

Original Research Article

Impact of Value Co-Creation on Medical Tourism: A Study on Multispecialty Hospitals of Kolkata

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ABSTRACT

In India, hospital sector is now witnessing leading destination for international patients and becoming highly competitive. Foreign patients are coming mainly from developing and underdeveloped economies because of technological advancement, improvement of quality service, international accreditation, skilled manpower and lower cost. The healthcare market in India is estimated to reach US\$ 10.6 billion by 2019 @30% CAGR.(KPMG,2015)Oncology segment is highly contributing sector and it is increasing inflow of foreign exchange and reputation in the international market. Foreigners with complicated medical conditions come to India for treatment. West Bengal has a unique geographical advantage because countries like Nepal, Bhutan, Bangladesh and Myanmar are adjacent to it. When people are travelling from one country to another country to get medical treatment in that country, this is known as medical tourism.

Our objective in this paper is to find out the roles of patients and their family members, physicians (oncologist mainly) in value co-creation wherein all participants are defined to gain value. We are also proposing certain strategies based on the value creation strategy for the medical tourism. Co-creation refers to the procedure by which both the consumers and producers collaborate or participate in creating value.(Prahalad & Ramaswamy,2004) As a part of the qualitative study, we have collected data from 40 respondents(patients and their family members) of different private hospitals.

The results of the qualitative study indicate that patients and patient parties can co-create value by themselves with the hospitals whereby all participants are accountable to gain benefits. Our paper contributes to the value co-creation pattern by

- The roles of patients and their family members, in Brand value co-creation and
- How Brand value co-creation affects medical tourism by developing a model

Key words: Medical Tourism, Co-creation, Qualitative

Important terminology and meaning related to this paper:

Oncologist: A medical professional who practices oncology is an oncologist (<https://en.wikipedia.org/wiki/Oncology>)

Radiotherapy: Radiation therapy or radiotherapy, often abbreviated RT, RTx, or XRT, is therapy using ionizing radiation, generally as part of cancer treatment to control or kill malignant cells and normally delivered by a linear accelerator. (https://en.wikipedia.org/wiki/Radiation_therapy)

Metastasis: Metastasis is a pathogenic agent's spread from an initial or primary site to a different or secondary site within the host's body; it is typically spoken of as such spread by a cancerous tumor. (<https://en.wikipedia.org/wiki/Metastasis>)

Palliative care: is a multidisciplinary approach to specialized medical and nursing care for people with life-limiting illnesses. It focuses on providing relief from the symptoms, pain, physical stress, and mental stress of a terminal diagnosis. The goal is to improve quality of life for both the person and their family. (https://en.wikipedia.org/wiki/Palliative_care)

Chemotherapy: Chemotherapy (often abbreviated to chemo and sometimes CTX or CTx) is a category of cancer treatment that uses one or more anti-cancer drugs (chemotherapeutic agents) as part of a standardized (<https://en.wikipedia.org/wiki/Chemotherapy>)

Hormone therapy: Hormone therapy or hormonal therapy is the use of hormones in medical treatment. The most general classes of hormone therapy are oncologic hormone therapy and hormone replacement therapy (https://en.wikipedia.org/wiki/Hormone_therapy)

Medical oncologist: A medical oncologist treats cancer using chemotherapy or other medications, such as targeted therapy or immunotherapy.

(<https://www.cancer.net/navigating-cancer-care/cancer-basics/cancer-care-team/types-oncologists>)

NABH: National Accreditation Board for Hospitals and Healthcare Providers

(www.nabh.co/)

JCI: Joint Commission International

(<https://www.jointcommissioninternational.org/>)

INTRODUCTION

In India, hospital sector is now witnessing leading destination for international patients and becoming highly competitive. Foreign patients are coming mainly from developing and underdeveloped economies because of technological advancement, improvement of quality service, international accreditation, skilled manpower and lower cost. The healthcare market in India is estimated to reach US\$ 10.6 billion by 2019 @30% CAGR. (KPMG, 2015) Oncology segment is highly contributing sector and it is increasing inflow of foreign exchange and reputation in the international market. Foreigners with complicated medical conditions come to India for treatment.

