

A Study on Health Tourism Industry Potentiality in Thailand

การศึกษาศักยภาพอุตสาหกรรมการท่องเที่ยวเชิงสุขภาพในประเทศไทย

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Received: November 11, 2019

Revised: January 15, 2020

Accepted: January 15, 2020

Abstract

Nowadays, the health tourism industry is another option that tourists around the world who are interested, through the objective to learn the way of life from the local community, to relax, to get advice on health. This study uses McKinsey's 7s model concept (McKinsey, 2008) to determine the potential health tourism services in Thailand. There are 6 strategies to strengthen the potential health tourism services in Thailand which are (1) enhance competitiveness in health services by developing infrastructure, facilities and administration system by government (2) government's support on the development of medical services promoting Medical Services in Thailand as an alternative service (3) promote some travel attractions to be health services spots by developing natural attractions such as hot springs via government's promotion policy (4) focuses on academia and academic research by strengthen and develop the potential of medical education institutions by government (5) promote the development of Thai herbal medicines and health products internationally. (6) promote marketing and public relations as the best health tourism in the world in all communication channels through Agent/Broker.

Keywords: Health tourism industry, Day spa, Thai massage, Strategies, Wisdom McKinsey's 7s model

บทคัดย่อ

ในปัจจุบันการท่องเที่ยวเชิงสุขภาพเป็นอีกหนึ่งทางเลือกที่นักท่องเที่ยวทั่วโลกให้ความสนใจเป็นอย่างมาก โดยมีวัตถุประสงค์เพื่อเรียนรู้วิถีชีวิตของชุมชนท้องถิ่น เพื่อพักผ่อนหย่อนใจ หรือ เพื่อรับคำปรึกษาและแนะนำด้านสุขภาพ การศึกษาในครั้งนี้อาศัยแนวคิด 7s ของ McKinsey เพื่อวิเคราะห์และกำหนดกลยุทธ์ในการสร้างศักยภาพของการบริการการท่องเที่ยวเชิงสุขภาพในประเทศไทย โดยสามารถกำหนดเป็นกลยุทธ์เพื่อส่งเสริมสร้างศักยภาพการท่องเที่ยวเชิงสุขภาพในประเทศไทยได้ 6 กลยุทธ์ได้แก่ (1) รัฐบาลต้องสนับสนุนผู้ประกอบการเพื่อการพัฒนาโครงสร้างพื้นฐานและสิ่งอำนวยความสะดวก (2) รัฐบาลควรผลักดันให้การบริการเชิงสุขภาพของไทยเป็นการแพทย์ทางเลือกให้กับกลุ่มเป้าหมาย (3)

รัฐบาลส่งเสริมแหล่งท่องเที่ยวในประเทศให้เป็นการท่องเที่ยวเชิงสุขภาพเช่น บ่อน้ำพุร้อน (4) รัฐบาลต้องสนับสนุนการทำวิจัยและพัฒนาศักยภาพการท่องเที่ยวเชิงสุขภาพ (5) ประชาสัมพันธ์การแพทย์แผนไทยและสมุนไพรไทยสู่สากล (6) ส่งเสริมและประชาสัมพันธ์ในฐานะการท่องเที่ยวเชิงสุขภาพที่ดีที่สุดในโลกในทุกช่องทางการสื่อสารผ่านทางตัวแทน

คำสำคัญ: การท่องเที่ยวเชิงสุขภาพ, เดย์สปา, นวดแผนไทย, กลยุทธ์, กรอบแนวคิด 7s ของแมคคินซี



