Healthcare, Medical Tourism, Service convergence.*

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I. Introduction

Since the early 18th century, People have been traveling overseas in search of medical treatment and wellbeing, with globalization, communication, governmental efforts, and advanced transportation technologies, people traveling overseas for health have increased significantly. Thus bringing medical tourism as a business industry into picture, people travel to domestic or international destinations to receive dental, medical or surgical treatment. The important criteria for travel are affordability, higher quality or better access to healthcare.

Deloitte (2009) estimated that every year nearly 6 million people engage in medical tourism, it is estimated to be $100 billion industry which is predicted to increase to $143.8 billion by the next decade, each year the number of medical tourists has grown by 20%. UAE has always been a popular tourist destination, with its sturdy infrastructure, expat population, internationally trained medical staff and proactive efforts by government that displays huge opportunity to grow. Dubai Healthcare Authority (DHA) expects a rise in international patients, they aim to target 500,000 medical tourists by 2020, and the number of patients visiting Dubai is likely to grow 13% each year.

The research evaluates the UAE's scope, strategies and potential to grow, using traditional marketing tools to evaluate the brand image of the UAE as medical tourism destination, in addition the research evaluates Push-Pull factors, its perceived image, consumer decision-making process, re-combinative service integration strategies. The paper concludes with policy implications for stakeholders, limitations of this study and possibilities for future research.

II. Literature Review

Connell, 2013 defines medical tourism as a niche growing into an industry that allows people to travel long distances to seek health and simultaneously be holidaymakers (Fetscherin and Stephano, 2016). According to Ramirez de Arellano, 2007 medical tourism in its broadest sense is the travel abroad to seek health services. Motivational factors that facilitate medical tourism include, affordability of medical services in another country, long waiting lists in the home country, local laws and religious restrictions, privacy and opportunity to travel, insurance incentives, combining wellness with vacation. Connell, 2013 mentions that the motivation is primarily health-related, word of mouth popularity with internet being secondary source quality, availability, culture and economy are key influencing factors.

2.1 Medical Tourism in the Middle East

Post-2001 most patients from the Gulf region were seeking medical helps in the Asian region which boosted the Asian health tourism market. However, the most recent investigation has revealed that there is an increase in regional movement with nearly 80% of patients traveling to Jordan and Tunisia (Connell, 2013). (Saadatnia and Mehregan, 2014) conducted a case study on Razavi Hospital Mashhad, a popular hospital catering to medical tourists in the Persian Gulf region. Factors that determined the attractiveness of the destination were: Travel and tourism facilities, values and beliefs, patient satisfaction, costs, Hospital facilities and equipment, skills and expertise of the hospital staff. From the viewpoint of both managers and patients, the cost was considered the primary factor of attractiveness. Cost related to medical expenses, travel and accommodation and transportation expenses, etc.

According to (Choi, Kim and Lee, 2016) Emirati patients form the second largest number (2.1%) of medical tourists visiting Korea for cosmetic surgery. Word of mouth about the healthcare facility and doctor's expertise were determined to be the major factor of attractiveness to Korea.

III. Terminologies

Push-Pull Model:(Fetscherin and Stephano, 2016) use economic literature and broadly categories the industry into demand-side or "Push factors" and supply-side or "Pull factors".

1. **PUSH FACTORS:** These include socio demographical factors such as age, income, education, gender, health-related factors such as health condition and insurance coverage.
2. **PULL FACTORS:** These include overall country environmental factors such as economic stability and country image, healthcare affordability, popularity as a tourism destination, quality of medical services such as accreditation, quality care, and doctor's reputation.

Medical tourists- perceived risks: It can be defined as the probability of loss associated with risk, in this case, security and safety associated with traveling to another country for seeking health.

Medical tourists travel motivations: In the case of medical tourism, international medical travelers' motivation can be categorized into three costs related, procedure-related and travel related. According to (lajevardi,2016) push factors comprise of socio-psychological influences that encourage travel. The pull factors include physical environment, food, people and infrastructure. Medical tourists focus on low-cost treatment in less developed destinations, favorable exchange rates, affordable travel by air (lajevardi,2016).

Cognitive and affective image of the destination: It is a pre-purchase evaluation of the alternatives. Medical tourists mainly emphasize on cost, excellence, and dependability (Khan, Chelliah and Haron, 2016).

Perceived service quality: It is the output of the medical service provider at the destination. Based on the service provider's performance, medical tourists derive the perceived quality of healthcare services.

