Chapter 2

Review of Literature

2.1 Introduction

Medical tourism is a revolutionary market which is sweeping the healthcare practices of India by drawing attention of foreign patients (Shetty, 2010). In India Medical tourism has a bright future and it trying to grab its share in global health market. However, during the last decade, the medical travel movement has accelerated sharply. The present phase of modern medical travel is characterized by an industry approach whereby uninsured and underinsured consumers from industrialized countries seek first-class quality at developing country prices, a trend commonly referred to as medical outsourcing (Turner, 2007). Medical tourism is a niche market attracting large number of patients from abroad. The swift development in the industry has arisen many questions regarding duplication of policies, wastage of human resources, medical facilities and about tourism products (Khan, 2010).

On the basis of the outlook observed for medical tourism industry, present study was framed to examine the marketing practices of the medical tourism industry during recession and upswing phases by exploring the factor affecting the industry in this context. Literature has been reviewed by considering the objectives of the study. Although, a wide literature has been available but the collected literature was complimentary with the objectives and variables defined under the study. The review of literature has been organized as under:

- Cyclical Variations and Marketing Practices
- Medical Tourism
- Marketing Practices for Medical Tourism

2.2 Cyclical Variations and Marketing Practices

The study of Indian economic cycles has been increasingly important due to India’s growing inter-relation with the world economy and the structural dynamism within the sectors. There are different approaches to study and evaluate cyclical fluctuations in an economy.
The slowing down of growth in the Indian economy has raised significant interest in business cycle indicators. The purpose of an early warning indicator is to detect economic recessions as quickly as possible (Patnaik & Sharma, 2002). These repetitive sequences through the indicator approach consist essentially of classifying economic indicators into leading, coincident and lagging categories and then combining the relevant components into corresponding composite indexes. Fuhrer and Schuh (1998) also rose the question what makes economies rise and fall. Researcher argue that one must first determine whether economic fluctuations arises from the decisions of government, market participants or simply from unexpected events called shocks. The study examined the reasons why Asian Economies plunged into recession as external pressures on vulnerable financial markets can lead to a sudden collapse with severe consequences for nonfinancial sectors.

Business cycle was characterized by Burns and Mitchell in 1946 as characterized business cycle as a type of fluctuation found in the aggregate economic activity of nations that organize their work mainly in business enterprises. Burns specified that a cycle consists of expansions occurring at about the same time in many economic activities, followed by similarly general recessions, contractions and revivals which merge into the expansion phase of the next cycle. A relatively later concept of the business cycle is the growth cycle. A recession begins just after the economy reaches a peak of activity and ends as the economy reaches its trough. Between trough and peak, the economy is in an expansion. The behaviour of business cycle in terms of procyclical, asyclical and countercyclical movements can be discussed. As noted by Moore (1982), the performance of an individual series may vary over different business cycles. Specifically, the components that perform best in each cycle may vary and it is not possible to gauge beforehand which of the variables is better for each turning point.

Moreover, Zarnowitz and Ozyildirim (2002) examined the GDP as a most essential indicator to measure the cyclical fluctuations and defined the business cycle as sequences of expansions and contractions in the level of general economic activity does not require trend estimation and elimination. Researchers compare cyclical movements in levels, deviations from trend, and smoothed growth rates of the principal measures of aggregate economic activity - the quarterly real GDP and the monthly U.S. Coincident Index - using the phase average trend (Nadkarni, 2012).
Business cycles in emerging markets are characterized by strongly counter-cyclical current accounts, consumption volatility that exceeds income volatility (Aguiar & Gopinath, 2004, Yamasawa, 2008). Cyclical movements of GDP and investment cause sudden stops in capital flows. Volatility of cyclical fluctuations differ significantly in emerging markets depends upon the variables (Leon & Fills, 2008). Joint harmonized EU programme of business and consumer survey provide essential informations for short term forecasting and economic research. Surveys are the key instruments to detect the turning points. EU business and consumer survey covers the industry survey, retail trade survey, services survey, construction industry survey and consumer survey with the help of monthly and quarterly questionnaires and provides the indicators for each variables.

Vidya and Acharya (2008) has analysed the exposure of India’s GDP emphasizing the service sector to cyclical fluctuations and try to explore stability and sustainability over future. The paper showed that service sector in India has grown faster than agriculture and industry. Moreover, Fuchs (1968) prospects the stability of service industry over the business cycle. The tendency for employment and earning to be less sensitive to business cycle in service industry than in goods producing industry. Maroto-Sanchez (2011) focus on the growth and cyclic behaviour in Spanish service industry. Researchers assessed the procyclical movements and homogeneity among different activities when cycles and trends are in isolation. Chitre (1982) had initially determined a set of growth cycle dates following the classical NBER procedure. Dua and Banerji (1999) later determined business cycle and growth rate cycle dates for the Indian economy. The new Indian economy has more cyclical features in common with other market economies. The study reveals that it was possible to identify leading indicators that were robust enough to work in a variety of market economies (Dua & Banerji, 2001; 2004). Various structural, institutional and policy changes contributed to the evolution of business cycle and the cyclical processes are stretched out & sometime compressed depending upon the long term trends in growth (Gordon, 1986; Kotler & Schultz, 1970).

