CHAPTER 1
INTRODUCTION

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1.1 Preamble

Tourism over the years has cropped up to be the world’s largest and fastest growing industry. It is a major phenomenon of the modern society. Tourism development is perceived by almost all countries of the world as a potent ingredient in the economic development strategies. It is considered as a quick and easy means to economic development.

Medical tourism is a new concept where two important service industries are joining to attract people who seek healthcare services located beyond the geographical territory of their country. It provides state of the art private medical care in collaboration with tourism industry to patients from other countries. Price offered is highly competitive when compared to those prevalent in the western countries. The CII McKinsey Report mentions that the Medical Tourism market has been growing at the rate of 15% for past 5 years and by 2012, Rs. 10,000 crore will be added to revenue of the private players.

Nowadays, a lot of factors draw people towards tourism. The important motivators for travel and tourism may be cultural, social, interpersonal, physical, religious, and now the healthcare. Tourism has much scope for development and it can develop certain localities, states and even countries. A planned and integrated development of tourism can act as a catalyst of the economic development of any country, more so, the developing country, like India.

Karnataka is one of the fastest growing states in India. It is the home to some of the most high tech industries. Bangalore, in particular, has become the home to some of India’s premier hospital establishments. It is booming in terms of IT, BT and now, MT, that is medical tourism. As Karnataka is endowed with a combination of high – tech super - specialty hospitals on the one hand, on the other, it has a number of natural beauty spots .The coastal districts of South Canara, Udupi, North Canara, Malnad districts of Shimoga, Chickmagalore, Coorg, and Hassan can provide
something unique to the tourists. Further, the air conditioned weather of Bangalore suits any foreign patient coming here for a treatment. The surgeries in high tech hospitals are followed by rejuvenation therapies in Ayurvedic spas or other Indian systems of medicine.

1.2 Concept of Medical Tourism

Medical Tourism refers to an increasing tendency among people from England, the U.S., and many other third world countries, where medical services are either very expensive or not available, to leave their countries in search of more affordable health options, often packaged with tourist attractions.

Health and medical tourism is perceived as one of the fastest growing segments in marketing ‘Destination India’ today. While this area has so far been relatively unexplored, we now find that not only the Ministry of Tourism, Government of India, but also the various state tourism boards and even the private sector consisting of travel agents, tour operators, hotel companies and other accommodation providers are all eying health and medical tourism as a segment with tremendous potential for future growth (Fernandes, 2003).

The service sector is playing an ever increasing role in the global economy. One of the most significant contributors to this growth has been tourism. It is linked with a host of ancillary services such as, travel and hospitality, good infrastructure in areas like, telecom, financial services, and entertainment. A host of organizations are involved in promoting tourism today. They are, -WTTC at a global level, regional associations such as PATA, national tourism promotion boards and state level tourism development corporations.

An effective and successful development of medical tourism includes the development of four major sectors. They are infrastructure development, tourism
product development, human resources development and market development. An appropriate development of tourism necessitates a large-scale development in infrastructure, which requires large scale investment. A concerted and deliberate effort is needed for tourism product development at national and international levels.

Tourism marketing is a specialized activity that requires professionalism. Long term planning, market research analysis, and a clear sense of direction in tourism marketing can step up tourist arrivals and increase the time and money spent by the tourists. Thus, the need of the hour is a sustainable tourism development. It is boom time for India's Tourism and Hospitality sector. Driven by a surge in business traveler arrivals and a soaring interest in the country, India has emerged as a leading tourist destination. The world’s leading travel and tourism journal, “Conde Nast Traveler”, ranked India amongst top four preferred holiday destinations in the world.

There has been a significant increase in the number of foreign tourist arrivals since 2006. Foreign tourist arrivals which were 3.92 million in 2005 rose to 4.43 million in 2006 showing an increase of 13 per cent. Foreign exchange earnings from tourism also showed a phenomenal growth from US$ 5.73 billion in 2005 to US$ 6.56 billion in 2006, achieving an increase of 14.6 per cent.

During the first five months of 2007, the number of foreign tourist arrivals was 2.02 million, representing a growth rate of 12 per cent over the corresponding period last year. Foreign exchange earnings showed a growth rate of 17.4 per cent over the same period, earning US$ 3.07 billion as against US$ 2.61 billion last year.

Due to an increase in the number of foreign tourists, India’s share in world arrivals which was just 0.37 per cent in 2001 rose to be 0.53 per cent in 2006. The importance of tourism for the Indian economy is evident from the fact that it contributed to 5.9 per cent of the Gross Domestic Product and provided employment to 41.8 million people. The medical tourism industry in India is expected to grow blissfully in the coming years and expected to grow at 27% during 2009-2012 (RNCOS, 2010).
The medical tourism industry holds huge potential for India in general and the state of Karnataka in particular. The main drivers for attracting foreign medical tourists are world class tourism, medical infrastructure, increasing availability of quality healthcare services and low healthcare costs, availability of medical tourism agents and the promotional activities undertaken by both the hospitals and the government.

### 1.3 Significance of Medical Tourism

Medical tourism is an industry which combines healthcare services attached with tourist services for the foreign medical tourists. Patients from one country travel to some other country seeking specialized health services. Their travel is often combined with leisure and tourism. One of the major impacts of the New Economic Policy of 1991 on the Indian economy has been the globalization of healthcare services. Since 1995 many foreign nationals are travelling to India to seek quality healthcare facilities at low costs. Hence, India has become the destination for medical tourism not only for medical tourists from neighbouring countries, but also for patients from Europe, USA, Australia, Africa and Arab countries. According to CII McKinsey Report, by 2012, medical tourism will add Rs.10,000 crores of revenue to the private players. This industry has been growing at the rate of 15% and is expected to reach 30%.

