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Policies of Selected Enterprises in the Medical Tourism Market – Theory and Practice

Abstract. It is proved that twenty-first century tourism will become an essential element of the global economy and an export product of special significance. Undoubtedly, medical tourism may become such an export product in Poland. Medical tourism has already been named as a phenomenon of our times, as many researchers point not only to its huge potential, but also to the substantial role it plays in the economic development of a country. It is an effect of the reorganization of previous business company models. The aim of this paper is to recognize the medical tourism enterprise policy area and the gist of their innovations. Chosen examples are examined that reflect the problems. Results constitute the need for further research.

Keywords: medical tourism, enterprise, innovation

1. Introduction

The contemporary tourism is an omni occurrence, affecting very diverse aspects of the social life. The healthy lifestyle fad, life extension, retirement age percentage increase and unprecedented progress in medicine are only a few factors that cause growing role of medical purposes in travelling [Lubowiecki-Vikuk 2011, 2012]. In response to increase demand for such journeys, both, tourist and medical infrastructure is constantly extending. Classical institutions, like hospitals and clinics, more and more often offer commercial medical services connected with catering and hotel services inter alia. The commercialization and the privatization

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process of the widely understood internal market in Poland are still more contributing to the medical tourism development [Lubowiecki-Vikuk & Bosiacki 2012].

Lubowiecki-Vikuk and Rab-Przybyłowicz [2015] notice that those who benefit from the global market are those most creative and recognizable companies with innovative products (services) in their offer.¹ It is necessary to specify areas, due to enterprise policy² that require introducing particular innovations [Lubowiecki-Vikuk & Bartnicka 2016]. It is essential in order to recognize circumstances and mechanisms of reformulation independent business models being functional so far - travel agencies providing tourist services and private enterprises offering medical services - into one service package, the product of medical tourism. The aim of this paper is to recognize the medical tourism enterprises policy area and their innovations gist. Arbitrarily chosen examples are the examined problem reflection, and they serve as a background of presented description. Results constitute the admission to the continuation of further research.

2. Innovation - decision making - identity

Innovations are a base of the long-lasting growth in the economy and the improvement in socio-economic conditions. In nonfiction the 'innovation' (in lat. *innovatio*, means forming something new) has not one equal interpretation. In this paper it is assumed that innovation consists in implementation of a new, as well as considerably improved product (or the service), including process, but also new marketing or organizational method into economic practice, into the workplace organization or into relations with surroundings [Oslo Manual 2005]. Hjalager [2010] distinguished five kinds of the innovation: innovations in the management, procedural, institutional, marketing and product (service). The majority of them are significant for medical tourism enterprises [Medhekar, Wong & Hall 2014]. The introduction of an innovation process in company functioning is sub-

¹ As the market of medical tourism one should understand an exchangeable network relations, in both service and finance, that occur between the service provider (an entity of the medical and tourist industry), and with beneficiary (a medical tourist). There appears a condition that it takes place outside the tourist permanent settling place. The package he finances on his own is a benefit to both sides of the market [Lubowiecki-Vikuk & Rab-Przybyłowicz 2015: 87].

² Enterprises policy, being a case of management, treats the enterprise like the actor at the socio-economic stage. Its purpose is to analyze both internal and outside conditions of company functioning. It enables the explanations, predictions, but first of all directing future actions. Enterprises policy is a part of management that area extends beyond its basic functions. Policy manifests itself in the way of freedom in determining and aiming for goals [Strategor & Ferens 2001].

ject to certain steps. Starting with an idea creation, finishing on implementing the invention (i.e. new releases or the process). The development of the medical tourism market fits into innovation activities, i.e. the set of all action about scientific, technical, organizational, financial and commercial character which leads to implementation of the innovation [Oslo Manual 2005].