Industries having large capital investment and fast moving technology dynamics have shown cyclical behavior very frequently (Mathews, 2004). With the help of porters five model Mathews has demonstrated the strategic choices of large size firms in cyclical environment. Durables goods and financial friction has shape the
cyclical variations of small economy with respect to shock to trend. In emerging markets financial frictions improve the ability of the model as compared to shock to trend (Aguiar & Gopinath, 2004; Leon & Fills, 2008).

During cyclical expansions real marginal cost rises empirically (Rotemberg & Woodford, 1999). Observed fluctuations in aggregate economic activity depend upon the variations in average markups and countercyclical markup and further the costs are modeled for fraction of cyclical movements. Parra, Brandao and Toledo (2011) examined how durable goods and financial friction shape the business cycle of a small open economy subject to shock to trend. The study concluded that shocks to trend play a less important role and financial frictions improve the ability of the model to match key business cycle properties in emerging markets. Moreover, Mack (1956) investigated full role of consumption in business fluctuations regarding shoe retailers in the earlier stage of production and marketing. Results indicate that shoes are about half way between make and sell sensitivity comparing with other consumer goods and also indicate that buying of shoes moves up and down with the major fluctuations in business affairs. Sumner (1940) hypothetically to the changes in demand elasticity during cyclical periods. Sumner argued that in depression years additional support may be found in the introduction of product innovation and cyclical behaviour of advertising add little or nothing to the elasticity of demand.

Cyclical sensitivity has major implications in service sector. Degree of cyclical sensitivity is very less in service producing sectors (Mohan, 2006; Wachter, 1980). The study have shown that the growth of employment in the services sector has continued even during economic downturns and concluded that a services-dominated economy promotes stability over the business cycle. Cyclical variations in the economy have been studied extensively by macro-economists on economic variables like GDP, Employment, and Income etc and much less attention has been given to business cycle fluctuations in marketing literature (Niemira & Klein, 1994). So there is a lack of understanding about the appropriate strategic market response regarding cyclical variations with respect to marketing strategies.

In tourism marketing, the main objective is to motivate more and more people to visit different places thereby enhancing the image of the location/destination and also to increase the revenues. In tourism marketing, the product is intangible and it covers a wide range of facilities provided to the tourists (Nigam & Srivastava, 2011).
There is a linkage between fluctuations in macroeconomic variables and marketing strategies. A systematic investigation has been carried out by using monthly national sales data, monthly advertising data, general economic conditions data and consumer survey data by Gijsenberg et al. (2009) and specified that spending pattern was less consistent and advertising elasticity did not effect by downturn. When an entrepreneur thinks that an increment of advertising expenditure will result in larger increment in profits, he will expand advertising budget and vice versa (Clarke, 1976; Kinter, 1947). The general pattern of cyclical fluctuations in advertising has been demonstrated by the Yang (1964). The article generalized how differently advertisers of different type of products and various sizes react to business fluctuations and differ in their cyclical sensitivity.

Sahoo and Patra (2011) analysed that marketer must know about the internal environment of tourism in terms of its potential trends and about the external environment regarding the features and place occupied by an enterprises, for defining marketing strategies of tourism industry. Aggregate advertising expenditures do not temporally precede the cyclical fluctuations in the national economy while business-cycle fluctuations induce important changes in the demand for advertising. Deleersnyder et al. (2004) examined how consumers adjust their purchasing behavior across different phases of the business cycle and explicitly consider whether aggregate advertising can influence economic contractions and expansions. Advertising effectiveness vary systematically with the level of involvement in case of product. Krugman (1965) stated that involvement with product could be analysed just by changing perceptions of the customers in the course merely by shifting the relative salience of attitudes.

Tourism Industry has always been a strong economic value creator both in terms of earning foreign exchange and providing jobs and by means of boosting of related businesses. It creates economic value through tourism sales (Dugar, 2007). Since firms’ reactions to sales fluctuations are heavily dependent on how these are perceived and understood (Dutton & Duncan, 1987; Tamás & Krisztina, 2015) and it is crucial for management to know to what extent the sales variations they experience can be attributed to business-cycle fluctuations. Therefore, it becomes essential to discuss to what extent over-time fluctuations in sales can be interpreted as business-cycle fluctuations. Business cycle and economic recession can affect the performance
in terms of market share, sales and profitability of the companies and found out that most basic strategy related to product policy is to withdraw weak products during downturn (Gordon. 2011; Koksal & Ozgal, 2007).

Medical tourism and health care industry is the largest industry in terms of revenue generation and employment (Emerging Market Report, 2007). The tourism and hospitality industry is largely dependent on the product image and perceived value of the possible customers (Brown, 1969). To create the positive image and perceived value, the tour operators and agents are necessary to have effective promotional plans. Most companies follow the business cycle in determining their advertising appropriation from the short point of view with regards to sales (Wagner, 1941). Researcher identified that effect of increasing sales efforts have had the undesirable effect of stimulating over extension of capital expenditure during prosperity. Srinivasan, Lilia and Rangaswamy (2002) showed that firms with a strategic emphasis on marketing, an entrepreneurial culture, slack resources and strategic flexibility are more proactive having direct and indirect positive effect on the sales of the company with respect to advertising. Kumar (2009) gave emphasis on the role of internet in the medical tourism. The study showed that most of the medical travelers used internet followed by newspapers for information with regard to the availability and facilities available in the Indian hospitals.