Introduction

Nowadays “Tourism Industry” has become one of the economic drivers of many countries around the world. It can not only increase revenue channels for the country but also continue to impact in many sectors such as employment and income distribution to the people around country. Analysts believe that 2020 is also the year the “tourism industry” is the main industry to drive the global economy while the competition of each country to attract tourists will intensify. The competition of the travel industry is always filled with ever-changing expectations of consumers both satisfaction standards and modifying the business plan to response changing of consumer behavior. According to a survey of 10,000 tourists around the world from the American Marketing Association, in 2020, most of the tourist’s targets are traveling to countries in Asia and Europe as in 2017 such as Hong Kong, South Korea, Japan, England and France (Chantouch, 2009). The United Nations World Tourism Organization (UNWTO) said that global tourist arrivals in 2016 were 1,235 million, up 4% from a year earlier to 1,189 million. (www.prachachat.net). World Travel & Tourism Council (WTTC) explains that in 2013, the travel industry is 2.9% of world GDP but hotel investment slows down from the global economy, meaning that if the global economy does not pause, hotel business would be expanded (Supharang, 2016).

WTTC praised the tourism industry that it is a sector that creates important economic jobs for many women and young people. The supply chain of the travel industry is long enough to support countless young people around the world.

Public and private sectors in various countries join hands to work for economic development and quality of life through tourism supporting policies especially in Asia where many countries speedy develop many tourism brands to promote Asian cultures have a more humble personality to care for “guest” visitors than Western cultures and it is likely to further expand Asia’s tourism investments across the globe.

Nowadays, tourists have different purposes and health tourism is one of the main purposes of tourists worldwide. Health tourism means tourism purposed to promote health and/or rehabilitation therapy or combination tourism of treatment and rehabilitation of both physical and mental health and strongly think to the conservation of tourism resources and environment in natural and cultural attractions.

By the potential evaluation for health tourism found that Asia is High-potential health tourism market. This region can generate revenue from its services from foreigners were valued at \$ 3.4 billion in 2007, with a market share of 12.7 percent. Total market value is \$ 26.77

billion and estimated that the rate growth was at an average of 17.6 percent during 2015-2017 particularly in South East Asia and South Asia which are Thailand, Singapore, India, Malaysia and the Philippines. The global market is expected to grow at an annualized rate of about 20 percent, but for annual growth projections of South Asia and South East Asia will be higher by approximately 28% and will share their market share by 15% of global market value in 2012. (Ministry of Tourism and Sports, 2015)

For South and Southeast Asia, the major health service providers are Singapore, Thailand, India, Malaysia and Philippines and Singapore has the largest market share where has 33%, worth about 90,000 million baht, followed by Thailand with 26%, worth about 70,000 million baht, and the India (19%) valued at over 50,000 million baht. Comparing the trend of health tourism in Asia, 2012-2013, it is found that most Asian countries have the growing size of health tourism market. Trend of market in Thailand is also growing by moving up from the 14th to the 13th and having a market share of about 285 billion while the top three are the United States, Germany and France. Health tourists are very interesting because they are medium-to-high income group with good education and long stay planning. They are high spenders in both groups (international tourists and tourists in the country) (Komsit, 2014). This group can be divided into two categories: medical tourism, wellness Tourism). Medical Tourism in Thailand has the largest number of medical tourists in the world. There are about 7 to 8 million medical tourists around the world each year and 1.2 million come to use service in Thailand and spent around 1 billion baht which is the highest number in the world. This is because Thailand has the potential to compete in the Asian region

in terms of service standards, caring, modern medical technology, quality medical staff close to Singapore where are internationally accredited, and the low cost of service is similar to India.

Thai health tourism overview can be divided into various service followed by customer popular. The spa is the main health service in Thailand. Currently, there are 1,609 accredited spas providers which are 509 spas, 1,070 spas for health resorts, and 30 spas for beauty salons. Thai spa is one of the most renowned high-end wellness services and creates high value in Thailand. Many destination spa and day spa are world famous and popular with foreign tourists.