In presented area (market) we observe all the activities which effort to betterment ways of services improving throughout pocketing single products (or services) into complete, however diversified offers [Wernz, Thakur Wernz & Phusavat 2014]. Not only a complexity of the service is guaranteed then, but it gives customs the determined benefit either, i.e. their safety, the gain in time and cash. The distribution channels expansion and the foreign markets network creation are both a part of this general convention. For the purpose of the innovations evaluation the Eurostat has drafted the *Knowledge Intensive Activities* list, based on participation in the economy. Therefore the tourism industry has a high position on the list [Dziedzic et al. 2016]. Particularly attention is put to the strong synergy between tourism and the health care. Both combined into medical tourism enable to create the offer of unique experiences for customers on the global market. Innovative business models in hotel services connected with health care are considered as being interesting solutions [Han, Kim, Kim & Ham 2015].³

In Poland there appears more and more enterprises (not only medical exactly) specializing in the medical tourism services, though number of them is still relatively little. Therefore, their operating principles have not been fully explained on the science and the business ground yet. Towards that, the author has selected companies and then, based on official websites contents and telephone interviews have attempted to evaluate the enterprises policy areas as well as have indicated the essence of their innovations. All of the questions during an interview, concerned an undertaken issue, and the replies were noticed in an interview sheet. The interview was preceded by an explanation of medical tourism main idea. This study assumed, that medical tourism is a conscious activity in which a traveller (a medical tourist) aims to receive healthcare services – in his/her own country or abroad – to maintain (or improve) their health condition and/or aesthetic appearance of their body, which is sometimes combined with relaxation, regeneration of physical and mental strengths, sightseeing and entertainment [Lubowiecki-Vikuk 2010]. Due to the obligation of ensure the chosen companies anonymity the codes have been used to mark individual entities. Four chosen examples are supposed not to serve a fundamental argumentation, but they only are a reference point to presented issue. It is only a contribution for continue further research.

³ An example in Poland: Medicover Hospital and Medical Center Rakoniewice.

Researched enterprises are suppliers on the market of the medical tourism. The two of them are tour-operators (X_1 and X_3), another one is a browser portal (X_2), and the last one is a cluster (X_4) (Table 1). First mentioned companies (X_1 and X_3) could be named with 'medical tourism facilitator', which means an intermediary organizing and supporting the movement of medical tourists. The tasks include among others keeping contact with the tourist during his journey, beginning with departure – help in the medical institution choice, visa formalities and the like – and having been limited till home return (aftercare) [Cormany & Baloglu 2011]. The second enterprise (X_2) is a reply to the demand of contemporary e-consumers. Internet is one of the best distribution channel medical tourism services [Lunt, Hardey & Mannion 2010]. The cluster (X_4) is an aggregation of independent enterprises operating in the sector of the health tourism in North Poland. By the definition 'they are aimed at stimulating the innovative activity by promoting intensive contacts, the sharing of the technical back and the exchange of knowledge and of experience and by effective causing oneself for the technology transfer, the networking of connections and the dissemination of information of the cluster amongst enterprises being a member given' [European Union 2006].

The activity of analyzed enterprises meets a criterion of converting the idea into the product (service), of introducing the improved form of their distribution and *de facto* of creating the new service. An implementation of the innovation evaluation, which refers to the subject offers, requires the structure analysis of their products i.e. defining its core (of idea), the elements of the real, widened and potential product (Fig. 1). The priority of those companies is to ensure potential (and for those present) customers with the professional service in medicine. This product comes from services of private medical subjects specializing in an individual fields and forms of the treatment. Customers no more adjust themselves to the schedule and solutions imposed by public medical services, but on one's own (after medical consultations) may select the time, the form and the length of their treatment. Should be emphasized that in major enterprises consultation is not a product yet. Proposing it as a free service, company provides choice in decision making to its customers. The complex idea comes down to support their patients accompanying benefits associated with the travel on medical purposes, i.e. above all of lodging and transport services which access into tourism industry. Next, providing the services quality, the examined enterprises guarantee their patients a free of charge care taken by a private adviser (attendant/concierge) during their stay and treatment.

What makes these companies offer more competitive is better quality and the utility value of their products (services) than the rivals have. In relation to the high value of diversified products, it should be noticed that the product itself is complete. It is due to the individual customers expectations of a wide range of services. A corporate identity, as more widely discussed hereinafter, require