Persistence modeling has been introduced by Dekimpe and Hanssens (1995) to derive long term marketing effectiveness from time series observations on sales and marketing expenditure. Persistence modeling distinguishes long run effectiveness in stable vs. evolving environments and it provide formal link between marketing short and long run effects. The study provides the empirical support to the notion that growing emphasis on sales promotion may not be helpful to a brands long run performance. Purohit (2010) recommended that higher (lower) proportion of matured brands allocated to sales people in expansion phase and effective promotion of brands in contraction stage. Market characteristics such as brand market share, couponing activity, display activity and feature activities which explain the substantial amount of variation in promotional elasticity (Bolton, 1989). Proper destination branding is required to attract more Indian and international tourists. Different promotional strategies should be developed by the State and Central Government to lure more tourists within India (Nigam & Srivastava, 2011).
Similar to advertising elasticity, variations of price elasticities across brands and categories has been documented. Pricing is defined simply as the amount of money charged for a good or service (Kotler et al., 2013). Reinhart & Wickham (1994) characterized the behaviour of commodity price and highlight the importance of structural policies that facilitate the diversification in productivity. Results indicated that the weakness in commodity prices is mostly secular. Moreover Bennett (2005) has suggested that maintaining price stability did not have any effect on company performance during cyclical fluctuations in construction industry. Promotional elasticity has been defined by the George and Swamy (2006) by doing case study of three major hospitals in India (Apollo, Kerala Tourism Development Council and Amrita Institute of Medical Science and Global Health Tours) providing services of medical consultants, brokers and establishing rejuvenation centers so that customers need to visit over again.

A low-cost and more immediate solution to the value transfer problem lies in online intermediaries who can serve the interests of domestic hotel operators. The creation of formal markets in standardized tourism units, analogous to commodity and financial futures markets would be a major step (Ryan & Hoontrakul, 2003). Drastic tightening of credit terms might force a contraction of credit volume in periods of prosperity and expansion of credit in recessions. Kisselgoff (1952) suggested that cyclical fluctuations in installment sales credit and in consumer expenditures could be reduced somewhat by manipulating credit terms. The researcher analysed that size of the monthly installments payment is also an important factor in the consumer's purchasing decisions (Lamey et al., 2011). These facts indicate that cyclical fluctuations in consumer expenditures can be greatly influenced by changes in credit terms. Seldon (1963) shed light on the trends of commercial paper market in a manner in which funds flow into consumer credit. The study reveals that there are fairly pronounced cyclical pattern in the market. Paper placed through dealers tends to expand more rapidly during business recessions.

Price elasticity has significant effect on sale, so researchers with the help of a simple pricing model shows the dynamic behaviour concerned with a monopolist having objectives of earning profit by determining optimal pricing (Jazayeri & Jazayeri, 2011; Bolton, 1989). Like other international trade, competitive pricing has a great significance in the medical care to attract medical tourist at certain destination.
for undergoing medical treatment (Lee, 2007). In context of tourism perceived value pricing has a significant role. Perception of the customers towards products and services offered by the hotels considers as a critical mean for setting final price (Chieochankitkan, n.d.).

The tourism product in the form of attractions, experiences, and infrastructure – has a larger role to play in increasing length of stay, amount of money spent per trip and overall tourism revenues. To be successful in attracting customers from competitors, it’s essential that we focus and concentrate our resources on the best opportunity – and create programs and campaigns that are fully integrated. During cyclical fluctuations firms tighten their marketing strategies and reconsidered marketing budgets. McKinsey (2009) identified that top concern for every organisation are accountability and improvement in performance in times of economic downturn because dollar matters more now. Some managers reduce budget during unfavourable economic conditions and as well as reallocate marketing funds to those activities which generate short term cash flows (Goerne, 1991). The paper found out that managers redirect budget to those activities which are better able to generate more and immediate income by providing coupons and price promotions to keep their sales up. Karmakar (2011) analysed the competitiveness in medical tourism. Researcher has found out that Indian hospitals extend their services and provides free of cost opinions to patients and easy to avail services. As cost and quality are basic attraction of the medical tourists but it is also the environment in which care is delivered. From a cultural perspective, persons traveling abroad for care will want the environment to mirror the home country and comforts (USAID, 2009).

2.3 Medical Tourism

Industry of tourism is one of the most dynamically developing sectors of economy. Tourism is the complex of relations, connections and phenomena, accompanying a journey and stay of people in places which are not their permanent or prolonged residence and unconnected with their labor activity. Medical tourism is a new form of a niche tourism market which has been rapidly growing in the recent years. In social life, tourism and hospitals are exists at two different polar. It is a quite sturdy task to join these two. Tourism is considered as leisure activity which is free from obligations (Graburn, 1977) and also connotes as time for experience of pleasure. In contrast, hospitals depicts image of suffering, pain and diseases.
The term medical tourism gain importance a few years ago and distinguished as a fastest growing industry where patients from industrialized countries travel to avail high quality health services in developing countries at marginal prices (IITTM, 2011). In medical tourism, tour operators and specialized hospitals are identified as service providers. Medical tourism has also characterized as a travel which was motivated due to uninsured and underinsured patients in their home country. This trend deemed as outsourcing of medical care (Biesa & Zacharia, 2007).

Earlier to avail medical facilities across the border, only rich people travelled from one country to another country. Generally it was observed that people from underdeveloped and developing countries were moved to developed nations but during recent years scenario has been changed. Now people from developed nations travelled to developing nations to seek medical care at affordable prices. Medical tourism demonstrated demand of leisure and pleasure with treatment. Ko (2011) has developed a medical tourism system model. The model adopted the basic principles of tourism model introduced by Leiper (1995). The model consist of medical tourists generating regions (MTGRs), medical tourist destination regions (MTDRs), medical tourists, medical service providers, medical tourism products, areas of medical tourism services and types of relevant human resources.