Health Tourism, also known as Medical Tourism, is believed to become a major driver of economic growth in India, as first world patients, driven out of their own systems by high costs and crowded conditions, look for cheaper and better options for medical care (Hasan, 2003). India has proved itself to be a major destination for health tourism, healthcare outsourcing and medical back office support. Main medical destinations for patients from the US, UK, Canada and other European countries are India, China, Taiwan, Thailand, Singapore and Malaysia.
Two great reasons why medical tourism in India became very popular are the quality of care and lower costs. Low cost, critical medical services available in India are encouraging people from abroad, to get treated here. Bangalore is gaining ground as a preferred destination for medical tourism. After its success in Information Technology, the land of spirituality and yoga is pioneering in medical tourism. Karnataka has already made its place in the world’s healthcare destination. Now, it is one of the key players in Medical Tourism, with its unbeatable cost advantage coupled with world class medical treatment.

The niche for the healthcare product of Karnataka is its ability to offer “wellness” care, alternative systems of medicine like ayurveda, homeopathy, unani, yoga, naturopathy, siddha, cosmetic surgery and most important, advanced life saving healthcare all under one roof. The state of Karnataka has a number of super speciality modern hospitals on the one hand and spas providing preventive and rejuvenation therapies on the other hand. This unique feature provides an advantage for the state to face tough competition from countries like Thailand, Malaysia, Singapore, South Africa and Cuba.

1.4 Statement of the problem

The key “selling points” of the medical tourism industry are its “cost effectiveness” and its combination with the “attractions of tourism”. India in the medical tourism front is facing a very tough competition from countries like, Malaysia, Thailand, and Singapore. In order to overcome competition and position itself strongly, innovative marketing strategies is essential.

Co – branding of medical tourism with traditional Indian therapies can be used as a unique selling proposition to market Indian medical tourism to the global consumers. This is beneficial from both the seller and buyer point of view. If we consider the state of Karnataka, it is blessed with a number of super-specialty hospitals on the one hand and Ayurvedic spas and traditional healing centers on the other hand. Creation of
packages by combining both the systems of medicine can attract more number of foreign medical tourists to the state of Karnataka.

Competition for Karnataka at the medical tourism front is continuously increasing. This necessitates the need for focused promotion of the medical tourism product to foreign medical tourists. Hence, this research aims at studying the present status of medical tourism in Karnataka, what are the motivating factors that attract foreign medical tourists to the state, what are the unique advantages of undergoing various healthcare treatments here.

Further, what are the advertising and other promotional strategies used by the healthcare organizations in the state, which is the most powerful advertising media are some of the questions to be answered in this context. Finally, it is discussed, whether there is any need to co-brand medical tourism with traditional Indian therapies by forming a business model. An attempt has also been made to study the initiatives taken up by both the union and the state government to promote medical tourism in the state.
1.5 Survey of Literature

A substantial volume of literature can be seen on the subject of tourism in general and medical tourism in particular. A thorough literature survey was conducted in the context of international marketing strategies for medical tourism and branding of medical tourism with traditional Indian therapies in India. Further, for constructing a theoretical framework for the study, tourism motivating factors for foreign medical tourists to Karnataka, core competency of Karnataka in the provision of medical tourism service is studied in detail. In this regard, more emphasis on international marketing strategies practiced by super specialty hospitals and traditional therapies spas in Karnataka are considered. The literature survey helped to understand and appreciate the earlier studies conducted in the field of medical tourism and it provided a broad framework for the study.

Ajit Kumar (1998) analysed the relationship between tourist arrivals and the foreign exchange earnings and also the effect of demographic, psychographic, and lifestyle characteristics of tourists on the spending patterns of foreign tourists. According to him, an increase in the rate of arrival of foreign tourists leads to an increase in the foreign exchange earnings of the state.

Mill and Morrison (1984) found that international tourism needs thorough promotion of tourist products. The State Tourism Minister’s conference, 1991 (The National Tourism Action Plan of 1992) emphasized the importance of the central government’s greater involvement in the tourism industry. They demanded that:

1) The central government should provide infrastructure support such as airports and airline services, railway stations and train services, communication networks, post and telegraph services, etc.

2) Government should consider granting exemption for specific central taxes and provide fiscal incentives in the shape of capital subsidy, interest subsidy, etc.

3) Government should set up Tourism Development Fund for providing equity support for investors.
4) A national level coordination committee should be set up with the representatives of the state governments, the central government and private traders to co-ordinate all matters related to the special tourism areas.

Selvam’s Tourism Industry in India (1989): A study of its Growth and Development Needs, evaluates the present status and the needs of tourism industry in India. According to him, the foreign exchange earnings from tourism sectors have contributed much for the economic growth of the country. To earn more and more foreign exchange, tourism is to be developed and more foreigners are to be attracted to the country.

Santhanam (2002) evaluates the growth of tourism in Kerala and its significance to Ayurveda. She finds that it has been a boom time for tourism in Kerala. The state is drawing thousands to seek the sun, surf and sand with Ayurveda as a bonus. She says, “Tourism in Kerala has grown by leaps and bounds in the last decade helped by changing attitudes of tourists and the lure of Ayurveda.”

Shankari (2007) outlines the significance of medical tourism and also explores the possibilities of enhancing foreign exchange of India by attracting foreign patients to our country by offering them quality healthcare packages at incredibly low costs, coupled with tourism. This research paper discusses the key drivers of Indian medical tourism industry. “Availability of alternative medical cures” is listed to be one of the major supply side drivers to attract foreign medical tourists to India. Branding strategies of Philippines, Singapore, Switzerland, Germany, and Australia are highlighted to necessitate the importance of branding for medical tourism in India. She further highlights the trends in the medical tourism industry in other countries so that the experiences of other countries can be used as eye openers for our country.

http://www.indiamedicaltourism.net (“Medical Tourism Opportunities in India”, 1998) have introduced several packages for patients traveling to India which includes
holidays and hotel stays during their travel apart from basic requirements such as airport pick – up, meetings with the doctors post and pre- surgery, etc. Such packages make it convenient for the patient to have piece of mind during travel without the tension of what to do next.