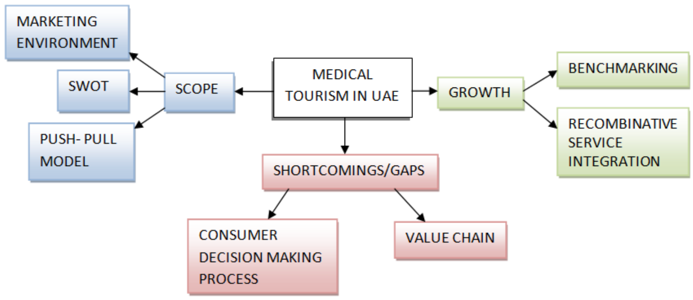
Recombinative service integration: Service integration and service convergence are terminologies related to the technology industry. Service convergence is a tendency of previously two different service industries provided by different firms to be combined into one single service. Service integration involves identifying unique characteristics related to the involved industry and integrating them to provide one product. (Wernz, C, .et al, 2014) conducted study on highly successful medical tourism destinations in Thailand called Bumrungrad International Hospital or BIH. The key to BIH's success was its integration of medical and hospitality services. The hospital adopted two-fold strategies of differentiation and low cost through service integration. With BIH's success, many of its competitors in the region have adopted a similar strategy. Therefore healthcare and hospitality industries are converging into the medical tourism industry (Wernz, C., et al, 2014).

IV. Objectives Of Study

The objective of the report is to evaluate the United Arab Emirates as medical tourism destination, while identifying critical success factors that contribute to building brand image of medical tourism destination.

V. Methodology

The research methodology is divided into three sections- scope, shortcomings and growth. Each section is analyzed using traditional market analysis tools and conceptual models mentioned in the literature review.



- Scope of medical tourism in UAE
- Shortcomings associated with procedures related to the industry
- Growth of the medical tourism industry in UAE

The qualitative research uses indices, published information by hospitals and health authorities, blogs, interviews and the following case studies:

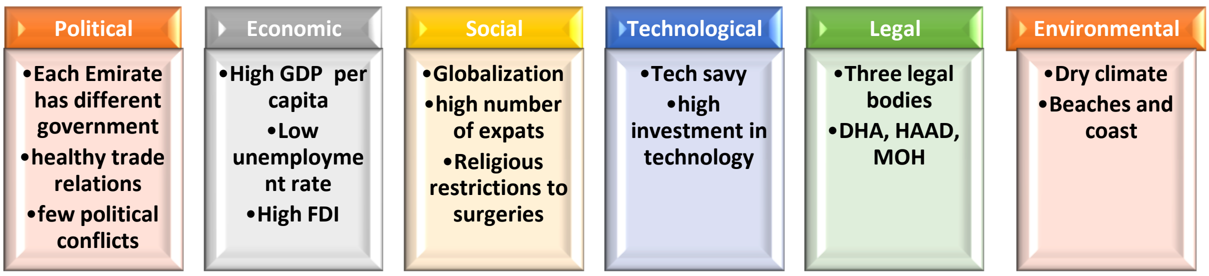
- Mashhad Razavi Hospital, Iran case study
- Case study on Canadian hospitals
- Taiwan’s Kenting medical tourism case study
- Korea’s Samsung hospital case study
- Bumrungrad international hospital case study

In addition to these various tools such as PESTLE, SWOT, Push-Pull model, Value chain analysis, Consumer decision making process, Benchmarking have been used in the research.

VI. Analysis

6.1 SCOPE

The macro-environment is analyzed using the PESTLE tool, as mentioned below.