In medical tourism industry, for different target segments, different products are positioned accordingly. To express the positioning of services for foreign patients, each segment has been delineated as medical tourists. What is the motivation behind the medical travel, a typology has been suggested by the Cohen (2010). Cohen has illustrated five types of tourists as mere tourist, medicated tourist, medical tourist proper and vacationing patient and finally mere patient. Mere tourists does not avail any medical service in host country and mere patients travel abroad solely to receive medical care. Medical tourism is a growing industry and captured the attention of world. McKinsey (Ehrbeck, Guevara, & Mango, 2008) explained the types of medical tourists on the grounds of quality care, faster service, lower cost, less waiting time and advanced technology. It has been observed that 32 percent patients’ focused on quality care along with price trade off as compared to their home country and 40 percent patients were in hunt of advance technology available anywhere in the world. Along with quality care at low prices, some other factors also considered by United Nations Economic and Social Commission for Asia and Pacific (UNESCAP) in 2009.
report for categorizing medical tourist. Increased demand of cosmetic surgery and non surgical treatments has motivated patients for travelling across the border. Inadequacy of health insurance and high waiting time also has been classified as the major reasons of travelling. Level of risk in medical procedure also segmented the medical tourists. Having high price difference with low risk and low price difference with high risk has been considered by the medical tourists on the basis of their diseases and treatments. Few medical treatments like surrogacy were banned on some countries. Hence patients travel to host country for availing medical treatments that were banned in their home countries

2.4 Marketing Practices for Medical Tourism

The past few years have seen the emergence of India as a credible healthcare delivery destination, with a strong backbone of clinical talent, contemporary infrastructure and very cost effective delivery (Mudur, 2004; OECD, 2010). The steady and aggressive growth of the economy has provided a huge momentum to India’s healthcare sector. With a view to provide quality healthcare, government and private, both players are exhibiting keen interest to promote the growth of this sector due to steep growth rates (Deloitte, 2008; Grail Research, 2009; IITTM, 2011). India is witnessing a steady increase of overseas patients particularly from Bangladesh, Nepal, Afghanistan, Uzbekistan, Kazakhstan, Middle East, and Africa, parts of Europe, UK, and USA (Emerging Market Report, 2007; Karmakar, 2011). The Indian Prime Minister’s Council on Trade and Industry policy framework for reforms in health care (Ambani and Birla, 2000) declares an objective to develop and promote India as a destination for affordable and high quality medical services in the global health care industry.

2.4.1 Distinct Products/Services Offered

Since medical tourism is a new phenomenon, much published data is not available. A recent trend has shown that people from developed nations are seeking treatment from the developing countries (Johnston, Crooks, Snyder & Kingsbury, 2010; Reddy & Qadeer, 2010). At individual and community level, lifestyle is growing rapidly leading towards various numbers of problems termed as lifestyle diseases. Therefore, need arises to de-stress and introduce distinct medical products to resolve the dilemma (ECLAC, 2010; Helble, 2011; Smaha, 2010). Hospitals are traditionally not in tourism business but understanding the importance of sustainable practice towards
their consumers, are now in the hunt for providing medical tourism services to them (Bristow, Yang & Lu, 2011; Eggertson, 2006; Kumar, 2009). In this regard Whittaker (2008, p. 273) has put in plain words the exact state of affairs of hospitals as relaxed, resort-type, accommodations, conducive to convalescence and rehabilitation, with services.

To promise high quality health care hospitals are looking for accreditation from JCI as more than 200 hospitals worldwide have been accredited. Accreditation is predominantly essential because it can offer consumers and employers a level of assurance that the services provided are comparable to those available in their respective home countries (Deloitte, 2008; Grail Research, 2009; Leng, 2007; IMTA, 2011a). In the health industry, the product represents goods, services, or ideas offered by a healthcare organization. The product is difficult to precisely be defined in healthcare, creating a challenge for healthcare marketers (Faidon & Vasiliki, 2012; Hazarika, 2010; Lunt, Smith, Exworthy, Horsfall & Mannion, 2011; Rath et al., 2012). Medical tourism model endowed with surgical procedures; dental treatment, facelifts, hair transplants, liposuction and non-surgical procedures; hair removal, most of which are not covered by health insurance and are either costly or restricted for legal reasons in most developed countries (Kaplan, 2016; Shetty, 2010; Turner, 2007). Many hospitals in India, Thailand, Singapore and Malaysia have provided hotel like amenities to the patients. In order to provide attractive offers, hospitals provide maximum comfort to the patients in form of private elevator, discreet expedited check in process, special in room services, adjustable beds, and medical friendly bathrooms design & fixtures (Dawn & Pal, 2011; Grewal et al., 2009; Khan, 2010; Kumar, 2009; Suthin, Assenov & Tiratsatayapitak, 2007).

Receiving safe and quality care is the primary issue for consumers considering outbound medical tourism as a treatment option (Chinai & Goswami, 2007; Faidon & Vasiliki, 2012; Hall & James, 2011). Destination countries are offering best treatments in both conventional medicine; Ayurveda, Homeopathy, naturopathy & Yoga and modern medicines; cardiology, orthopedic surgery, gynecology, cosmetic surgery & dental surgery (Horowitz, Rosensweig & Jones, 2007; Kalshetti & Pillai, 2008; Yaman, Alias & Ishak, 2012). Variety of health care products, capturing larger
market, in expanded areas provides manifold alternatives to the distant tourist (Hadi, 2009; Kangas, 2010; SIGNET, n.d.).