Rao (2007) analyses that tourism is an amalgamation of both tangible and intangible components like, accessibility, amenities, accommodation and activities. He identifies that package tour is a kind of single window service of a tour and propensity to pleasure is the most important motivator of tourism.

Elumalai (2003) suggests that, Brand strategy is an intimate aspect of product planning. As a result of globalization, Indian economy is open and gets stronger. This research paper stresses upon the Indian entrepreneurs to measure investments in brands and its value to business.

Ravikanth (2006) examines the enormous potential for “ayur – tourism” in Kerala. He adds that what is more interesting to note is when Ayurveda and Tourism merge, a new facet of tourism opens up with many opportunities. According to him, health and medical tourism is perceived as one of the fastest growing segments in India. With yoga, meditation, Ayurveda, allopathy, and other systems of medicines, India now offers a unique basket of services to an individual, which is difficult to match by other countries.

Prasad (2006) analyses the potential of Ayurveda to the tourism development in the state of Kerala. According to him, Ayurveda has given a big boost to the state’s tourism industry and has put Kerala on the world tourism map. Of the foreign tourists, who visited the state this year, over 40% had combined Ayurveda in their package.

Sexton (2007) remarks that, the most difficult problem in international marketing is coordinating the brands across country markets. He adds that if there is a single global
brand position - brand attributes that are attractive to all customers in all target segments in all countries should be created which poses a challenge of brand coordinating strategies that position the brand similarly in all country markets.

Robins (2006) opines that, one of the challenges today for healthcare organizations is of building stronger and longer lasting brands globally. She defines branding as a relationship between product and customer, which secures future earnings by securing preference and loyalty. So, credibility and differentiation determines its strength.

Mukerjee (2007) argues that, for a developing country like India, branding rural tourism is essential for sustainable economic development. Malnad region of Karnataka is rich with diverse culture, food, tourist places, waterfalls, hill stations. Co-branding it with medical tourism in the form of a package for foreign medical tourists leads to branding rural tourism on the one hand and medical tourism development of Karnataka on the other hand.

Brookes (“Let’s Talk Business 2010”) mentions about the immutable rules of success in tourism marketing. According to him, every tourist destination in the world has a “brand image”. If developed carefully, the brand serves to differentiate a destination from competing destinations.

According to Ritchie and Ritchie (“Branding of Tourism Destinations: Past Achievements and Future Challenges 2010”) “branding” which is an important function of marketing with regard to tourist destinations are neglected. So, we need to recognize that the branding function is substantially broader in scope than simply image.

Aaker (“Managing Brand-Equity: Capitalizing on the Value of a Brand Name”, 1991) extrapolates that, “a strong brand is differentiated from others, has several strong advantages when compared to others, and has an attractive appeal to consumers.” In
medical tourism, while factors such as cost of travel, convenience, and quality of facilities are important, the strongest motivator is in deed “image” and word of mouth. Image puts a destination on the consumer’s list and creates an emotional appeal to him. Therefore, according to him, “developing a strong image for any brand requires a carefully planned brand strategy based on:

- A well defined and unique brand personality,
- Selection of the correct positioning strategies,
- Themed product development,
- Consistent and appropriate advertising and promotion”.

According to Krishnan (2006) marketers are always interested in the lifestyle of individuals. A lifestyle marketing perspective recognizes that market segmentation and product positioning has to be made on the basis of lifestyle of the consumers. Lifestyle influences the choice of brand for consumers especially in the context of services.

Ananthakrishnan (2006) showcases India’s opportunities in the medical tourism sector. He says, as medical tourism looks set to expand further, India must make use of the opportunity while ensuring that it does not create a health divide.

Narayan (2006) portrays Bangalore as the hub of medical tourism, taking the global attention. She says, “Bangalore’s healthcare industry has been keenly tracking the bulging waistlines and soaring incomes of its working population.” She considers the examples of Narayana Hrudayalaya, Wockhardt Hospital, Manipal Hospital and Apollo Hospital in Bangalore which are luring foreign medical tourists.

Rao (2007) explains Karnataka government’s revamped policies to attract more tourists. She adds, if God’s own country can pull it off, one state, many worlds – Karnataka’s tourism tagline – most certainly can.
Rao (2006) enumerates that international patients to India numbered around 2,25,000 in 2005. This includes alternative healthcare and modern medicine. He has added that marketing teams of many of Bangalore’s top hospitals are visiting international markets, participating in healthcare seminars, and encashing on every opportunity to highlight brand India and brand Karnataka.

Namboodiri (2006) reveals how Bangalore is emerging as a hot destination for the global health tourist. He adds that Bangalore is the home to a growing number of super – speciality hospitals, is fast emerging as a hot destination for health tourists from UK, USA, South- East Asia, Sri Lanka, Pakistan and Bangladesh.

Dalal (2005) critically reviews that traditional health services that have existed for thousands of years have to be rejuvenated and integrated with existing modern healthcare programmes.

Jain (2005) analyses the current scenario of health tourism in India and suggests a strategic framework for professionally managing it. He adds that India has a high potential to attract the foreign medical tourists as it can deliver efficient service in both modern and traditional Indian therapies which has high demand in many European countries and in U.S.A.

