

A Study on Economic Feasibility of Medical Tourism in Apollo Hospitals, Chennai

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Abstract

India today has copious opportunities to compete with developed nations and build a quality healthcare system of its own. Medical tourism can be broadly defined as the provision of 'cost effective' private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. This process is being facilitated by the corporate sector involved in medical care as well as the tourism industry - both private and public.

Key words: Economic Feasibility, Tourism, Health Care, Medical.

Introduction

The health care industry is considered an industry or profession which includes peoples exercise of skill or judgment or the providing of a service related to the preservation or improvement of the health of individuals or the treatment or care of individuals who are injured, sick, disabled, or infirm. The delivery of modern health care depends on an expanding group of trained professionals coming together as an interdisciplinary team.

Healthcare in India - The responsibility of the individual Indian states. The Indian constitution charges those states with “the raising of the level of nutrition and the standard of living of its people and the improvement of public health.” There is also a National Health Policy, endorsed by Parliament in 1983.

Welcome to Incredible India, where culture echoes, tradition speaks, beauty enthalls and diversity delights. Indian tourism is one of the most diverse products on the global scene. India has 26 world heritage sites. It is divided into 25 bio-geographic zones and has wide-ranging eco tourism products. Apart from this, India has a 6,000 km coastline and dozens of beaches. It also has one of the world’s biggest railway systems opening possibilities for those interested in rail tourism. India also has excellent hospitals offering affordable Medicare and traditional healthcare systems like Ayurveda.

Scope of the Study

This study will show the overview of tourist medical contentment in Chennai. The study is to analyze the feasibility of operations in three hospitals. The study would also help in finding how customer contentment can affect overall operations. The study will also help in finding if there is an effect on promotional activities in medical tourism.

The Significance of the Study

Medical Tourism refers to a movement of consumers to the country providing the service for diagnosis and treatment. During the past few years, the number of people going out of their home country to consume health services has significantly increased. The size of this market is estimated to be \$40 billion based on a Saudi Report in 2000. During the past four years, the market grew at a whopping rate of 20-30% and is expected to grow further. Considering this growth, the current market size is estimated to be \$100 billion. Medical Tourism industry offers tremendous potential for the developing countries because of their low-cost advantage. The advantages of medical tourism include improvement in export earnings and healthcare infrastructure.

Statement of the Problem

Economic support from Medical tourism Medical tourism is a growing sector in India. India's medical tourism sector is expected to experience an annual growth rate of 30%, making it a \$2 billion industry by 2015. Indian Medical Tourism to touch Rs 9,500 Crore by 2015. The year 2016 witnessed a growth of 10.7 % in Foreign Tourist Arrivals (FTAs) in India. FTAs during 2016 was 88.9 lakh (provisional) as compared to the FTAs of 80.3 lakh during 2015. The Foreign Exchange Earnings (FEEs) from tourism in rupee terms during 2016 were Rs.1,55,650 crore (provisional) with a growth of 15.1%.

A National Medical and Wellness Tourism Board has been set up to work as an umbrella organization to govern and promote medical tourism in India. For development and promotion of Adventure Tourism in India, a Task Force on Adventure Tourism has been formed in October 2016 to resolve the issues related to Adventure Tourism which includes Safety and Security of Tourists. The first meeting of the Task Force was held on 21st December 2016. The following projects were sanctioned under the PRASAD Scheme during the year 2016 -17

Sl. No.	State	Name of the project	Amount Sanctioned (Rs. in Crore)
1.	Gujarat	Development of Dwarka	26.23
2.	Tamil Nadu	Development of Kanchipuram	16.48
3.	Tamil Nadu	Development of Velankanni	5.60
4.	West Bengal	Development of Belur	30.03
5.	Jammu & Kashmir	Development of Hazratbal	42.02
Total			120.36

Objectives of the Study

- To study the feasibility of Medical Tourism in Chennai.
- To analyze the performance of Apollo hospitals in the region in selected operations by Cost, Value added services, Popular operations, Promotional activities and Approachability
- To analyze trends in Indian medical and healthcare Industry.

Limitations of the Study

- The study was restricted due to the following points
- Denial to disclosure of exact statistical data by the concerned authorities.
- The most renowned hospital in India AIIMS denied disclosing any figures about medical tourism.
- The overall selection of 4 to 6 operations restricted the study.
- Locating less number of foreigner medical tourist around.
- Foreign tourist not in a state to interact as they come to India for major operations.
- Lack of availability of empirical data on internet and medical journals.

Review of Literature

A. Whittaker (2008) has said that opening up of the health sector trade under the General Agreement of Trade in services (GATS) and increased corporatization of medicine with Asian countries are reasons for the growth of medical and health tourism in Asian countries.

Pachanee, C. (2009) found that Mode 2 trade in health services in Thailand has occurred and was initiated by the private sector itself. It has occurred outside the multilateral and regional trade agreements. Thailand is recognized as a leading exporter of medical services to foreign patients due to its high capacity and good marketing strategies. Thailand could learn from the experience of other countries that promote Mode 2 (medical tourism) trade in health services on how impacts on the health systems are prevented, measured and addressed.