Medical destination countries, by providing access to a set of service packages, encourage patient’s preference with alternative costs and unfound quality in developed nations (Hadi, 2009; Kumar & Sangeeta, 2015; Lee, 2010; Rath et al., 2012; Turner, 2007). Thus, India is on the edge to play an essential role in medical tourism, fastest growing industry, of extensive repute in surgical treatments. With continued efforts and initiatives of hospitals by rapidly offering the superior medical services and treatments, medical tourism is expected to grow @ 15% per annum over the coming few years (Bhat & Jain, 2006; Emerging Market Report, 2007).

2.4.2 Price Effectiveness

Like other international trade, competitive pricing has a great significance in the medical care to attract medical tourist at certain destination for undergoing medical treatment (Lee, 2007; Rath et al., 2012). Lower cost is key aspect that catches the attention of patients from high developed nations to less developed countries (Hult & Philipson, 2012; Johnston et al., 2010; Sood & Cox, 2008). The accessibility of economical pharmaceuticals, lower labour costs, and deficiency of insurance encourage developing countries to offer treatments at significantly lower prices by including travel and accommodation (D’Essence Consulting, 2004; Grewal et al., 2009; Whittaker, 2008). Cost saving differ by destination and by procedure according to specific commercial and non commercial sources (Hall & James, 2011; Kumar & Sangeeta, 2013; Martin, Ramamonjiarivel & Martin, 2011). A shoulder operation performed in India within 10 days from the initial contact, would cost $ 1700 compared to rich nations cost approximately $ 10000. For instance hip replacement that cost about $ 50000 in USA will cost $ 8000 in India and Thailand (Deloitte, 2008; ECLAC, 2010; Smaha, 2010).

India, Thailand, Singapore and Malaysia have a competitive advantage in pricing in spite of high standard of medical treatments and services offered to the patients (Kalshetti & Pillai, 2008; Shetty, 2010; Tourani, Tabibi, Tofiqhi & Zadeh, 2010). Smaha (2010) has put out the two categories of patients one which consist of middle income adult patients who needs surgical treatments not having insurance coverage and second who have insurance coverage seeking lower price medical care.
Medical travel provides an opportunity to reduce cost by as 94% of total USA, UK’s cost of procedure (Graal Research, 2009). Limited involvement of third party payers, less stringent regulatory environment, and lower cost associated with the malpractice litigation and insurance coverage (Emerging Market Report, 2007; Karmakar, 2011).

For inbound and outbound tourists, most of the operational treatments are done on the basis of exclusive packages. Since expenditure has been fixed prior to operation, patients need not to be worried about aforesaid practices (Grewal et al., 2009; Hall, 2011). Most popular destinations for medical tourism are termed as ‘third world’ and offering first world health care. Turner (2007, p. 309) has explained third world price as average price of the cost of the procedure, accommodation, travel expenses and all other expenses. India had come late into medical tourism market but catching up other competitors to turn out to be chief health care provider (Dawn & Pal, 2011; Kumar, 2009; Whittaker, 2008). The main strength of the Indian approach is its capacity to provide medical services at the lowest cost among all international health care providers.

2.4.3 Channel Decisions Facilitate to Consumers

Aiming opportunity to travel to exotic locations and spending vacations in lavish locations lead some patients to exert medical care abroad. Effective marketing is unified with adequate channel decision. The major hospitals seeking patients will have to focus on messaging and offers, delivered to niche. Positioning the distribution channels and constructing a message will serve as a decisive proposal for growth in this sector (Kalshetti & Pillai, 2008; Kotler & Keller, 2008).

For disseminating information related to medical and non medical care services, healthcare service providers are using internet; the most effective way to reach the product to its target customers (Lunt, Hardy & Mannion, 2010; Turner, 2012). Interactive communications, full description of treatment and quality assurance have been put on the website so that potential patients may easily locate the desire medical services (Bezruchka, 2002; ECLAC, 2010; Laesser, 2011). Along with internet, medical travel agents are major link between hospitals and patients, who recommend patients about best treatment facilities available in destination country (Heung, Kucukusta & Song, 2011; Khan & Alam, 2014; Peters & Sauer, 2011; Turner, 2012). Foreign tour operators, insurance companies, travel agents, local tour
operators, and independent medical referral companies are the chief channels which facilitate consumers to avail medical facilities with best care and affordable prices (Lunt et al., 2010; SIGNET, n.d.).

Although medical tourism agents and travel professionals facilitate the tourism aspect of offshore care by managing the channel decision because the recreational value of travel has decreasing importance to patients with complex medical problems (Fortis Healthcare Annual Report, 2012; Martin et al., 2011; Mohamada, Omarb & Haron, 2012; Voigt, Brown & Howat, 2011). The primary reason that medical centers in developing countries are able to provide healthcare services inexpensively is directly related to the nation's economic status. India’s corporate hospitals such as Fortis, Apollo, Max Care, AIIMS, Escorts hospitals etc are honored to make country a medical destination by offering world class treatments’ (a combination of traditional and modern medical practices) and less waiting time (Eggertson, 2006; Jagyasi, 2010). Overstretched health plans in industrialized nations push patients to move to more relax planned countries likewise India where corporate hospitals provide elective surgery in minimal waiting period (Garg & Bhardwaj, 2012).