Arora (2007) observes that, hospital industry in India has been growing at a tremendous rate in the recent past. Health Tourism is having a bright prospect in Karnataka. The Karnataka government is setting up Bangalore International Health City Corporation to cater to international patients for a wide variety of healthcare products and treatments. According to him, many top hospitals in Bangalore offer accessible healthcare services that are of global standards.
Shah and Murthy (2004) examine that, a new business model called Arvind Model emerging in healthcare, exemplified by the Arvind Eyecare Systems, reaches out to the masses and aims at being affordable. It has built a brand of being a provider of compassionate, high quality healthcare provider at low cost. This can differentiate the Indian healthcare industry for being the high quality healthcare provider for low cost.

National Health Policy 2002 (2002) actively promoted health tourism in India, following the “policy framework for reforms in healthcare”, drafted by Prime Minister’s Advisory Council. It has stated that India’s advantage in terms of traditional therapies should be effectively used in order to attract more foreign medical tourists to our country.

Conde Nast Traveller (2005) showcases India as the world’s top ten “must see destination”. It adds that, “forward integration with hospitals, backward integration with holistic Indian systems of medicine is what Singapore and Thailand can’t bring to the healthcare supermarket. This is India’s USP and it can provide competitive edge to Indian hospitals in the health tourism front.

Maheshwari (2007) examines that, people from other countries are turning towards India as they are fed up with NHS’ waiting list. Their aim is to save money, and also have a holiday at one of the most attractive tourist destinations providing traditional Indian therapies in the world.

Bhattarchaya (2008) provides a SWOT analysis for medical tourism in India. According to him, India has a long standing history and an enormous wealth of traditional therapies like, Yoga, Meditation and Ayurveda which may attract foreign patients. What is most needed is the marketing and clubbing of such value services with the packages offered. Hence, there is an immense potential for medical tourism in India by co-branding it with traditional Indian therapies. He adds that, lack of synergy among professionals, travel agents and the insurance companies is one of the
threats for medical tourism in India. So, tourism potentiality of the foreign medical tourist should be exploited through tie-up of corporate hospitals with state tourism departments.

Mishra (2007) observes that the brand has become a central feature in today’s emerging markets. Brand management is important in building long-term relationships with the consumer whether it is a service market or an industrial market. In order to make a brand global, organizations have to adopt a consistent and long-term strategy. On the one hand, brand has to be developed by understanding the customer requirements and on the other; a brand should differentiate itself from other brands of the same product.

Kukreti (2008) opines that, health industry has to focus on electronic health business in order to attract more foreign medical tourists. He adds that, marketing of e Health requires specialized and focused branding efforts. Techniques like on line consulting, video conferencing play a major role in branding the medical product.

R Venkatesh and S Jayachandran (2008) explain that, globalization in the healthcare industry is a fact of life. They seek to express healthcare marketing scenario and the impact of technology on hospitals and competition amongst them. In this globalized healthcare industry, U.S.A., Britain, Singapore and Thailand are the major competitors for India. They opine that, corporate hospitals have adopted online advertising and promotional strategies like offering health packages for a medical trip to India. By quoting the case of Baby Noor, a Pakistani child treated in Bangalore, Narayana Hrudyalaya has found a place for itself in the medical tourism front.

R Venkatesh (2008) extrapolates that, innovative marketing practices are essential in the medical tourism front. Modern bio medical equipments used, computer aided devices, internet marketing, accreditation by Joint Commission International (JCI),
Continuous Quality Improvement (CQI) and Total Quality Management (TQM) is influencing the promotional efforts of hospitals in India.

India4Health.com (2009) argues that patients from around the globe have realized the enormous potential of modern and traditional Indian medicine. Indian hospitals, medical establishments and the government of India have also realized the potential of this niche segment and have begun to tailor their services for foreign visitors. International marketing divisions have been set up by most of the top Hospitals in Bangalore like Sagar, Apollo, Wockhardt, Narayana Hrudyalaya which are popularizing this niche segment. They further add that, judging by the buzz in the hospital circuit, it won’t be very long before every cosmopolitan private hospital offers yoga, ayurvedic massages, aromatherapy, mudbaths, pranic healing, reiki and meditation classes. With time, more and more visitors will flock to this part of the globe for their treatment and relaxation needs.

Srikanth and Ghosh (2006) observe that, Co-branding is an innovative idea that the neo – marketer needs to learn and adopt. This is a mechanism wherein companies come together and offer consumers a new product with the blend of their respective expertise. This has all the advantages like, enhanced product features, quality satisfaction and the pride of being associated with multiple brands at the same time which can attract more consumers. This can be used as an effective product positioning strategy where competition is very high.

Rani Sheeba (2007) outline that a focused tourism promotion and aggressive marketing efforts are required to attract tourists to a destination. The marketing effort should include the creation of a tourism identity, packaging products to attract target markets. This should be supported by advertising in appropriate media to create awareness and interest. Further aggressive sales promotion as a unique destination, travel trade, special events can be very effective.
Arabi (2007) explains that online tourism is a dynamic growing industry in the globalized world. Internet has underlined the structure of tourism globally. The reach of online tourism markets is wide due to the growth of new tourism products in developing countries, necessity to address specific market segments and to get competitive advantage. Foreign tourists are looking for tailor-made vacations, exotic destinations and experiences, and expect to obtain information online. E-tourism strategy should be developed based on a holistic approach involving a combination of all stakeholders in destination marketing.

Sarvani and Mukund (2007) explain that branding a tourist destination is crucial in attracting international tourists. They quote Kerala tourism as a textbook example of tourism promotion through branding. Kerala’s branding of “God’s Own Country” and “One Billion People, One Thousand Languages and a Surprising Number of Places to Seek Inner Peace” of the Incredible India campaign and its success suggests the importance of branding tourism products. By seeing the success of Health Tourism branding by Kerala, Karnataka has started taking steps towards branding and marketing itself as one of the health-care destinations.