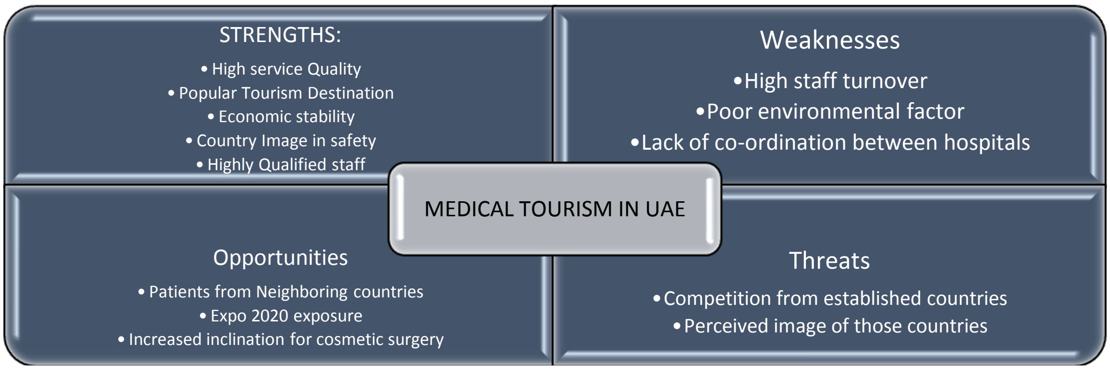


The push pull model reveals, consumer related factors or Push factors mainly include tourists visiting from Saudi Arabia, India, United Kingdom, United States of America, Iran, Oman, China, Kuwait, Russia and Germany. National’s that spend the most are from USA (21%), Saudi Arabia (12%), UK (9%), China (4%) and Kuwait (3.4%). The visitors range from all ages; they are mostly high income populations. According to HAAD health authority Abu Dhabi median age for GCC patients is 19 whereas, expatriate is 31 years. They are well educated; women form most of the medical tourists than men. Health insurance is mandatory for all the visitors entering UAE making approach to seek medical treatment more likely.

The most favored treatments sought by these medical tourists are Orthopedic and sports medicine, Ophthalmology, Dental treatment, Dermatology and Skin care, Preventive medicine, Anti-aging and Plastic surgery (Hospital, 2017). Patients from UK travel to avoid long waiting period and Patients from US travel for low cost treatment.

The Pull factors or factors that are offered by UAE in medical tourism comprise of economic stability of the country that helps in developing the industry. UAE has an image of being safe country; it is the 24th globally recognized tourism destination and Dubai is the 4th most popular country to visit. The JCI or Joint Commission International which accredits medical hospitals has accredited 162 hospitals in UAE out of 945 organizations recognized worldwide (International, 2017). The Country is 10th most popular for Quality of services. The hospitals comprise of highly qualified doctors and assisting staff from all around the globe.

The SWOT analysis reveals,

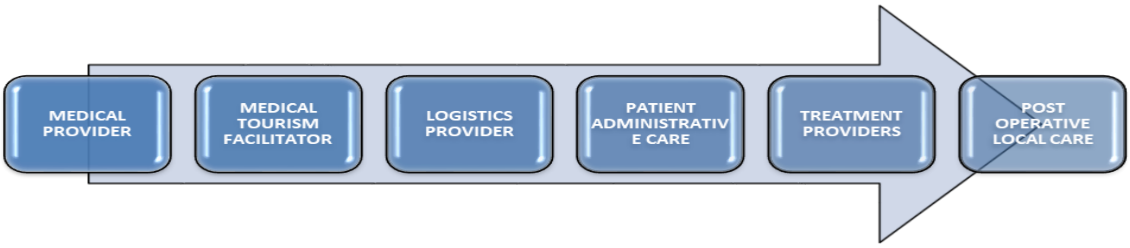


To summarize,
- UAE's micro environmental factors comprise highly qualified doctors, staff.
- It has a favorable and stable macro environment.
- The demand factors prove immense opportunities that UAE can gain from and its strong Pull factors make UAE desired destination for medical tourists.

6.2 SHORTCOMINGS

An analysis of the perceived image of UAE and value chain of medical tourism industry will help in understanding the shortcomings.

Value Chain Analysis: The weak links in value chain described in figure below are, the treatment provider and lack of post-operative marketing. According to economic intelligence report, 2016 UAE's medical staff turnover has increased by 40% since 2012, this is primarily due to most qualified enter UAE as a stepping stone to further their career in western countries. Most UAE healthcare facilities lack post-operative marketing on gaining feedback and improvement.



Consumer Decision Making Process: Medical tourist's perceived risk in UAE is mainly pre-operative as many patients felt they could receive better treatment outside of UAE. According to CEO of the UAE-based American Center of Psychiatry and Neurology (ACPN), Dr Adel Karrani "Despite world renowned doctors and physicians in the country, lack of trust was the biggest issue" (Gulf Business, 2017). Medical tourists travel motivation are effected by procedure and cost related factors as UAE offers quality treatment at high prices, contrary to low cost factor that most medical tourists travel for. According to (Saadatnia and Mehregan, 2014) case study, on Razavi Hospital Mashhad, Iran, cost was found to be primary factor for attractiveness. This has affected the cognitive and affective image of UAE as medical tourism destination.

To summarize,
- UAE has high turnover rate of healthcare staff
- Pre-operative lack of trust forms the major perceived risk for patients
- Procedure and cost related factor effect travel motivations of the patients
- For most visitors the overall image of UAE as medical tourism destination is mottled by lack of skilled professionals and high prices.