Around the world, various medical travel companies have set up linkages with the hospitals in India (Grewal et al., 2009; Rath et al., 2012). Delhi, Mumbai, Bangalore and Chennai gratify more no. of patients by enhancing infrastructural facilities, coordinating facilities, hospitality services, and medical transportation. Many hospitals in India are expanding their business abroad so that follow up care of foreign patients may carry out in operating units (Apollo Healthcare Annual Report, 2011; Crooks et al., 2011; Suthin et al., 2007). Hence here it could be concluded that channel decisions have a unified role among marketing practices.

2.4.4 Promotional Effectiveness

Health care service providers adopted an approach that most multinational and corporate business enterprises follow in terms of designing marketing strategies, pricing, branding, management and maintaining the quality of services (Bookman & Bookman, 2007; Rerkrujipimol & Assenov, 2009; Turner, 2007). This approach, along with increasing global integration of businesses, and the cost & wait-time crises in western health care systems, created opportunities for many health facilities in
developing countries (Bezruchka, 2002; Emerging Market Report, 2007). Advanced communication technology made crucial changes in the development of medical tourism industry as it becomes quite unproblematic to locate the best medical facility over the world. Travel agencies provide reassurance, legitimacy and a proper check out for right medical care according to patient’s conditions (Khan, 2010; Lam, Cros & Vong, 2011; Tourani et al., 2010). Crooks et al. (2011) argued that best medical practices is to inform the patients each and everything about the medical procedures, medical treatments, tourism opportunities and travel arrangement. Promotional costs are higher if brochures and booklets produced for developed and developing nations separately. To minimize costs, promotional materials can be produced same for all markets.

To better inform the potential patients, corporate hospitals of developing nations participate in trade fairs, travel marts, exhibitions, conferences and advertised in travel magazines (Dawn & Pal, 2011; Rerkrujipimol & Assenov, 2009). Healthcare service providers advertise in both local & global media and attempt to create awareness with the help of articles or news related to latest accreditation, medical treatments. Moreover, hospitals and health care service providers’ collaborate with the medical schools/universities to exchange knowledge and to promote medical facilities (Boga & Weiermair, 2011; Crooks et al., 2011).

Government of destination countries has also take initiatives in promotion of medical tourism as destination countries established medical travel associations and websites so that potential patients can approach easily desired treatment (Georgescua & Necsoib, 2013; Lunt et al., 2010; Lunt & Carrera, 2011; Turner 2012; Viladrich & Baron-Faust, 2014). Government provides various value added measures for the development of health service (Whittaker, 2008). Reforms of medical benefits scheme in India by providing 1 year’s visa validity to the foreign patients make eager to the private owned hospitals to attract patients from abroad (Chinai & Goswami, 2007; IITTM, 2011). Promotional elasticity has been defined by the George & Swamy (2006) by doing case study of three major hospitals in India (Apollo, Kerala Tourism Development Council and Amrita Institute of Medical Science and Global Health Tours) providing services of medical consultants, brokers and establishing rejuvenation centers so that customers need to visit over again. It, therefore, implies that promotional effectiveness catches the attention of local and international patients.
2.4.5 People Effectiveness

Among all the services, health care services are front line jobs as employees span the boundaries between inside and outside the organizations. Healthcare professionals were expected to be efficient and fast in performing skills. From the patient’s perspective, encounter with the service staff, well trained doctors and nurses is the most important aspect of a health service (Lovelock et al., 2007; Carney, 2011). To attract the foreign patients, healthcare service providers should stress on the role of people element in such a high contact service. In low contact services, people are not visible highly but through phones, mails they are able to reach at patients to resolve their problems (Kotler & Keller, 2008; Zeithaml & Bitner, 2012). Healthcare service required both low contact and high contact reach to the patients depending upon the level of involvement. To create an effective value exchange between the organization and patients, skilled medical professionals as well as administrative personnel are required. It was acknowledged by all the research reports that having qualified staff and specialized doctors build a competitive advantage to the hospitals (Beladi, Chao, Ee & Hollas, 2015; Boga & Weiermair, 2011; Khan, 2010).

Effective management of human resources is the only key to be a successful in the competitive arena while discussing about medical tourism particularly. From the websites, promos and visiting various hospitals it was observed that in high contact services like medical care, front line staff closely connect the marketing department with operational department by analyzing patients’ need, service delivery and by personalizing relationship (Turner, 2012; USAID, 2009). In developing people related strategies, hospitals needs to invest in personnel while exhibiting the obligation towards economic payoff for the employees. Global health market has been changed due to technological innovations, globalization and market economy and builds a way for medical tourism (Chanda, 2002; Hadi, 2009; IITTM, 2011). The paper raised other side of the expansion that human resource moving frequently from public hospitals to private stepping up an internal brain-drain. A full set of rewards, considerable pay, recognition and feedback should be done by healthcare firms to motivate employees. This would further help in reducing brain drain in the hospitals (Berkowitz, 2011; Han & Hyun, 2015; Lovelock et al., 2007; Ye, Qiu & Yuen, 2011). Moreover, shortage of trained medical staff and non availability of skilled human resources was major trouble in front of health care organizations. More often communication skills of
administrative staff, marketing and HR personnel also raised question o the effectiveness of the people processing units (Lam et al., 2011; Mainil, Platenkamp, & Meulemans, 2011).

