



**MEDICAL TOURISTS' MOTIVATION IN
DESTINATION SELECTION: AN EMPIRICAL
INVESTIGATION IN MALAYSIA**

BY

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ABSTRACT

Tourism, combined with the phrase medical, seems to be a new form of tourism which has gained enormous popularity in recent decades. Though, a number of literatures available with regard to the travel motivation of tourists or the competitiveness of the destination, however, the major aspects that motivate the medical tourists towards selecting a particular destination are hardly focused specifically on Malaysia. Thus, there is a lack of empirical evidence in this area of study that needs to be bridged. Furthermore, there is no conclusive model for medical tourists' motivation yet exists in the current literature. There is also a lack of evidence on how to measure medical tourist's motivation towards selecting the destination. Realizing the need to examine closely the motivation of medical tourists, this study aimed to present the theoretical framework and empirical evidences on medical tourist's motivation in selecting their medical tourism destination. This study has aimed at exploring the factors that motivate medical tourists and whether these factors influenced their decision-making process to select Malaysia as a destination of choice and to understand the relationship between these factors and medical tourists' motivation towards selecting Malaysia as their preferred medical tourism destination. Structural Equation modelling (SEM) has been used for data analysis and testing the hypotheses. The targeted population for this study consisted of the medical tourists coming to Malaysia with the primary intension of seeking medical procedures other than sightseeing. A total sample size of 281 was collected through non-probability judgment sampling during the period between March 2013 and November 2013. The results indicated that cost, quality and destination image is very important factors that motivate medical tourists in selecting Malaysia as their preferred medical tourism destination. In addition, the findings also confirm that, these three constructs have positive significant influence on medical tourists' motivation towards Malaysia as a medical tourism destination. While, the other construct "accessibility and availability of various types of treatment" did not show the statistical significance in the context of Malaysia. This study significantly contributes to the methodological, theoretical, empirical and practical development in the tourism industry by offering the structured relationship among various aspects contributing towards the development of medical tourism in Malaysia. Methodologically, this study has provided a valid and reliable instrument through which medical tourist's motivation in selecting their destination can be measured. Empirically, this study has evaluated medical tourists' motivation towards their destination selection by investigating the relationship between medical tourists' motivation and destination selection. This was achieved through empirical testing of the structural relationships among tourists' motivational factors towards their destination selection. This systematic examination of structural relationships among the constructs has facilitated a clearer understanding of the nature of the motivational factors towards the desired destination. Theoretically, this study has contributed to the development of the medical tourists' motivation theory. Finally, from the practical stand point, its resulting indicators will help both the academics and the people involved in the hospitality and medical tourism industry to understand how medical tourists are motivated towards the medical tourism aspects of Malaysia. The findings of this study support the proposed model and hypotheses. This has also answered the research questions and achieves the research objectives. Finally, as Malaysia is still in dire need of developing a competitive edge in medical tourism before they can emerge as a key player in the medical tourism business, this study suggest that comparison studies should be conducted with their regional competitors (e.g. Singapore, Thailand, India) to identify the shortfalls and solutions to overcome those.