The term Medical Tourism is used while travelling or vacationing in another country for medical or surgical treatment options from his own country. Medical tourism, which is defined as movements of people - travelling to another country for medical treatment (Keckley & Underwood, 2008) is a growing segment. In Medical Tourism, India is an important name in where high quality treatment at low cost is available. Bangladesh is very much adjacent to West Bengal and having common culture (Particularly food habit, language) actually made Kolkata a hub for medical treatment

(Chakraborty & Sanyal, 2016). According to Caruana (2002), customer satisfaction is the most important objective in any kind of marketing. Satisfaction is the ultimate result of all kind of marketing activities and has positive impact on decision-making and consumption with post-purchase phenomenon such as change of attitude, complaining behaviour, word of mouth, repeat purchase, and brand loyalty (Bearden & Teel 1983; Fornell 1992; Oliver 1980). According to Musa et al., (2012) and Homburg et al., (2005) a strong, positive influence of customer satisfaction wherein customers who are already satisfied with the past service will not bother to take the help of that service provider in future again, but also ready to pay higher price for that service without any hesitation. (Ganiyu et al., 2012) As a result Growth and create value is really a tough job for managers today and primary focus they have given on that aspect (Pralhad & Ramaswamy, 2004). The power of balance is now shifted from personal experience. Value and value extraction is the primary objectives and continuous process in between firm and consumer. The result of value creation is achievable through Dialogue, access, transparency and risk understanding (Pralhad & Ramaswamy, 2004). Traditional concept of firm centric market

has been side-lined by this new idea –“co-create value” (Prahalad & Ramaswamy, 2004). The service dominant logic has been emerging out that challenging traditional visit of brands (Varago & Lusen, 2004).

LITERATURE REVIEW

Turner (2007) suggested that as a result of globalization number of patients are increasing due to reductions in health benefits offered by states and employers for affordable medical care. Chacko (2006) opined that today medical tourism is depending upon improvement of basic facilities and hospital infrastructures, relationship between the health care and tourism sectors, highly skilled and well-mannered staff, services standard and hospitals accreditation of that country. According to Chan 2011, as new hospitals are coming worldwide, a need for developing a hospital brand is extremely important, as branding is a valuable intangible asset for any organization. According to (Kunders, 2005) quality is the only standard measurement of a hospital's brand. The service in health care industry is intangible, trust and reputation of hospitals develop over a longer period of time. Hospital market has today changed from the past and now focuses only on patient. In order to satisfy patients, the hospital has to emphasize more on quality of service. In hospital customer comes mainly because of their illness and they are ready to pay money for that reason. (Solayappan & Jayakrishnan 2010). Branding helps even a small company or a hospital hugely (GREEN communications, 2006) by improving its financial condition. In this fiercely competitive environment today companies are coming with plethora of services and facilities in front of the customers – making consumers more option of choices that they have not experienced earlier. Today customers have to select the best option among the alternatives and search for more satisfaction through their experiences. As a result growth and create value is really a tough job for managers and

primary focus they have given on that aspect (Prahalad & Ramaswamy, 2004). They opined that the power of balance is now shifted from product and firm centric view to personal experience. Value and value extraction is the primary objectives and continuous process in between firm and consumer. The result of value creation is through Dialogue, access, transparency and risk understanding (Prahalad & Ramaswamy, 2004). Traditional concept of firm centric market has been sidelined by this new idea –“co-create value” (Prahalad & Ramaswamy, 2004). The service – dominant logic has been emerging out that challenging traditional visit of brands (Varago&Lusch, 2004). Company employees when interact with customers and when the experience is positive – customers are associated with brand for a long term relationship (Brakuset al., 2009). Manager must inculcate good habits of this new development and changing patterns and every aspect of a brand and its control is really impossible for them. (Iglesias et al., 2013). Yi & Gong (2012) described that co-creation consists of customer participation and citizenship behaviour. According to (Hoyer et al., 2012) in co-creation process both monetary and non-monetary costs are involved and firm stimulators have an impact on it. However, (Sawhney et al., 2005) opined that engagement platforms vary in type and duration. Dijk et al., (2014) showed that co-creation influence consumer perceptions. Sawhney et al., 2005 narrated that if consumers took part in co-creation, then loyalty will also increase. Co-creation have several impacts on customer – (Fuller, 2010) stated that as a result of co-creation customer relationship with the firm, trust will also increase, support desired brand image which leads to brand loyalty.

GAP AREA:

Lots of studies are published on “Co-Creation” and “Medical Tourism” but best of my knowledge such research are not available on Hospital sector particularly on this topic related with in India.

Objective:

Our objective in this paper is to find out The roles of patients and their family members, in Brand value co-creation and How Brand value co-creation affects medical tourism by developing a model

RESEARCH METHODOLOGY

In this qualitative study, we collected data from 40 respondents along with patients and their family members from cluster of hospitals.

We conducted a pilot survey among 20 respondents for identifying the constructs to frame the final semi-structured questionnaire. We also took help from the journals for framing the questionnaire.

The second stage of data collection was in the form of individual in-depth interview. We selected 40 respondents for this purpose by applying purposive sampling process. We restricted our studies with Kolkata city and the adjoining areas looking at the constraints like time and manpower. We collected data from 40 patients and their family members. This qualitative study was conducted by using

content analysis approach. We re-analyzed texts several times into themes and subthemes. In our research work, no quantification of data was developed; a questionnaire was followed by the questions identical in content and order. Before taking the interview, all participants were informed properly about the topic. In our research we did not use any software for qualitative research.