Medical tourism posed adverse effect on the public health system and on workforce in India (Hazarika, 2010). Private hospitals have great potential in attracting foreign patients due to change in infrastructure, enhancement of value added services, better-quality management techniques and advanced information system. That’s why human resource moves towards private health care system due to availability of more jobs and good work profile in a clean and unhygienic environment (Anvekar, 2011; Hall, 2011; Jadhav, Yeravdekar & Kulkarni, 2014; Yu & Ko, 2012;). This leads to the internal brain drain in public hospitals as skilled professional accept offers of private hospitals to get higher salaries and better work place. Basic reason behind this is the ignorance of government on quality related issues in public health system (Berkowitz, 2011). Public health care system should fulfill the need of human and physical capital to be a competitor of public health system for attracting foreign patients. In order to develop medical tourism effectively there should be link between private and public health care system and gap of quality care should be removed between two (Chanda, 2002). A mutual partnership required between source and destination countries, public and private health service providers and ethical, legal and standards must be developed to safeguard the national health system in countries (Mainil et al., 2011).

2.4.6 Process Effectiveness

Creating a real time service is not an easy task. Description of methods and sequencing them in an order is quite challenging job for the service organizations. Processes are termed as architecture of services (Lovelock et al., 2007; Zeithaml & Bitner, 2012). Marketer and operational staff in hospitals need to work together for designing the services and fulfilling the customers’ expectations. In medical tourism customers (patients) are the integral part of every operation and activity performed in hospitals and these services becomes their experience (Connel, 2006; Martin et al., 2011).

Blueprinting of healthcare services is a powerful tool to understand and improve service processes to shape the experience of patients and their companions
too. To identify fall points in service delivery and to reduce them is an important insight for service redesign. Blueprinting of service carried out by defining the standards in health services (Zeithaml & Bitner, 2012). As JCI accreditation is one of the most highlighted standards in attracting a large pool of patients. Sequencing of actions is prescribed by blueprinting as line of interaction and support processes (Service personnel and information technology) build the process in medical tourism (Berkowitz, 2011). Finalizing the appointment time with doctors, reducing waiting time, checking availability of beds and rooms, providing single window solution are some major steps that a medical service providers kept in mind while facilitating services (Connel, 2013).

Before the actual medical procedure, medical tourists should take decisions regarding destination country, hospital, transportation, accommodation, travel arrangements and vacations to tourist destinations (Anvekar, 2012). Earlier service steps were managed by facilitators discreetly which reduced the level of customer satisfaction and ignore the customer perspective about procedure of services. In medical tourism, patients being the necessary part of services required to fit in the operations and visualize health service more effectively (Berkowitz, 2011).

Health services can never be apart from customers and required full participation of patients. Insurance facilities, consulting facilities, bundling services design the process of services. To avail new opportunities and improving service quality, health care services are redesigned (Anvekar, 2012; Bristow et al., 2011; Crooks et al., 2011). Redesigning efforts consist of eliminating non value adding services, focusing on well defined customer group and moreover delivering direct services. Effectiveness of process is highly depend upon the non value adding service which will further reduced the marketing cost of services by making transactions faster (Berkowitz, 2011; Langviniene, 2014; Tudor, Georgescu & Necsoi, 2012). Elimination of non value added services also resulted in lowering transaction cost for patients also. Schneider and Bowen suggested that customer should participate actively in process of service fulfillment. In similar ways, research documented that if medical tourists got involved in service at initial level they felt more satisfied than engaging afterwards (Kangas, 2010). Behavior of patients and their companions effects the functioning of healthcare service delivery. Hence health care service
providers require effective human resource to complete the process efficiently (Johnston et al., 2010; Tourani et al., 2010).

Lovelock et al. (2007) put forwarded that avoiding undesirable waiting, maintaining a comfortable physical environment and minimizing the risk of failure might help in effective delivery of service and customer satisfaction as well.

2.4.7 Effectiveness of Physical Evidence

Intangibility of services leads towards uncertainty in the mind of consumers as services cannot be experienced before purchase. To assess the satisfaction of customers’ tangible indications were provided to the customers (Zeithaml & Bitner, 2012). Health care service providers gave emphasis on the development of exterior and interior attributes of the service area (Berkowitz, 2011). Physical environment is the end point of the service delivery system. In medical tourism, physical evidence plays a major role in enhancing the customer satisfaction. Physical evidence conveyed the planned image of the healthcare services and leaves a long lasting impression on the patients (Tourani et al., 2010). It has been observed by the researchers, private hospitals are more intensely engaged in attracting medical tourists. Most private hospitals have spacious luxury rooms and outstanding amenities. Hospitals offers good ambience including good lighting, color scheme, removing smells and maintaining temperature (Berkowitz, 2011; Chuang, Liu, Lu & Lee, 2014; Johnston et al., 2010; Crooks et al., 2010; Turner, 2012).

In shaping customers perception, physical evidence plays a major role. A well designed environment of hospitals makes patients and their companions feel good and accomplish their health care needs. Tourani et al. (2010) underlined the idea that allocations of resources in a right direction were the necessity of time to get benefit from speedily emerging medical tourism sector. The study proposed the opportunities for the Iran medical tourism by facing out the major challenges like enhancing participation in private sector, providing portability of insurance and needs to cope up with the dual market structure (Leng, 2007).