Purkayastha and Fernando (2008) explain that “Atithi Devo Bhavah” campaign of ITDC to promote international tourism to India has aimed to change the attitude and behavior towards foreign tourists by stressing on the aspect that a guest in India is treated like God. They add that “Atithi Devo Bhavah” campaign has been successful in creating interest for foreigners towards medical tourism front in India.

Henderson (2003) opines that there is immense potential to co-brand medical tourism with Ayurveda. This creates a niche market for foreign medical tourists and is like killing two birds with the same stone. They come for the surgery, stay for the sites, vacation and adventure. So, treatments that augment standard medicine with Yoga and other traditional Indian healing should be pushed.
Confederation of Indian Industries (CII) Bulletin (2006) explains the importance of co–branding medical tourism with Indian therapies. The government has launched a Rs. 125 crore project for the scientific validation of Indian therapies like Ayurveda, Naturopathy and Sidha. The aim is to integrate this with the allopathic systems of medicine and thereby increase its coverage. CII has taken the lead in mapping the opportunities in taking Indian healthcare to the world.

Sagar (2005) argues that, Bangalore will become a major medical hub because of its leadership in the remote delivery of IT services and cost competitiveness. He adds that, “a cardiac procedure costs $ 40,000 to $ 60,000 in the United States, $ 30,000 in Singapore, $ 12,000 to $15,000 in Thailand and only $ 3000 to $ 6,000 in India. Further, there is not one operation that cannot be done in their hospital and is done abroad.

Sandeep (2006) explains the major factors attracting foreign medical tourists to Karnataka. It is emerging as a preferred destination for health treatments mainly because of the availability of best treatments in modern medicine and traditional methods of treatments such as, Ayurveda, Homeopathy, Naturopathy and Yoga. Hence, it is possible for foreign patients to get package deals including flights, transfers, hotels, treatment and post–operative vacation in Ayurvedic spa.

KSTDC Report (2006) describes the advantage enjoyed by Bangalore as a global destination for IT, BT and particularly medical tourism. It also explains various strategy initiatives taken up by the government to make the best use of available opportunity.

Puri and Kapadia (2006) argues that, most of the Super Speciality Indian hospitals are into promotion of Medical Tourism. Similarly, at an Indian Medical Tourism Expo in U. K. in 2005, 25% of visitors were seeking medical treatment in India. Travel agents like, Taj Medical Services, India 4 Health, Mediscapes.com are playing a major role
in attracting more foreign medical tourists to India. They add that, in Bangalore, patients check out of leading hospitals and recuperate at places like, Soukya, a health farm, with Ayurvedic treatments available. So, “forward integration with hospitals, backward integration with holistic Indian systems of medicine is the mantra” of promotion of medical tourism in Karnataka. Ayurveda is not what Singapore and Thailand can bring to the health bazaar.

Reddy (2003) suggests that, “if India can build its brand in the Medical Tourism front, there will be no stopping it”. Satisfied customers, free publicity in the western media for top Indian hospitals for delivering on price and quality, Indian Accreditation Board’s initiatives, price – banding, BBC advertorial, etc. are doing the promotion activity for these hospitals. He further adds that, a hospital should send patients to a place where they can recuperate after surgery.

Sarvani (2006) argues that, small countries like, Malaysia, Thailand, Dubai, Singapore in 1980’s and 1990’s decided to take brand building measures to attract foreign tourists. They are getting the results now by tapping maximum number of foreign medical tourists. She adds that, Kerala has topped other states in India in Medical tourism under the caption of destination branding.

George and Govind (2006) explain that, “Incredible India” campaign launched in 2002 was a major initiatives by the Government of India to promote India as a tourist destination. This campaign has projected India as an attractive tourist destination for world class medical treatments, Ayurveda, Yoga and other traditional Indian therapies.

Selvam (2006) explains that, India is attempting to position itself as a much sought after “medical tourism destination”, attracting foreigners with its low- cost, world-
class medical treatment. In the competitive medical tourism market, India is the only country which can offer a holistic mix with different forms of medication including Ayurveda, meditation, yoga and allopathy. Hence, the author feels that, the Indian healthcare industry should work more closely with the industry chambers and various government departments to spread the awareness and remove hurdles those pertaining to quality medical treatment through accreditation ease of visa, better connectivity of flights, etc.

Singh (2004) argues that Branding is central to developing the image of India as a medical tourism destination. Strategic alliance with spas providing Traditional Indian therapies, insurance players, airlines, tour operators, NHS, and foreign doctors on a revenue sharing basis would lead to an increase in the number of foreign medical tourists. According to him, provision of traditional Indian therapies with mainstream medical tourism as a package can enhance competitive edge for India in the Medical Tourism front.

Misra and Pallavi (2008) opine that, a brand derives strength from its experience with its customers and CRM is all about providing customers a great experience. In this regard, co – branding enables the companies not just to reach to one another’s customers effectively but it also allow them to grow as genuine value providers. So, co – branding helps the companies to enhance its customer base.

Prideaux and Cooper (2004) examine the relationship between destination growth and destination marketing by investigating the relationship between destination marketing organizations and local government authorities. They opine that the role of local government authorities is essential if destination marketing authorities are to operate effectively.

Munshaw (2004) explains that, the Indian travel industry is treading on new paths and exploring newer business models in a competitive business environment. So, there is a need of niche marketing to get the competitive edge for India as a tourism destination.
Suresh (2004) argues that, competition is triggering innovative promotional strategies by governments, tourism boards and other tourism stakeholders. Progressive policies, expansion of the product range, cross – industry partnerships and customized packages are some of the initiatives triggered by the need to be innovative in a highly competitive scenario.