Findings: (Participants characteristics)

Out of 40 patients, 26(65%) were female and 14(35%) were males. 70% (28) were came here for the first time and 30% (12) had previous experience.35% patients (14) were non graduate. 15% (6) were paediatric patients.

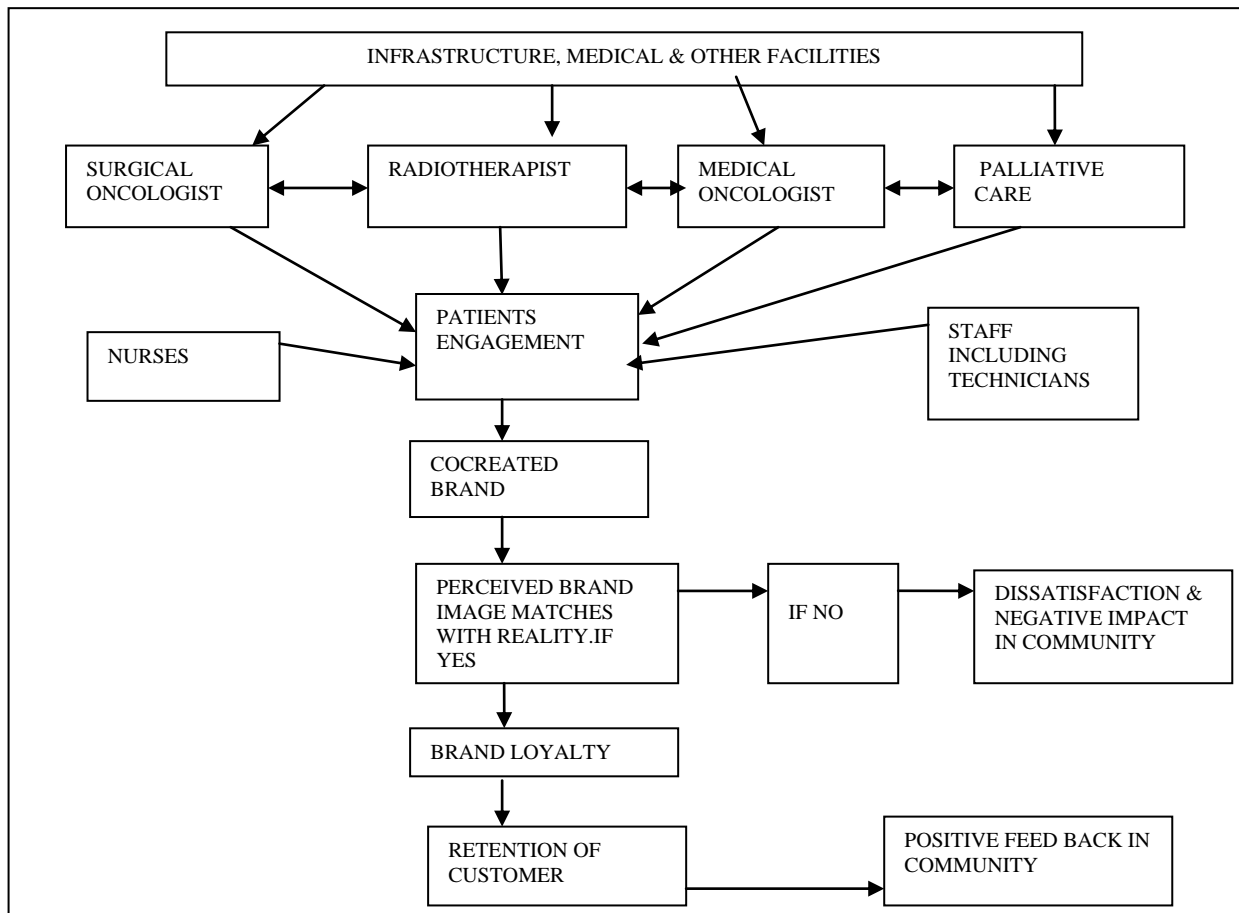
Patients view points about hospitals

The result showed that patients’ viewpoints about hospitals were in 5 themes and 14 subthemes. The main themes included in this study were infrastructure and medical facilities, patients’ engagement, co-created brand, purchase intentions, brand loyalty. Table 1 indicates major findings (main themes, sub themes and quotations) which were extracted from patients view points