Globalization of healthcare industry and Commodification of healthcare has been considered chief matters while framing the appraisal. Earlier, marketing of healthcare was not considered an imperative activity for hospitals to procure patients
Commoditification refers to the marketing of healthcare services as equivalent to commodities among competitors. To achieve a higher level of quality in medical tourism and to become a global commodity benchmarking and standardization have been used. However, creation of customers and consumers depends on the trust and confidence on the accreditation body and standardization process followed by the clinic in all. In boosting medical tourism, service providers also lacks in issuance of visa and maintaining transport facilities for the medical tourists (Lam et al., 2011). To deal with the problems of medical tourists’ country, as a whole, required to institute basic facilities like infrastructure, human resource requirements, marketing of services, and exact groundwork (Bookman & Bookman, 2007; Enderwick, & Nagar, 2010). Fundamentally, Reasons for emerging of medical tourism are cheaper cross-border services, conjunction with exotic location for holiday, migrants preferred to get treated in home country, regulatory cost dimensions (Banned treatments) and non-availability of organ in the country. Hall (2011) raised the issue like ethics, public health risk due to medical tourism, lack of information and regulations of government. Gaps in medical tourism can be eliminated by improving product quality, product specialization; squat maintenance of supportive services viz airports, roads, infrastructure, poor services by travel agents and tour operators.

Helmy (2011) highlighted the role of benchmarking to measure the performance of Egypt's medical tourism. Benchmarking is a technique applied to evaluate and compare the practices, performances and procedures of one medical tourism destination with another (competitors). By keeping in mind the process benchmarking techniques as whole strategies for the medical tourism sector can be constructed. Public health care system in India is slapdash and unhygienic which in turn alter the perception of foreign patients to avail medical benefits in country and comparing with major competitors of country like Thailand, Malaysia and Singapore, lesser patients has been magnetized by country (Connell, 2006; Mainil et al., 2011; Chen et al., 2010). Having low cost treatments availability, qualified medical practitioners and accreditation from JCI, attract large number of patients but brand image is needed to build by improving risky sanitation, developing infrastructure, getting world class accreditation and branding cultural dynamics of country for health
care services (Anvekar, 2012; Chaudhary & Aggrawal, 2014; Enderwick & Nagar, 2010; Smith, 2008).

Medical tourism is a historical process evolving rapidly over the years. A regulatory framework needs to establish to make its growth more beneficial for the nation. Health care service providers must ensure state of art in medical technology and procedures. To remain in market place, service providers take initiatives by marketing the best health services (Crooks et al., 2011; Kangas, 2010; The Economic Times, 2016). Regarding the marketing strategies government should encourage cheaper transport and accommodation, special training for service providers and there should be round the clock services for communication and promotion of health services inbound or outbound (Grewal et al., 2009; Lee, 2007).

Kangas (2010) has illustrated four models of medical journey as the market, resources, government, and individuals. These models depicted the interconnection of four factors that individuals, government, resources of healthcare and health providers must work together for placing country as one of the most preferred destination for healthcare. To create USP (unique selling proposition) of Indian medical tourism, healthcare service providers need to team up with government and need to adopt country specific marketing strategies. Commodification of health services, physical evidence, and drawing up a price band, opening up facilitation centers, and tie ups with overseas insurance companies enlightens the way towards a more proactive approach (Chomvilailuka & Srisomyonga, 2015; Connell, 2013). Therefore, the study concludes that integrated marketing practices have a direct impact on the medical tourism industry and healthcare service providers should propose effective marketing practices.

In summary, it is imperative to appraise the potential in each and every segment by shared value proposition, information and quality care. Hospitals need to maximise strengths, maintain consumer choice and improve quality standards. Price transparency efforts like low cost of labour, cost associated with malpractices litigation & insurance and limited association with third payers are essential to articulate. It can be concluded that Indian medical tourism ought to be proactive and focus on integrated marketing practices in order to survive the competitive pressure.
2.5 Research Gap

Effect of cyclical variations is a subject of intense debate. This study consists of the questions like does the effectiveness of marketing mix instruments vary across the business cycle and if so, in what direction. Review of literature provides the gaps for the further studies. The studies are limited to the analysis of durables, non durable and consumer price goods. It would be interesting to study business cycle sensitivity in service industry particular to medical tourism. In growth of service sector in India, tourism sector has 6.8 percent growth rate. Medical tourism is a growing market which has shown signs of maturity during recession. On the basis of available literature, present study has been conducted to examine the status of medical tourism over cyclical variations.

Most of the studies focused on the industry level analysis, but different companies respond differently to business cycle fluctuations. A comprehensive research is needed for measuring cyclical sensitivity at the company level. The studies analyze the advertising, sales and price effectiveness separately on the various industries. Cyclical variations affect marketing strategies of service providers in isolation also. After reviewing the literature, it has been noted that there is need to analyze the marketing strategies of different service providers’ separately. Cyclical sensitivity due to variations in marketing strategies of medical tourism can be analyzed.

Review of literature highlighted that only a few empirical studies were performed on medical tourism during recessionary period 2008 and after this period. Moreover, area of marketing is almost not touched. Healthcare units are main pillars of medical tourism. Only some conceptual studies were carried out in this context. But actual marketing practices of hospitals are not measured by knowing the opinions of service providers.

After reviewing the combined effects of marketing strategies on the service industry, present study is conducted to examine the role of marketing practices adopted by medical units over cyclical variations.
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