6.3 GROWTH

Benchmarking: Benchmarking analysis is comparing business performance against industries best practices. For this analysis the report takes into consideration Medical Tourism Index (Medical Tourism Index, 2017). Canada with 76.62 scores highest due to the country's environment, its wealth, democracy, and no corruption.

The private sector follows a very competitive pricing strategy for medical, dental and surgical intervention helping them attract medical tourists especially from its neighbor the USA. India leads in medical tourism industry primarily due to highly qualified surgeons and high perceived image, the industry is mainly dominated by private healthcare facilities and insurance is not popular, however not so strong currency and ease of visa makes it highly desirable destination. Israel, however, qualifies as the highest provider of facilities and services, this destination has public and private healthcare facilities and has the most technologically advanced and equipped facilities in the healthcare industry.

In the GCC/MENA region, a few years ago Jordan was leading in the industry. However, in recent index UAE has emerged as the desired destination in the region. The MTI does not consider UAE as a whole but separately quantifies Dubai and Abu Dhabi due to separate health authorities operating. Dubai leads in the GCC region on all the three dimensions of quality of services (72.49, 10th worldwide rank), medical tourism industry (68.42, 22nd worldwide rank) and destination environment (61.71, 18th worldwide rank). Less corruption, destination attractiveness, and a healthy economy makes it a desirable destination for medical tourists. The quality of services (68.89, ranking 16th) dimension of Abu Dhabi shows high scores only second to Dubai in the region. The destination environment (58.63, ranking 22nd) and medical tourism industry (63.44, 31st worldwide ranking) make Abu Dhabi 25th most desired destination for seeking medical treatment. However, Dubai supersedes with 16th place in the global ranking.

RECOMBINATIVE SERVICE INTEGRATION: BIH follows the best practices of combining service convergence and service integration of hospitality and medical industry. BIH managed to achieve product differentiation at globally competitive prices. It also helped them gain enhanced customer focus, operational efficiency, and service quality.

To summarize,

- UAE has overall ranking of 16^{th} in the world; however leading countries are Canada, Singapore, India, Israel and UK.
- UAE has strong hospitality industry and forms topmost tourism destinations, the service convergence of hospitality and healthcare can build a strong brand.

VII. Implications For Managers

BRAND MANAGEMENT: Position UAE as brand by providing competitive and distinctive health services also achieving cost effectiveness. Focusing on promoting brand in the GCC/MENA region at first will be more rewarding for the stakeholders, especially by targeting Saudi Arabian population.

DEVELOPMENT: The UAE can achieve development of healthcare facilities by investing in advance equipment's. This can target western expats, who can achieve value for their money and avoid long waiting times.

QUALITY: The UAE can achieve quality by hiring and retaining talented doctors. However, it has become increasingly difficult; therefore the government can focus on training local workforce to compete at international levels. Encouraging youth towards healthcare studies in long term can create strong local healthcare workforce and lower chances of turnover.

TOURISM: Develop tourism along healthcare tourism by bringing wellness into this domain, by including spa and rejuvenation into the tourism industry.

ALLIANCE: Horizontal alliance between hospitality and healthcare will allow tourist to have ease in travelling, comfortable experience. Post-operative feedback and enhanced care will help UAE hospitals gain word of mouth popularity.

VIII. Conclusion

The research gives conclusive proof that UAE has immense scope in medical tourism industry. The push factors are in favor of the country and UAE has strong economy to invest and promote this industry which can increase the GDP in future. However, UAE has certain shortcomings such as difficulty in retaining talent, which has overall affected in building its perceived image in terms of healthcare. These factors have favored Asian and American industries, who build their perceived image over the years.

However, benchmarking analysis with industry leaders proves that well directed efforts can catapult UAE to top destinations. UAE has well developed hospitality industry allying with healthcare can benefit both industries. Therefore the report suggests re-combinative integration of the two service industry to developed enhanced product at cost differentiation.

IX. Scope For Future Research

The Medical tourism industry in UAE is in nascent stage. The government and health authorities are realizing the potential this industry has from economic and health perspective. The governments are making continuous efforts to enhance this field through huge investments, education and raising awareness.

However, this field is highly dependent on perceived image of the country and building trust is most vital factor. Therefore this gives scope for quantitative analysis and measuring UAE's perceived image over the years through questionnaires and feedback. This will aid the government to examine its efforts and continue or redirect accordingly.

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