Table 1: From the view points of Patients

NO	Theme	Sub -Theme	Quotations
1	Infrastructure & Medical Facilities	Qualified Doctors	“ Chemotherapy related panic is reduced by the medical oncologist and junior doctors”
		Qualified Nurses	“Qualified and trained nurses are important particularly after surgery. Without proper nursing care success will not come”
		Medical Equipments	“ Due to the facility of Linear accelerator, MRI, CT, Chemotherapy drugs ,admit patients here”
2	Patients engagement	Good interactions	“ Most of the doctors and nurses are supportive”
		Better Understanding	“Risk associated with surgery and chemotherapy properly explained by the doctors”
		Transparency	“Treatment procedures and cost related issues are clearly discussed ”
3	Co-created brand	Increase Patients confidence	“ Post treatment services and care are provided”
		Increase Positive attitude of the patients	“Doctors, nurses listen to our problems and take care if we ask for assistance, which is really vital”
4	Purchase intentions	Customer Perception	“People are supportive, infrastructure is also good, we will visit in future also. ”
		Trust	“Billing and duration of stay also is satisfactory ”
		Support desired brand	“we get good service here “
5	Brand Loyalty	Customer satisfactions	“Apart from treatment-Food, language is similar here, we can communicate easily ”
		Repetitive Purchase	“ Our Past experience was also good”
		Customer Retention	“Yes, we will visit here and recommend others to come”

STRATEGIES FOR THE HOSPITAL (PROPOSED MODEL BY THE AUTHORS)



DISCUSSION

Based on the study and the outcome we can say that co-creation definitely helps in Medical Tourism. Patients' engagement is very vital. This could be done by the efforts of Oncology team (Consist of Radiotherapist, surgical oncologist, Medical oncologist mainly) along with nurses, staff including technicians through hospital infrastructure, facilities-even in some cases Palliative care is also required based on patients condition. Ultimately this will lead to development of co-created brand. If perceived image matches with reality, brand loyalty may be obtained, which ultimately helps in retention of customers. These satisfied customers then give positive feedback to their community. Dijk et al., (2014) opined that co-creation influence consumer perceptions. Sawhney et al., (2005) emphasized that if consumers took part in co-creation, then loyalty will also increase. Co-creation has several impacts on

customer – (Fuller, 2010) stated that as a result of co-creation customer relationship with the firm, trust will also increase, support desired brand image which leads to brand loyalty Medical Tourism concept is taking shape in Kolkata primarily because of its geographical advantage. Our study reveals that due to good number of NABH hospitals and two JCI accredited hospitals, Kolkata is attracting more number of patients. These accreditations prove that even in Kolkata good number of hospitals is there and they can match to any region by quality standard. We have identified that good Oncologists are available with the hospitals and Technological advancement is also available in Kolkata. Our study also suggests that co-creation, although a new concept for the mass people but knowingly or unknowingly hospitals, doctors, front line personnel are interacting with the patients regularly which boosts up the process of co-creation in the hospital industry. More

emphasize on customer centric approach and more interaction between both staff and patient parties, the better as well as favourable results will be obtained.

Hospitals authority must admit that the need and desires of consumers and by focusing on that they must facilitate satisfactory experience for each and every patient. Hospitals may also arrange satisfied customers meet and share their experiences during their stay. This will also be helpful for building brand and to retain patients. To develop the quality of service hospital authority must analyse critically customers' feedback report to arrest dissatisfaction if at all any. Patient dissatisfaction in today means hospitals to lose patients forever. Hospital authorities must invite different hospital partners including information centres mainly in different countries, other patients' communities also for value exchange. Hospital authority must realise today that value changes from customer to customer and organisation do not have the control like past.

Managerial implications

Hospital managers must be proactive today. They must focus on important external stakeholders like suppliers, distributors, shareholders, media persons, journalists on regular basis without any gap. Hospital managers need to monitor the commitment level of doctors, employees, nurses even regularly for minimising service gap. The managers of the hospitals can easily develop their positioning strategies based on the recommendations of this research. West Bengal has a positional advantage apart from language related plus point according to them because people from Bangladesh, Nepal and Bhutan people can understand both English and Bengali and particularly people from Bangladesh and Myanmar patients have similar food habits also. The results of our qualitative study indicate that patients and their family members can co-create value wherein all participants are accountable to gain benefits. This paper contributes by suggesting the

value co-creation process in medical tourism; and how co-creation effects on medical tourism

Limitations:

This research is relevant from the academic point of view because it attempts to answer the research objective. A group of patients are selected here and not many segments are considered. This research is a qualitative one. On the propositions of this research further research can be possible on a quantitative basis. Moreover, the study was conducted in Kolkata city. The results and the model might differ if the study is conducted in other cities of India.

Future Recommendation:

Here we studied only on patients but other stakeholders like Vendors, Doctors, Nurses, Staff, even media can be included further. Based on all these propositions of this research further research can be possible on a quantitative basis with different cities.

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