Vincent C.S.Heung (2010) Medical tourism is one of the fastest growing tourism sectors internationally, and many countries are planning legally and practically for this market. Developing countries are increasingly offering state-of-the-art medical facilities and services to foreign customers.

Simon Hudson and Xiang Li (2012) To date, the literature on medical tourism have focused almost exclusively on International medical tourism. However, there a growing number of patients who travel for medical care within their own country.

Mishra. R and K. Shailesh (2012) found that there are different opinions as to whether medical tourism is still a promising industry or had been considered firmly established. The industry is being followed and promoted by several trustworthy organizations, including the Medical Tourism Association (MTA), the Deloitte Center for Health Solutions, and the Joint Commission International. India’s medical tourism is dominated by the private sector from the corporate houses.

Muralidar Trivedi (2013) Since Yoga’s birth (more than 5,000 years ago), medical travelers and students have trooped to India to learn more about Yoga and other forms of alternative medicine. India gained the reputation as the center of Eastern cultural, spiritual, and medicinal progress when Buddhism came along 2,500 years later. And even when Western clinical medicine became more popular

and credible, India remained the best destination for alternative medicine practitioners from all over the world.

Pankaj Mochi (2013) has said The key reason for India’s emergence as an important destination for healthcare is due to Indian doctors who are renowned world over. There are over 35,000 specialty doctors of Indian origin in the US alone. Also, Indian nurses are the most sought after, and their caring approach towards treatment is well recognized.

Methodology of the Study

Following Methods were adopted in selecting the sample for conducting this study.

- Research design : Descriptive research
- Sampling design/ techniques: Random Sampling
- Geographical Area : Chennai
- Sampling Frame : APOLLO hospital
- Sampling Techniques : Random Sampling
- Sample Size : 110
- Data Collection Methods: Both primary & Secondary Data
- Instrument Need in Collecting Data: Structured questionnaire
- Statistical tools: simple percentage, Weighted Average & chi-square analysis

Analysis of the Feasibility of Medical Tourism in Chennai Apollo Hospital

Part – I – Percentage Analysis

Table No. - 1 - Gender

Gender	No of Respondents	Percentage
Male	110	100
Female	0	0
Total	110	100

From the above table shows that 100% of respondents are male, no percentage are female.

Table No. – 2 - Educational Qualification

Qualification	No of Respondents	Percentage
SSLC/HSC	49	44.55
UG	39	35.45
PG	22	20
Total	110	100

It is inferred that the above table shows 44.55% of the respondents are SSLC/HSC.

Table No. 3 Age of the Respondents

Age	No of Respondents	Percentage
Below 30 years	28	25.45
30-40 years	46	41.82
41-50 years	32	29.09
Above 50 years	4	3.64
Total	110	100

From the above table, it is inferred that 41.82% of the respondents belong to 30-40 years of age group.

Table No: 4 Experience in the Field

Experience	No of Respondents	%
Below five years	23	20.91
5-10 years	38	34.55
11-15 years	29	26.36
16-20 years	16	14.55
Above 20 years	4	3.64
Total	110	100

It is observed from the above table that 34.55% of respondents are having 5-10 years experience.

Table No: 5 Respondents Opinion about Visiting the Hospitals for their Treatment

Years	No of Respondents	%
Below two years	13	11.82
2-4 years	22	20
5-7 years	33	30
7-9 years	27	24.55
Above nine years	15	13.63
Total	110	100

From the above table shows that 30% of the respondents are having 5-7 years of experience in their respective treatments.

Table No: 6 Respondents Opinion about most preferable Treatment

Treatment	No of Respondents	%
Heart Surgery	29	26.36
Kidney transplant	17	15.45
Liver	14	12.73
Orthopedic	18	16.36
Plastic	9	8.18
M\Neuro	7	6.36
Others	16	14.54
Total	110	100

It is followed from the above table that 26.36% of the respondents are most preferable to Heart surgery.

Table No: 7 Satisfied with the Treatment

Satisfaction	No of Respondents	%
Yes	89	80.91
No	21	19.09
Total	110	100

It is obtained from the above table that Majority 80.91% of the respondents are satisfied with the treatment.

Table No: 8 Respondents Opinion about Recommended to Others

Recommend to others	No of Respondents	%
Yes	83	75.45
No	27	24.55
Total	110	100

It is inferred that 75.45% of the respondents are recommended to others about the treatment.

Table No: 9 Respondents Opinion about the Feel about the Other Treatments in the Hospital

Factors	No of Respondents	%
Cost and value-added offerings	83	75.45

Care amenities and promotional activities	21	19.09
Package offered / foreign visitors	52	47.27
Total	110	100

It is inferred that 47.27% of respondents are feeling about the other treatment factors in the hospital are satisfied feel about the care amenities, and other promotional activities are much better than the other hospitals for the medical tourist.