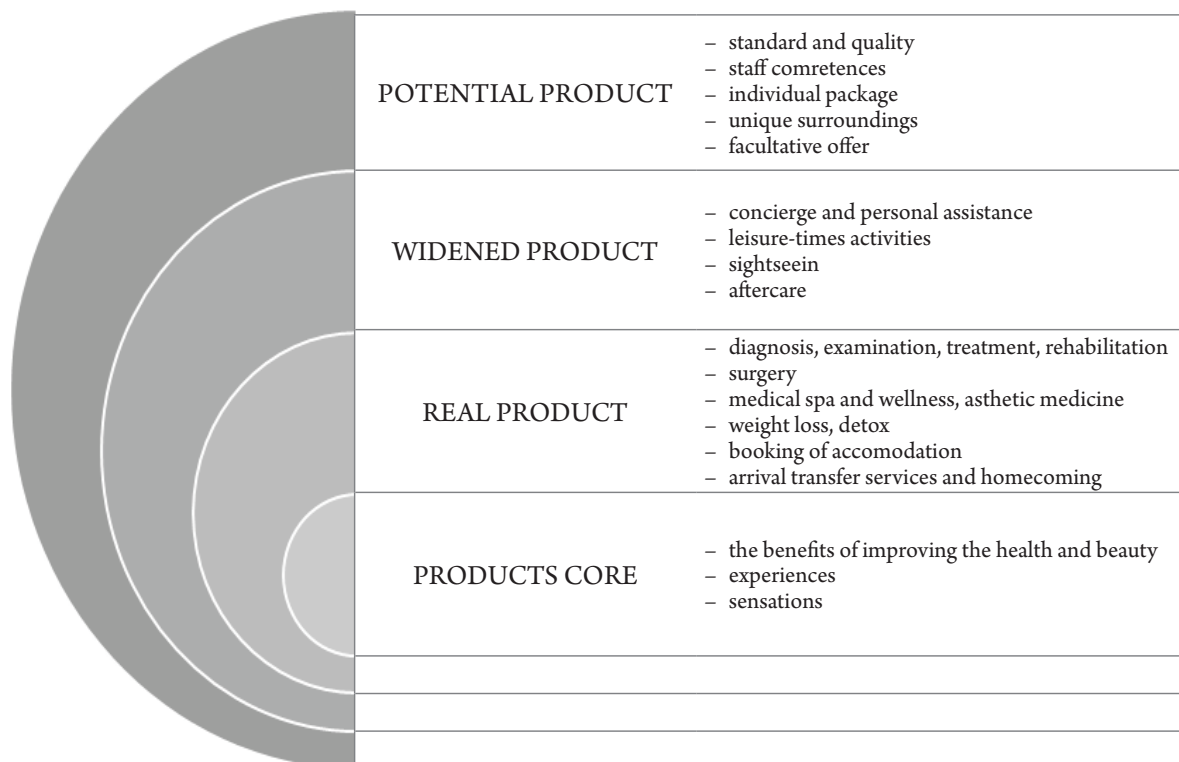


Figure 1. Product structure in medical tourism enterprises

Source: own study based on Marciszewska 2010; Rab-Przybyłowicz 2014.

clarifying. Such elements make this aspect up as: the duration and the position of companies on the market, activities range and the form of reaching potential customers on foreign markets (Table 1).

Independently from the activity scope, those examined enterprises are focused on at least European market. A buoyant development of distribution in the Internet and via social media applications attract client all over the world. Companies guarantee their consumers full service in a few universally used languages, in their mother tongue as well.

At this stage we can move to the freedom in decision making explanation. It is a main driving mechanism in every company. A moment when enterprises policy assumptions turn into concrete actions. Analysis of both planning processes and the strategic management is an issue of broader deliberations. In this paper the author pay attention to possibilities of getting free and in-depth knowledge about the environment surrounding companies. Same time it refers to possibilities of accommodation themselves to customers' needs and expectations. Representative of first enterprise (X_1) mentioned the turning point in the company functioning concept. Idea is about reformulating its diverse offer to the specialization in only one medical service. A heightened interest of customers in the narrow part of the offer, and moreover a market keen competition were the factors that

Table 1. Characteristics of examined medical tourism enterprises

| Criteria | Enterprise | | | |
|--|---|--------------------------|-----------------------------------|-----------------------------|
| | X ₁ | X ₂ | X ₃ | X ₄ |
| Duration (years) | no information | 4 | 41 | 2 |
| Partnership (quantity) | 9 | 600 | over 10 000 | 15 |
| Place of delivery services | Poland: Cracow | Poland | Poland, Europe, Near East, Africa | Poland: Tri-City |
| Target market | Western Europe, USA | Europe | all over the world | Skandinavia, Western Europe |
| Web sites languages (in spite of Polish) | English, German, Norwegian | English, German, Russian | prepared in 38 language versions | English, Danish |
| Distribution channels | Internet, advertisement at partnerships | Internet, intermediaries | Internet, travel agencies, hotels | Internet |
| Activity form | touoperator | browser portal | touoperator | cluster |

Source: own study based on official websites content.

caused implementing changes. Due to the form of another entity (X₄) functioning as a cluster, there is noticed a specific freedom in decisions about the cooperation with other enterprises, research centers, business institutions, colleges, self-government units and other interested subjects acting in the widely understood health tourism sector. Furthermore, the cluster itself is a sign of innovation, where freedom in decision making has the key role.

