Impact of the Medical Tourism Market on the Hotel Industry in South Korea: Focus on 5-Star Hotels

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ABSTRACT

As many other countries are capitalizing on the trend of supporting medical tourism, the South Korea government also has actively encouraged international and medical tourism. The South Korea government has put a lot of effort into attracting more international tourists, and the South Korea enjoyed the largest one-year increase in tourism from international tourists in 2009. The future prospects for the hotel industry are optimistic. However, given the lack of research data, the level and quality of services for individual hotels participating in medical tourism is unknown. The study will be conducted in Seoul and Pusan city in South Korea between November and December of 2010. The major 5-star hotels in these cities will be included in the study. An online survey will be conducted to identify the level of services provided by the hotels in these two cities. The participants will be executive managers of the hotels where medical-tourism products play an important or fairly important role.

Keywords: Medical tourism, South Korea, International tourist
INTRODUCTION

Medical tourism refers to “travel activity across international borders to obtain medical care” (C. Lee & Spisto, 2007). Medical travel has increased dramatically over the past several years. As consumers now are faced with long waiting lists, high costs, and lack of insurance, they are seeking alternative sources for medical care — medical travel (Connell, 2006; Hume & DeMicco, 2007). In addition, the attempt to achieve better health while simultaneously on a vacation has begun, and, as a result, medical tourism has become a new and distinct niche in the tourist industry (Connell, 2006).

Many countries have medical tourism in place or are developing strategies for this new type of travel. Malaysia is one country where tourism has rapidly become a prime industry, and medical tourism is the second largest income earner for its national economy (García-Altés, 2005). Patients go to India for surgery and specialized services in areas such as neurology, cardiology, endocrinology, and nephrology. Thailand specializes in sex-change operations and cosmetic surgery and is now known as a destination for medical tourism (Connell, 2006).

Since medical tourism involves local travel at the destination, the tourism industry has developed hospitality services such as accommodation in hotels and motels, local transportation, and leisure and recreation activities for tourists. These services may also include a relaxing recovery from any medical procedure (C. Lee & Spisto, 2007). In particular, hotels fit well into the services for medical tourism because they already accommodate many of the needs and wants of their guests and, therefore, can more easily expand their service by combining them with a medical tourism program (Hume & DeMicco, 2007). After the surgery, a guest could be easily returned to their private and quiet room at the hotel, and having 24-hour room service would enable accommodating post-operative guests. Therefore, many hospitals offer link-ups with different hotels to provide hospitality services, as patients are increasingly demanding a total consumer experience (Teh & Chu, 2005). The hotels provide non-medical services, such as accommodation, airport pick-up, and wellness programs. For example, Thai hotels in Phuket offered special packages for their medical tourists. They arrange travel and accommodation, as well as any car rental and other vacation services (Connell, 2006).

As many other countries are capitalizing on the trend of supporting medical tourism, the South Korea government also has actively encouraged international and medical tourism. For the last few years, Koreans have spent more money on outbound travel than tourist arrivals spent traveling to Korea. The typical Korean spent $1,204 in 2009 for overseas travel, compared to $986 spent by travelers to Korea (Korea Tourism Organization, 2010). That imbalance is the source of the government's frustration with tourism (H.-W. Lee, 2009). As a result, the South Korea government has put a lot of effort into attracting more international tourists, and South Korea enjoyed the largest one-year increase in tourism from international tourists in 2009. More than 780 million international tourists visited South Korea in 2009, a 13% increase over 2008. Since 2000 Korea has shown a profit in the travel industry (Sohn, 2009). In particular, China and Japan are close to South Korea, and travel for tourists from those countries is relatively inexpensive. Also South Korea may be a comfortable destination because of the cultural similarities. Cosmetic surgery tourism to South Korea has grown in China and Japan in recent years. The typical five-to seven-day trip makes an Asian destination most appropriate. Thus,
clients can get cosmetic surgery or other delicate procedures in another country where they do not have to explain their absences (Sohn, 2009). China has emerged as the focus of the South Korea government’s ambition to strengthen inbound tourism, according to a report from the Ministry of Sports and Tourism. In 2010 the South Korean government announced a policy making it easier for Chinese people to obtain individual tourist visas (H.-W. Lee, 2009). Therefore, hotel marketers should consider attracting international medical tourists. The number of foreign patients seeking medical treatment in South Korea is increasing every year (C. Lee & Spisto, 2007). The future prospects for the hotel industry are optimistic. However, given the lack of research data, the level and quality of services for individual hotels participating in medical tourism is unknown.

The purpose of this study is to identify the current trends and characteristics within the hotel industry that is trying to find a niche in the practical domain of medical tourism in South Korea. This information will be among the first steps in studying and understanding the hotel market as it relates to medical tourism in South Korea, specifically, calling attention to this new market.

The study will be conducted in Seoul and Pusan city in South Korea between November and December of 2010. The major 5-star hotels in these cities will be included in the study. An online survey will be conducted to identify the level of services provided by the hotels in these two cities. The participants will be executive managers of the hotels where medical-tourism products play an important or fairly important role. A recruitment message from the researchers that describes the purpose of the study will be given in advance of the online survey activation. It is expected that the responses from the hotels will give information on convenience, relaxation, and wellness services available for medical tourists. The data analysis will be completed in four steps (t-test, ANOVA, factor analysis, and multiple regression analysis).

This study will provide meaningful information to the hotel industry as well as tourists because the quality of the medical-tourism products and services provided by hotels in South Korea is not now known. Marketing strategies for the hotel industry will also be suggested to effectively recruit potential guests interested in medical tourism.

REFERENCES