Kant (2004) suggests that developing a strong image for India in Tourism requires a carefully planned brand strategy based on:

1. A well defined and unique brand personality.
2. Selection of the correct positioning strategies
3. “Themed” product development
4. Consistent and appropriate advertising and promotion and
5. Careful brand guardianship.

Kim Cheng (2007) expands the ordinary seven P’s of Services Marketing to 10 P’s. He further discusses the 10P’s as 10 S’s from the healthcare customer’s perspective. The 10S’s are, Service, Standards, Smile, Simple, Speed, Solutions, Security or Safety, Synergy, Stretch, Special which lead to successful marketing of healthcare services. He adds that Co – branding can be very effective in Healthcare Marketing.

Venkatesh (2007) finds that, the most significant feature of health travelers to India is that, the low cost treatment here comes with a holiday package since after the treatment or operation, for example, a cardiac surgery, the patients can relax in a spa.

Acharyulu and Reddy (2005) argues that, India is undergoing a healthcare revolution and emerging as the global destination for medical tourists. They stress the
importance of logistics and supply chain of a hospital for an international patient and show that, provision of both modern and traditional system of medicine as an unique advantage of India.

Hankinson (2003) provides a framework for a relationship network brand. He proposes that the pull of destination brand is dependent on its image which in turn is dependent on four key dimensions. These dimensions are:

- Destination brands as perpetual entities
- Destination brands as communicators
- Destination brands as relationships
- Destination brands as value enhancers

The model proposed by Hankinson, provides a useful framework along which India can be branded as a medical tourist destination. Relevance of destination branding is ever increasing due to competition among tourism markets all over the world.

### 1.6 Relevance of the study

**Co-branding** is the practice of using multiple brand names together on a single product or service. The term can also refer to the display of multiple brand names or corporate logos in a single website, so that people who visit website see it as a joint enterprise. When effectively done, co – branding provides a way for companies to combine forces so that their most efforts work in synergy. It is very effective to target specific markets with advertising by means of banner ads, logos, etc.
Application of the concept of co-branding to medical tourism is in terms of creating a unique selling proposition for foreign medical tourists, by combining modern healthcare treatment with traditional Indian therapies. It can be described in terms of a modern treatment with pampering and wellness, which gives the foreign medical tourists, feel good through services such as massages, herbal wraps and exfoliating scrubs, and helping them to stay well, both physically and mentally (Ross, 2004).

Combining holiday with health and well-being is reported to bring immeasurable benefits to health, including enjoyment, personal growth, development, well-being and freedom from stress (Jones 2003). If the healthcare organizations co-brand with one another, it can bring synergy and attract more number of foreign medical tourists to the state. USP of the state of Karnataka in terms of availability of treatments in both the types of medicine has to be utilized to make it mutually beneficial. This study is relevant as medical tourism is identified as one of the fastest growing service industries in the state. Bangalore in particular has been identified as “garden of life” by the Department of Tourism. However, Karnataka is facing tough competition from other states in India as well as from other countries like, Singapore, Thailand, Malaysia, South Africa. But, they cannot provide both modern and traditional therapies at the price that is charged in Karnataka. Therefore, the need to co-brand these two types of therapies is identified as the purpose of this study.

1.7 Scope and coverage of the study

It is advantage India in medical tourism because, other competitors to India like Indonesia, Singapore, Malaysia and Thailand cannot offer traditional Indian systems of medicine as a package. With the co-branding of medical tourism and other Indian systems of medicine niche market can be created.

Co-branding of medical tourism with ayurveda and other traditional Indian therapies is considered as a business model, a critical success factor for the promotion of medical tourism in India. Mutual co-existence and collaborative opportunities will
attract consumer to Indian healthcare tourism. In order to differentiate Indian healthcare tourism, it is important to integrate the inherent strengths of Indian health care with the global trends. With ayurveda becoming increasingly popular across the globe, this ancient Indian therapy can be used as a non-surgical treatment for various ailments along with meditation and yoga.

Ayurveda, evolved around 600 B.C. in India, has been popularized by Kerala to a great extent for centuries. Today, it is an indispensible branch of medicine. It is a complete naturalistic system that depends on the diagnosis of body humours, vatha, pittha and kapha to achieve the right balance. There are different types of treatments like, rejuvenation therapy, body immunization and longevity treatment, body sudation, beauty care, body slimming, herbal massages, etc. The ayurvedic physician will decide a separate program for every individual after evaluation.

Other prominent Indian systems of medicine which lure foreign patients are aroma therapy, yoga, meditation, naturopathy and holistic treatments. Even yoga and meditation based centres like, Art of Living, Vipasyana have 20% of their visitors from foreign countries. From luxurious resort type spas to traditional therapy centers, Karnataka offers an array of wellness services. This unlocks the power of India’s traditional knowledge of healing. It has been found that foreign medical tourists are attracted to Karnataka not only for having modern treatments in super speciality hospitals, but also for preventive and rejuvenation therapies offered by spas, resorts, naturopathy centres providing traditional Indian therapies. Demand for these treatments is continuously increasing especially from European countries, U.S.A. and Middle East countries.

Therefore, the existence of both modern super speciality hospitals on the one side and traditional therapy centres on the other side can be made mutually collaborative. Hence, this research is an attempt to study the potential and the scope for co – branding of medical tourism with traditional Indian therapies in Karnataka.
The scope of this study is restricted to healthcare organizations in Karnataka which have popularized themselves as the destination for medical tourism globally. Most of them are have aggressive promotional strategies in order to attract foreign medical tourists from various countries of the world. However, other healthcare organizations can equip themselves with the roadmap shown by these pioneering healthcare organizations.