Thai Massage, The choice of outstanding health services is the traditional Thai wisdom of traditional Thai medicine that can be massage for healing and massage to relax. Number of operators in Thai traditional medicine which has Thai massage is part of Thai traditional medicine is expected to increase from 49,864 in 2010 to 58,681 in 2013 (an increase of 17.7% (Tourism Economic Review,2016)

Traditional Thai medicine is an alternative medicine to promote health tourism in Thailand. Today, alternative medicine is becoming increasingly important in many countries around the world. According to the Department of Health Service, in 2015 there were 7,739 alternative health care providers with local wisdom and Thai ways of life are expected to be popular from tourists. This is consistent with current tourism trends who are interested in health tourism and community tourism. At present, Thai health services are much smaller than medical tourism which is the trend of global health tourism. Medical tourism in Thailand is four times larger than health tourism, while in the world's health tourism market found that health tourism is about 7.3

times larger than medical tourism due to most Thai medical providers are large private hospitals with high capital and service standards while most of the Thai health entrepreneurs are small and have limited to run business (International Medical Travel Journal,2010)

This survey is to help the small health tourism providers to develop service and strengthen their business by Using McKinsey's 7s Model concept to determine the potential services of health tourism in Thailand. It consists of 7 factors of interdependence.

Strategy: organization must plan to develop strategies to build and maintain competitive advantage over its competitors internally in order to compete and overcome with external environment.

Structure is the organizational structure that expresses the relationship between authority and responsibility including the control, consolidation and decentralization of the executive and properly structured customer-based functionalities by region.

Style is in the work of the executive. It is especially important for top management. It influences the will of employees within the organization more than executives say.

System is an analysis of the organization's systems in all aspects of the management system, operating systems such as information systems, systems, budgeting systems, control systems, purchasing system, system for recruiting and recruiting staff Training system, and the pay system.

Staff means the selection of qualified personnel, and staff development continuously. Skill is a consideration of the overall skill or expertise of the organization to make sure that there are the related expertise in any field.

Shared Value refers to the shared values among people in the organization and unity. After collecting information from many small health tourism providers and is summarized based on McKinsey's 7s model concept (McKinsey, 2008)

Through the use of data collection, literature review, and in-depth interviews approach the results of the findings are as followed:

1. Strategy: The marketing strategy (16P) of small health tourism is product, price, place, promotion, positioning, psychology, partnership, participation, perception, package, people, period, politic, public opinion, process of service, physical evidence show that older travelers are more satisfied with their marketing strategies because Thailand is a major tourist destination for the elderly with the opinion of private sector that Thailand is ready for all tourism marketing strategies except partnership, participation seem to be lack of the good coordination between of government and local agencies. From the unclear health tourism strategy which is focused on increasing tourist traffic cause oversupply. The growing number of establishments is resulting in high competition in both price and location. Moreover, most business providers still do not understand indeed about doing health tourism business and use only the price cut strategy. Many promotional strategies will be implemented in a variety of ways such as cultural exchange activities, low-season promotional activities such as discounted party buffets, the package tour and organizing activities with the local community through many channels such as direct sales to tourists, travel agent, advertising in magazines, local magazine, public relations through public car riders and words of mouth of friends and relatives. Lacking of business network caused providers cannot meet the customer requirement. Many

potential health tourism service providers start to see the importance of cooperation of business or network to create more bargaining power such as the partnership with the golf course, travel agent and health service apartment. However, building a business network requires operating budgets such as coordination, public relations. Including official place that the government should support both registration and budget to strengthen the network especially local entrepreneurs who lack the skills and experience in the international market should be able to carry out their activities as well as provide knowledge and understanding about health tourism to be able to manage correctly and effectively.

2. Structure: The location and facilities are diverse, good quality, clean, comfortable and the cost is reasonable, both at close to the beach and hill where has natural and beautiful beaches. Beaches are available all year round and beautiful climate. On the other hand, the emphasis on natural tourism alone is not diversified and the environment began to deteriorate. Some providers are located near the community, transportation convenience, full facilities including close to the bank, currency exchange, department stores and hospitals. There are good surrounding, good building allocation of space decoration and landscape improvement in daily life such as restaurants, laundry service, spa, WiFi internet, cable TV, as well as decoration and landscaping. Some places have a ramp adjustment for wheelchairs and lighting for the elderly and the disabled. But many of them lack facilities for elderly travelers such as the ramp for the elderly wheelchair, stairs for the elderly and the disabled.