خلاصة البحث

السياحة، بالاقتران مع عبارة الطبية، يبدو أن شكل جديد من السياحة التي اكتسبت شعبية كبيرة في العقود الاخيرة. ومع ذلك، هناك عدد من الدراسات السابقة المتاحة فيما يتعلق بسفر الدافع من السياحة أو المنافسة من الوجهة، إلا أن الجوانب الرئيسية التي تحفز السياح الطبية نحو اختيار وجهة معينة لا تركز تحديدا على ماليزيا. وبالتالي، هناك نقص الأدلة التجريبية في هذا المجال من الدراسة لابلدمنسدها. علاوة على ذلك، لا يوجد نموذج نهائي السياح الطبية بعد الدافع موجود في كتب في الوقت الراهن. هناك أيضا لعدم كفاية الأدلة على كيفية تدبير السياحة الطبية دافع نحو اختيار الوجهة. ادراك الحاجة لدراسة عن كتب الدافع من السياح الطبية، فإن هذه الدراسة تهدف إلى تقديم الإطار النظري والأدلة التجريبية على دوافع السائح الطبي في اختيار الوجهة السياح الطبية. هذه الدراسة تهدف إلى استكشاف العوامل التي تحفز السياح الطبية، وما إذا كانت هذه العوامل تؤثر على عملية صنع القرار في اختيار ماليزيا كوجهة مفضلة على فهم العلاقة بين هذه العوامل السياحة الطبية الدافع نحو اختيار ماليزيا الوجهة المفضلة للسياحة الطبية. نماذج المعادلة الهيكلية (تم استخدام تحليل البيانات واختبار الفرضيات). السكان المستهدفين في هذه الدراسة الطبية تتكون من السياح القادمين إلى ماليزيا الرئيسية بين نوايا من إجراءات طبية أخرى من مشاهدة المعالم اجمالي حجم العينة 281 تم جمعها من خلال عدم احتمال حكم أخذ العينات خلال الفترة بين مارس 2013، نوفمبر 2013. وأشارت النتائج إلى أن التكلفة والجودة و صورة الوجهة هي عوامل هامة جدا التي تحفز السياح الطبية في اختيار ماليزيا المفضل الوجهة السياح الطبية. وبالإضافة إلى ذلك، فإن النتائج تؤكد أيضا أن هذه الصيغ الثلاث إيجابية وذات تأثير كبير على السياح الطبية الدافع نحو ماليزيا السياحة الطبية الوجهة. في حين آخر بناء "إمكانية الوصول وتوافر أنواع مختلفة من العلاج" لم تظهر دلالة إحصائية في سياق ماليزيا. هذه الدراسة تساهم بشكل كبير في تطوير المنهجية والنظرية، التجريبية والعملية في صناعة السياحة من خلال تقديم العلاقة بين منظمة الجوانب المختلفة المساهمة في تطوير السياحة العلاجية في ماليزيا. ومن الناحية المنهجية فإن هذه الدراسة أداة صالحة وموثوق بها من خلالها الدافع السائح الطبي في اختيار وجهتهم يمكن قياسها. تجريبيا، وقد قيمت هذه الدراسة "الدافع نحو اختيار وجهتهم من خلال التحقيق في العلاقة بين السياح الطبية" السياح الطبية الدافع واختيار الوجهة. وقد تحقق ذلك من خلال الاختبار التجريبي للعلاقات بين العوامل الهيكلية السياح تحفيزية نحو اختيار وجهتهم. هذا الفحص المنهجي من العلاقات الهيكلية بين الإنشاءات يسهل فهم أوضح طبيعة من العوامل التحفيزية نحو الوجهة المطلوبة. نظريا، قد ساهمت هذه الدراسة في تطوير نظرية الدافع السياح الطبية. "أخيرا، من وجهة موقف العملية، والمؤشرات الناتجة سيساعد كل من الأكاديميين والأشخاص الذين شاركوا في صناعة الضيافة والسياحة الطبية لفهم كيفية السياح الطبية تحركهم نحو جوانب السياحة العلاجية في ماليزيا نتائج هذه الدراسة تدعم النموذج المقترح. هذا وقد ردت أيضا على مسائل البحث وتحقق أهداف البحث. أخيرا، ماليزيا لا تزال في حاجة ماسة إلى تطوير القدرة التنافسية في السياحة الطبية قبل أن تظهر كعنصر رئيسي في أعمال السياحة الطبية. هذه الدراسة تشير إلى أن المقارنة ينبغي إجراء دراسات عن منافسيها الاقليميين) مثل سنغافورة، تايلاند، الهند) على تحديد أوجه القصور والحلول للتغلب على تلك.

APPROVAL PAGE

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DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Abdullah Al Mamun Sarwar

Signature

Date

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

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To my Beloved Parents, Wife and Daughter

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CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Tourism is considered as one of the world's largest industries. It is also of vital importance as it has been acknowledged as having a high potential for growth in the world economy (Naude & Saayman, 2005). Its contribution has risen significantly over recent decades. According to the United Nations World Tourism Organisation (UNWTO) (2012a), the worldwide international tourism received US\$ 1 trillion in 2011; which has shown a 3.8% increase from the previous year. Moreover, tourism is considered as one of the principal source of revenues for 83% of the developing countries and considered as the most important source of foreign exchange (UNWTO, 2009). Thus, it is not unusual to observe the great potential of the tourism industry that has significantly contributed to the developed and the developing countries in terms of sizable economic advantages and benefits.

During the past decade, tourism has contributed significantly to the economic development of a large number of Asian countries including Malaysia, Singapore, Indonesia, Thailand, Hong Kong, Vietnam, Cambodia, Philippines, India, and Middle East (UNWTO, 2012b). Tourism has become one of the most essential segments of economy for these Asian countries. Rapid economic growth, political stability, and aggressive tourism campaigns by the governments have strongly enhanced the growth of tourism in this region. Asia and the Pacific (+12%) showed a strong growth where South Asia and South-East Asia (both +14%) were the fastest growing sub regions (UNWTO, 2012a).