Therefore, responses from thirty healthcare organizations in Karnataka are collected with the help of a structured questionnaire. Further, another set of questionnaire is used to collect information from foreign medical tourists from these healthcare organizations. These healthcare organizations include, both modern super speciality hospitals and spas providing various traditional Indian therapies. The growth of medical tourism in these organizations and the marketing strategies are studied in detail. So, the scope of co – branding from both the demand side and supply side is studied.

1.8 Objectives of the study

The proposed research study aims to accomplish the following objectives:

(I) To review the present status of medical tourism in Karnataka.

(II) To review international marketing practices in relation to medical tourism.

(III) To analyse the need for co-branding of medical tourism with ayurveda and other traditional Indian therapies.

(IV) To study the feasibility of extending medical tourism as a venture in Malnad and coastal regions, with suitable packages.

(V) To study the factors determining success of medical tourism.
(VI) To analyze the effectiveness of advertising strategies adopted by the top modern hospitals and other renowned centres practicing ayurveda and other traditional Indian therapies.

(VII) To suggest suitable strategies in the creation of attractive packages with a combination of modern and traditional Indian therapies.

1.9 Hypotheses of the study

The study proposes to examine the following hypotheses:

1) “Medical Tourism in Karnataka is in its nascent stage”

2) “There exists a need for co-branding of Medical Tourism with traditional Indian therapies”.
1.10 Research methodology

1.10.1 Sources and methods of data collection:

Data for this research on medical tourism was collected through two different sources, primary and secondary. They are,

**Primary Data**: Primary data is collected from foreign in-patients of hospitals and hospital authorities through observation and survey method using the questionnaire.

**Secondary Data**: The secondary data is collected from the records of hospitals, foreign tourist spots.

1.10.2 Sampling:

Researcher took a sample of 30 super speciality hospitals and spas providing traditional Indian therapies in Karnataka. These centres attract a majority of foreign medical tourists with their world class medical facilities. Researcher was interested to get information from foreign in- patients in the hospitals and spas. For getting better information, 400 patients were selected randomly. The current trends in medical tourism and other traditional Indian therapies were collected from the major players – super- speciality hospitals, world class rejuvenation centres. Ayurvedic spas, Aromatherapy spots, Yogic centres were also considered in carrying out the study.

1.10.3 Coverage:

The study proposed to cover almost all the major players in the field of medical tourism in Karnataka. The purpose was to study the mechanism of co-branding of modern and traditional systems of treatment. For doing this, 30 hospitals including ayurvedic, naturopathy and holistic healing centres in Bangalore, Mysore, Shimoga, Chickmagalure and Udupi districts are considered.
1.10.4 Questionnaires:

a) One set of questionnaire was distributed among business development heads of various super speciality hospitals and spas providing traditional Indian therapies across Karnataka. The intention of the researcher here was to collect data with regard to infrastructural facilities including specialization of doctors, supporting staff and details of equipments, flow of foreign patients, nature of treatment, package offered, linked tourist spots, major treatments sought by foreign medical tourists, the scope for co – branding medical tourism with traditional Indian therapies, etc.

b) One set of questionnaire was distributed to collect opinion from the foreign medical tourists such as, facilities, reasons for choosing Karnataka for treatment, type of treatment sought, the scope for co – branding medical tourism with traditional Indian therapies, economic background, opinion of the treatment received, etc.

1.10.5 Analysis of data:

To make the study more comprehensive, exhaustive and prescriptive, a variety of SPSS tools were applied to arrive at meaningful results.

1.11 Limitations of the study

Since the study is an individual effort, the investigator would like to point out some unavoidable limitations that have entered into the study. They are the following:

1. The primary data required for the study are collected from 400 foreign medical tourists and 30 business development heads of various hospitals and traditional therapy centres only and are subjected to such normal errors inherent to social surveys. The information given by the respondents is from the recall basis. Moreover, the independent variables and the connected questions may not be exhaustive.
2. The scope of the research is limited to medical tourism destinations having suitable facilities to co-brand with one another. The study could not encompass other areas. Hence, the conclusions based on this study have their own limitations. However, the issue thrown up by this study are crucial and the implications of the findings are important.

3. The findings of the study are based on expressed opinions of the respondents, which might have its own limitations. The possibility of hiding certain facts from the parts of the respondents could not be ruled out, although all possible efforts have been made to elicit correct information.

4. To the best of the researcher’s knowledge, this study is one of the pioneering studies of its kind in Karnataka. Hence, the primary aim is to focus attention on the broader aspects of medical tourism and the scope for co-branding the same with traditional Indian therapies. It is hoped that this study will provide a base for further researchers.

1.12 Conceptual and operational definitions

Medical Tourism:

Medical Tourism refers to an increasing tendency among people from England, the U.S., and many other third world countries, where medical services are either very expensive or not available, to leave their countries in search of more affordable health options, often packaged with tourist attractions.

Health Tourism:

Health Tourism has emerged by combining health benefits with the pleasure of traveling to choicest places. It can be expressed in terms of pampering and wellness, which involves offering people an experience that makes them feel good through services such as massages, herbal wraps, and scrubs, and helping healthy people to prevent the problems so that they stay well both physically and mentally.
**Medical Tourism Package:**

A medical tourism package tour is an inclusive form of travel organized by intermediaries. Generally, it is a travel to certain hospitals from the home country, with arrangement of visa, air tickets, accommodation, and recuperation at traditional healing centres, sight seeing, etc.

**Foreign medical tourist:**

A person who is traveling from his home country to a foreign country in pursuit of a medical treatment.