Most of providers have a functions division. There is a line of command that

clearly indicates about scope of work and staff authority. Most decision-making centers rely on top management. There are some places where the head of a department decides on only one level.

3. Style: The management style of the business is diverse both the family business and corporation. There is a board of directors and it is the sole owner. The decision makers are the top executives or business owners.

4. System: There is management system with full facilities and comfort. In term of service system, providers take into account the interests of tourists most and also prioritize the ability to serve the needs and satisfaction of tourists with attention, customer service, be courteous, mental peace and service to the customers, service fast, the ability to take care of problems promptly including communication with tourists in foreign languages.

For traveler's security and service safety standards, most of providers have good security systems that ensure the tourists satisfaction but there are also some less secure systems such as sign or warning signs of tourist safety, at mountain or sea and there is not enough staff to help in case of unpredictable situation. The food quality and cleanliness are controlled. Even though all parties agree that the cost of living and the cost of service are not high and effective, however, the standard price is not stable. There is a limit to the amount of medical expenses that tourists receive from their home country. The use of information technology in various systems is also less, such as transactions through e-commerce are not widespread and the amount of money in the account is too large.

Database development system is still lack of information between the relevant agencies and monitoring and Evaluation System

are discontinuous.

Communication and Public Relations need to be more active. Many providers lack of information technology application and should be more communication and publicity in all forms both in the service providers and tourist group. In the past, most tourists get information from close friends and relatives. On the other hand, word-of-mouth publicity has increased the number of visitors from trust and mutual trust among tourists.

There is the cooperation with local communities by organizing activities with local communities, cultural activities and special events.

Some issues of restrictions on visa applications and visa extension effect on the duration of stay and should be fixed to gain more interest from targets.

5. Staffing: There is the selection of qualified people who have experience in the job. There are enough people to operate all departments. There are some limitations such as some qualified and well-trained medical people lack of the ability to communicate in English including other foreign languages such as Japanese especially in local providers should develop and train staff continuously. The language used to communicate with foreign tourists will help staff meet customer requirement effectively. Moreover, providers should set Management of service short courses to understand the culture and needs of tourists from cultural differences.

6. Skill: Staffs have service with care, be courteous as Thai people. All job description appropriate for the job especially in the travel business. Tour guides have good English language skills and know tourist attractions very well. Providers have skills in marketing, psychology, customer understanding, service with

speed and standards in the field of health services by having qualified medical staff that is internationally recognized. However there are some Tour guides and medical service staffs who can communicate well in third languages.

7. Shared Value: Health tourism providers run business with high standards and high vision. They have slogan or shared values among people in the organization. There are communication and understanding throughout the organization to become a corporate culture. In term of local community, local and state governments play an important role in creating common values to be unity. Based on the survey of health tourism providers can set up the strategies as follows.

After the data collection have been conducted through the use of academic papers and literature review in order to make in-depth analysis on the findings, the results are as followed:

Strategy 1: Enhance Competitiveness in health services by developing infrastructure, facilities and administration system. **Strategy 2:** push the development of medical services by promoting Medical Services in Thailand both Thai traditional medicine and alternative medicine to be global standard as Western medicine. **Strategy 3:** Promote some travel attractions to be health services spots by developing natural attractions such as hot springs to the spa town. Develop the potential of community enterprises / entrepreneurs to support healthy tourism by setting network and gathering together to exchange knowledge. **Strategy 4:** focuses on academia and academic research by strengthen and develop the potential of medical education institutions by supporting government people to meet the needs of the target effectively. Develop

capacity and increase staff by funding research to gain international quality including raising Thailand to be the center of MICE in medical tourism. **Strategy 5:** Promote the development of Thai herbal medicines and health products by promoting the development of Thai herbal medicines internationally.

Maximize laboratory capacity to international standards. **Strategy 6:** Promote marketing and public relations as the best health tourism in the world in all communication channels through Agent/Broker.



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