On nowadays market, there appears kind of demanding consumer, so called 3.0, who one's individualized and increasing needs, carry out while online shopping and bookings. The Internet then is the best way to attract potential client, but also gives us a tool to observe the e-customers net movements [Cormany & Baloglu 2011]. In the multinational companies age the Internet is also a form of cooperating with partnership enterprises (video chat). Analyzing the contents of examined entities official websites the author had a similar conclusions with Mason and Wright [2011]. They noticed, that medical tourism Web sites largely promote the benefits of medical procedures while downplaying the risks, and relatively little information regarding the credibility of these services appears. It requires further and deepened analyses. However, in this case the recommendations of correct way to create a Web site of medical tourism entities, have been already elaborated [Rab-Przybyłowicz & Lubowiecki-Vikuk 2014].

Each presented enterprise, apart from implementing innovative solutions, is a community of people – collaborating to the company success. Above all these companies are a set of the personalities. Their shared aspiration to the goals

| | | | |
|--------------------------|---|---|------------------------|
| HIGH RISK | | | |
| IMMEDIATE LINKAGE | MACHO (preferred immediate satisfaction) | FOCUS ON COMPANY (dynamism, planned and the systematic actions) | DELAYED LINKAGE |
| | BRIEF SPEECH, TOUGH GAME (preferred appearances, witty style) | PROCESS (based on rules and procedures) | |
| LOW RISK | | | |

Figure 2. Companies' cultures typology by Deal & Kennedy [1982]

Source: own study.

achievement is marked by logic. That logic is a guaranty the enterprise existence duration, and either for the employees or consumers it gives a possibility of identifying oneself with a company. It all adds up to the corporate identity. The idea of an institution, the human community and their activity focused on the assumptions fulfillment; all together create the enterprise culture. There were two criteria taken for establishing types of company's cultures, such as business risk and the financial liquidity (Fig. 2). Having a view to the tourism specificity in financial liquidity, there is always a delayed linkage between sale and service execution. The profits can be count after the service carried out, whereas the booking usually takes place in advance. The business risk is hard to adjudicate without wider analysis. However, following the experience in business environment of medical tourism and observations made the author emphasize the significant role of private medical subjects' competition. Also a recalled low financial liquidity affects the business risk.

3. Summary

All of four examined companies constitute the example of innovative enterprises, which in their recent activity introduced specific innovations in. Thanks to inserting the medical tourism product as a complete bundle of the benefits, one can understand principles of intelligent organizations functioning. These enterprises policy refers also to innovative solutions in marketing and management. The high level of the decision-making freedom, resulting above all from the activity form, guarantees the entrepreneurs a possibility to adjust to the customers' needs and expectations. Building the corporate identity, based on the cooperation with business partners, as well as the within the company (directed at the pursuit of common goals) proves the priority care of the dynamic and systematic business progress. Above all it is concern on customers satisfaction, which treated individually, have also a chance of identify them with the enterprise.

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Polityka wybranych przedsiębiorstw na rynku turystyki medycznej – teoria i praktyka

Streszczenie. Dowodzi się, iż turystyka XXI wieku stanie się fundamentalną częścią światowej gospodarki oraz produktem eksportowym o szczególnym znaczeniu. Niewątpliwie turystyka medyczna mogłaby być tego typu dobrem eksportowym w Polsce. Badacze wskazują nie tylko na potencjał zjawiska, jakim współcześnie jest turystyka medyczna, ale także na zasadniczą rolę, jaką odgrywa ona w rozwoju gospodarczym państwa. Jest to efekt reorganizacji dotychczasowych modeli biznesowych przedsiębiorstw w sektorze usług medycznych i turystycznych. Celem pracy jest identyfikacja obszarów polityki przedsiębiorstw sektora turystyki medycznej i istoty ich innowacji. Wybrane przykłady funkcjonowania tego rodzaju podmiotów są ilustracją badanego problemu. Wyniki stanowią wstęp do dalszych badań.

Słowa kluczowe: turystyka medyczna, przedsiębiorstwo, innowacje