**Branding:**

It is the process of making sure that perceptions of the customers about the company are shaped by a name, logo, color, form, symbol, design, or any other tangible way rather than by default.

**Co–branding:**

It is the practice of using multiple brand names together on a single product or service. The term can also refer to the display of multiple brand names or corporate logos in a single website, so that people who visit website see it as a joint enterprise.
Traditional Indian therapies:

It refers to holistic medicinal services in India like, yoga, meditation, Ayurveda, Sidha, Naturopathy, etc.

Unique Selling Proposition:

It is a feature enjoyed by one brand which is not available with its competitor’s brand. This is effectively used by firms to distinguish and position their products in market amidst tough competition.

Product Positioning:

Positioning is a form of market communication that plays a vital role in enhancing the attractiveness of a product. It seeks to find a slot in the minds of the consumer.

Conducted Tour:

A prepaid, pre – arranged tour in which a group of people escorted by a guide who stays with them from the start to the end of the trip.

Domestic Tourist:

A domestic tourist is a person who travels within the country, to a place other than his usual place of residence, for duration of not less than 24 hours and not more than six months at a time, for any of the following purposes like, pleasure, business, family, mission, meeting, study, religion, etc.

Tourism Infrastructure:
The basic public services needed for the successful operation of tourism enterprises and for optimizing the comfort of the visitors. It includes such services as roads, electricity, water, security, sanitation, and health services, telephone, internet services, communication, railways, airports, flight services, etc.

**Multiplier effect:**

The money spent by the tourist circulates through the economy and stimulates it, as it changes hands and is spent and re-spent a number of times. There is a chain reaction of spending and re-spending. This constant turnover of tourist expenditure is known as the multiplier effect.

**Tourism:**

The practice of touring or traveling for pleasure or recreation and the guidance or management of tourists as business.

**Tourist:**

A temporary visitor who is staying at least twenty – four hours in the country visited and the purpose of whose journey can be classified under one of the following headings: leisure (recreation, holiday, health, study, religion, sport, etc.), business, family, mission, meeting, etc.

**Tourism Product:**

The sum total of a country’s tourist attractions, infrastructure and tourist services that hopefully result in consumer satisfaction.

**1.13 Thesis Design**
The study report is presented in five chapters. They are:

**I CHAPTER - Introduction** - This chapter deals with the Preamble, Concept of tourism development, Significance of medical tourism, Survey of literature, Need and importance of the study, Statement of the problem, Scope and coverage of the study, Objectives of the study, Hypotheses of the study, Research methodology, Sources of data, Primary data, Secondary data, Sampling design, Coverage of Research, Questionnaires, Analysis of data, Limitations of the study, Conceptual and operational definitions, Thesis Design, and References.

**II CHAPTER - Introduction to medical tourism in Karnataka:** This chapter deals with the Introduction, Medical tourism – an Overview, Motivators of medical tourism, Medical tourism: demand and supply Dynamics, Growth of medical tourism in India, Growth of medical tourism in Karnataka, Destination Karnataka for medical tourism, Role of Department Of Tourism, Karnataka in the promotion of medical tourism in Karnataka, Kerala model of medical tourism and the scope for extending medical tourism to Malnad region of Karnataka.

**III CHAPTER – Co-branding of medical tourism with traditional Indian therapies – An overview:** This chapter deals with the International marketing strategies for medical tourism – present scenario, Necessity for innovative product positioning strategy, Marketing mix for medical tourism, Co-branding of medical tourism with traditional Indian therapies, Present scenario of co-branding medical tourism with traditional Indian therapies, Creation of package for co – branding medical tourism with traditional Indian therapies, Prospects of growth by co – branding medical tourism with traditional Indian therapies, Advertising Medias used for promoting medical tourism.

**IV CHAPTER – Data analysis and interpretation**
V CHAPTER - Summary of findings, suggestions and conclusions arrived at by the research, scope for further research.

1.14 Conclusion

Many foreign medical tourists visit the hospitals like, Narayana Hrudayalaya, Apollo, Wockhardt, Columbia Asia, Hosmat, Ramaiah Memorial, Sagar for curative treatments. They are cardiac, knee replacement, hip surgeries, rhinoplasty, etc. Some hospitals are also known for cosmetic treatments. On the other hand, there are spas providing holistic, and Ayurvedic treatments like, Ayurvedagram, Jindal centre of Naturopathy, Golden Palms Resort, Soukya Spa which offer variety of Ayurvedic, siddha, and naturopathy treatments.

Number of foreign medical tourists to India has been continuously increasing from 2000. The literature survey conducted and the primary data collected through various hospital visits reveal that the most important contributing factors for the growth of medical tourism are, the availability of world class medical facilities in Indian healthcare organizations, success rate of various operations, lesser cost of the treatments, availability of Ayurvedic treatments.

Medical tourism as a phenomenon is just over a decade old in Bangalore. Yet, with the help of the above discussed marketing strategies, it can become a very important medical tourism destination, attracting foreign patients from all over the world. Given the success of the IT industry here, Bangalore has become well known all over the world. It also has large number of top hospitals in the city and innumerable medical institutes and colleges. The climate is also an important factor, offering pleasant year round conditions for medical tourists. The cost of treatment, excellent climate, infrastructure, range of medical packages and levels of expertise have all helped to make Bangalore one of the most important medical tourism destinations in the world.

The CII McKinsey Report mentions that medical tourism in India is growing at the rate of 15% for the past three years and by 2012, Rs.10,000 crore will be added to
revenues of the private players. India in general and the state of Karnataka in particular has much scope for the development of medical tourism industry. A planned and co-ordinated effort between the healthcare organizations, the state tourism boards and the government is essential for harnessing the potential of medical tourism in Karnataka.