Tourism, combined with the phrase medical, seems to be a new form of tourism which has gained an enormous popularity in recent decades (Caballero-Danell & Mugomba, 2006). Beside the leisure vacation and sightseeing, the need for better healthcare has also grown significantly in recent years that have resulted in an increasing number of countries promoting medical tourism (Paffhausen, Peguero & Roche-Villarreal, 2010). In addition, the rising healthcare costs in the U.S. and many countries of Europe have forced many patients from these countries to seek medical treatment abroad (Sarwar, Manaf & Omar, 2012). Wachter (2006) has stated that high treatment costs, together with the increased demand against the long waiting period for medical care, has put Europe and the United States under severe pressure. Furthermore, Herrick (2007) pointed out that though the medical service is free in UK, however, for surgery, the waiting list of patients is very long. The waiting list is sometimes up to two years for an orthopaedic surgery in Canada (Adeba, 2013; Snyder, Crooks, Johnston & Kingsbury, 2011).

However, venturing abroad for healthcare is nothing new. According to Swarbrooke and Horner (2007), during the 15th to 17th centuries, wealthy individuals from many countries of Europe had travelled to other neighbouring European countries for healing purposes in places like spas, mineral springs and the seaside. In the 18th and 19th centuries, France was a popular destination for people from northern Europe for the sunny weather as they had cold weather back home (Holden, 2006). Beginning in the 21st century, a new form of travelling had started. For some specific diagnostics and treatments which were not available in their own countries, many patients from less developed countries visited various European countries and the United States for better healthcare (Horowitz, Rosensweig & Jones, 2007; Kher, 2006).

Moreover, wealthy patients from developed countries have been visiting other countries for medical cure for decades (Shaywitz & Ausiello, 2002). Bookman and Bookman (2007) have stated that, people from rich countries have also started travelling to less developed countries for inexpensive but high quality medical care. Further, Paffhausen et al. (2010) have found that, for better healthcare, patients from developed countries travel to developing countries particularly for saving costs. Cook (2008) stated that medical tourism, which focuses on good health and wellbeing of the patient, is not a new phenomenon. Manaf (2010) further added that, though medical tourism is comparatively new idea in the academic research, however, travelling for medical care is nothing new.

Desired destination for medical tourism is no longer western countries alone. Rather, many Asian countries have placed themselves in the running to gain from this new and emerging market. Moreover, after 9/11, getting visas for the US or the European countries is becoming very challenging for some travellers, even patients, from other countries. These tough visa regulations have forced many patients from other countries to search for alternative destination in many Asian countries for medical treatment (Forgione & Smith, 2007; Sadr Momtaz & Agharahimi, 2011). Among the global medical tourism providers, Asian countries such as India, Singapore, Thailand, Malaysia, the Philippines, Iran, South Korea, and Hong Kong are regarded to be the most likely choices as providers of medical tourism since they have endless natural beauties, excellent quality services and reduced medical costs on offer. Owing to the comparatively cheaper labour cost, customers are able to save up to 40 to 60 percent while they endure a medical procedure in these Asian nations in comparison to US or many European countries (Caballero-Danell & Mugomba, 2006).

In recent years, medical tourism is no longer the domain of the elites alone (Bookman & Bookman, 2007). Rather, an expanding middle class in many countries have also contributed to these phenomena. Today, medical tourism is a truly global phenomenon. It is being promoted by many countries around the world; owing to the fact that the idea provides these individuals with many benefits (Figure 1.1). As for the health travellers, there are numerous options for medical vacation spots which add to their advantages and reduced healthcare costs. Consequently, medical tourism is not only practical but also economical for those who look to having a satisfying vacation whilst attending to their healthcare needs at the same time. For organisations and administration, medical vacation can be considered as a profitable industry to raise profit and also contribute to the gross domestic product.