Table No: 10 Benefited by the Tourist Chosen for Medical Tourism

Factors	No of Respondents	%
Yes	92	83.64
No	18	16.36
Total	110	100

From the above table shows that 83.64% of respondents are benefited by the tourist chosen for medical tourism.

Table No: 11 Apollo Advertisement Reach to the Public

Add factors	No of Respondents	%
Yes	34	30.91
No	76	69.09
Total	110	100

From the above table shows that 69.09% of respondents are known about Apollo.

Table No: 12 Media and its Level of Awareness

Media Factors	No of Respondents	%
Social Media	37	33.64
News Paper	26	23.64
Television	20	18.18

Magazine	18	16.46
Radio	9	8.18
Total	110	100

From the above table shows that 33.64% of respondents are getting awareness from Social Media.

Table No: 13 - Influencing Factors to the Respondents

Factors	No .of Respondents	%
Media (Social Media)	51	46.36
Friends	21	19.09
Others	38	34.55
Total	110	100

It is inferred that 46.36% of respondents are known information regarding Apollo hospital from media(Social Media).

Table No: 14 Key Success Factors

Key factors	No of Respondents	%
Advertisement	24	21.82
Price	18	16.36
Strong Perfection	27	24.55
Quality	32	29.09
Worth	9	8.18
Total	110	100

From the above table shows that 29.09% of respondents prefer for the quality of the treatments.

Table No: 15 New Hospitals Try by the Respondents

New Hospitals	No of Respondents	%
Yes	33	30
No	77	70
Total	110	100

It is inferred that 70% of respondents will not try to new hospitals.

Part – II - Weighted Average Method

Table No: 16 Ranking for the Factors which Influenced to Prefer the Hospital

List	Rank I	Rank II	Rank III	Rank IV	Rank V	Weighted score	Rank
Brand Image	30	23	27	18	12	371	II
Price	19	27	30	24	10	351	IV
Quality	35	24	32	15	4	401	I
Discount Offers	24	19	29	25	13	341	V
Advertisement	21	29	28	22	10	359	III

Source: Primary Data

The above table shows that among the respondents are Quality is the I rank with the total score of 401 of the hospital.

Part – III - Chi-Square Test

Table No - 17 - Relationship between the media and the experience of field

Hypothesis: There is the relationship between the media and experience of the respondents

Ho: There is the relationship between the respondents

H1: There is no relationship between the respondents

Media Experience	Social Media	Radio	Paper	Magazine	TV	Total
Below five yrs	9	1	6	4	3	23
5-10 yrs	12	2	8	7	9	38
11-15 yrs	10	4	6	4	5	29
16-20 yrs	5	2	4	3	2	16
Above 20yrs	1	0	2	0	1	4
Total	37	9	26	18	20	110

Result: The table value of χ^2 for 1 degree of freedom at 5% level 26.296 calculated values is lower than the table value, so the hypothesis does support the hypothesis.

Findings

- 100% of respondents are male; no percentage are female.
- 44.55% of the respondents are SSLC/HSC
- 41.82% of the respondents belong to 30-40 years of age
- 34.55% of respondents are having 5-10 years experience
- 24.55% of the respondents have 7-9 years
- 26.36% of the respondents are most preferable to Heart surgery
- Majority 80.91% of the respondents are satisfied with the treatment
- 75.45% of the respondents are recommended to others about the treatment
- 47.27% of respondents are feeling about the other treatment factors in the hospital are satisfied
- 83.64% of respondents are benefited by the tourist chosen for medical tourism
- 69.09% of respondents are known about Apollo
- 33.64% of respondents are getting awareness from Social Media.
- 46.36% of respondents are known information regarding Apollo hospital from media.
- 29.09% of respondents prefer for quality
- 70% of respondents will not try to new hospitals
- Quality is the I rank with the total score of 401
- Chi-square test calculated values are lower than the table value, so the hypothesis does support the hypothesis.

Conclusion

Medical Tourism in Chennai as per the study conducted is booming and can be witnessed by the huge number of International tourist visiting this region. Chennai is one of the world's most preferred regions of the world in the case of medical tourism due to the low cost of treatment, no waiting time, approachability, tourist's spots in Chennai and nearby cities and other value-added services. As the Indian economy is growing, so world's best hospitals are coming to India to enhance the opportunity. Another relevant topic that has been covered in the study is the performance of hospital in the region, and it can be concluded that Apollo is the market leader in attracting the maximum number of International patients because of the brand name Apollo and its presence in various other countries.

The trend in the Indian Healthcare has been studied, and it can be concluded that the healthcare industry has successfully managed to maintain the interest and attention of not only the Indian government but also the common man. The top Indian hospitals such as Apollo, Escorts, Max, etc., are investing immense time, effort, manpower and money in their R&D. Several new innovative products have been launched in the Indian market and have been patented. The Indian consumer has ready access to innovations in the field of health and medicine. The companies are constantly acquiring latest technology either through partnerships or developing them indigenously. The government is fully supporting the cause of state of the art infrastructure by providing support in setting up new hospitals and financing them.

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