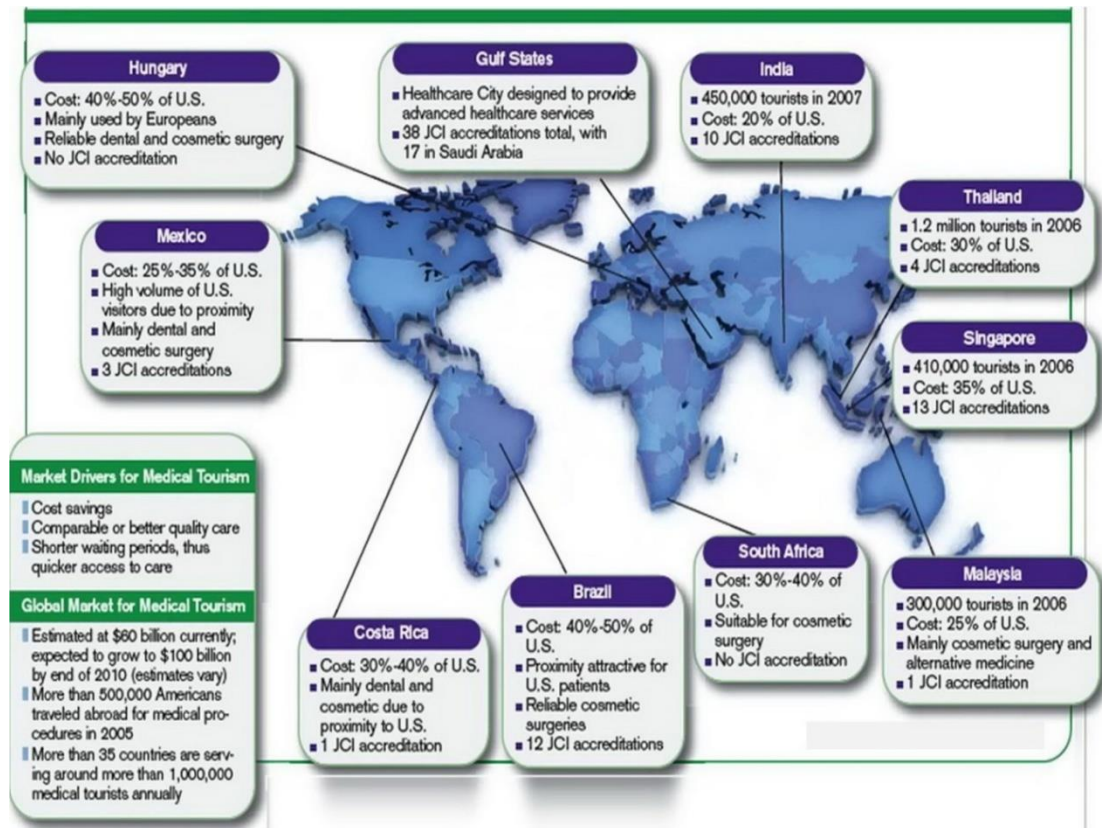


Figure 1.1 Global Medical Tourism Providers

Source: Thakkar (2010)

Finally, different authors have used different phrases for this new form of travelling (e.g. medical tourism, health tourism, wellness tourism, medical travel, and medical outsourcing). In addition, many authors have expressed that these terms represent the same idea (Caballero-Danell & Mugomba, 2006; Connell, 2006; Jabbari, 2007; Cortez, 2008; Gonzales, Brenzel & Sancho, 2001; Goodrich & Goodrich, 1987; Herrick, 2007; Johnson, 2008; Leng, 2007; Monica, 2007; Yap, 2007). However, Breitrück and Nunn (2011) have pointed out that the terms “health tourism” and “medical tourism” are not the same as differences exist in terms of market focus and customer segmentation. The authors further added that, “while health tourism focuses on the younger and active people, families, employed people without children and the seniors, the target group for medical tourism includes almost everyone who needs

medical care either essential or non-essential” (Breitrück & Nunn, 2011: 65). Moreover, Cruz (2006) indicated that, the main motives for health tourists are of well-being of body and soul through obtaining spa treatments, whereas medical tourists normally travel for medical operations or serious surgeries. Adding to this, Horowitz et al. (2007) expressed that, the idiom “medical tourism” is more appropriate to express the actual state of affairs rather than health tourism, wellness tourism, or medical travel. Thus, in this study, the term “medical tourism” will be used throughout.

1.2 TOURISM INDUSTRY IN MALAYSIA

The tourism industry in Malaysia continued to be one of the most important foreign revenue earners, contributing to expansion of the country’s assets and reinforcing the improvement of economic reform. Unlike its ASEAN neighbours, Malaysian tourism industry is considered as one of the most vital segment of the country’s economy. According to the Economic Transformation Programme (ETP) (2010a: 317), “The tourism sector will continue to be in the forefront of Malaysia’s economic development. This sustainable and high-yield sector will continue to drive Malaysia’s economy, providing income and job opportunities to the Rakyat”. In this aspect, Malaysia, as one of the developing countries, has greatly benefited from the tourism industry, not only as a scenic destination but also as a recreational one (Hui, Chern & Othman, 2011). In order to cope with the ever increasing pressure of globalization, and to remain competitive, the Malaysian government has consistently supported the tourism industry with all the available infrastructural and financial facilities at its disposals.