

# Analysis of the Health Tourism Marketing Management in Iran

Masoud Safaeepur<sup>1</sup> and \*Masoomeh Tavangar<sup>2</sup>

<sup>1</sup>Associate professor of geography department, Shahid Chamran University of Ahwaz, Iran

<sup>2</sup>PHD student and academic Staff of management and Planning of tourism, ACECR RCT, Iran

*Received: April 20, 2015*

*Accepted: June 15, 2015*

## ABSTRACT

Iran, based on long term development plans in 2025 horizon, would like to become one of the health tourism hubs in the region. Studying the managerial and executive structures of health tourism industry in Iran implied lack of cohesion between public and private sectors and a continuous value chain in this part of the economy so the process of marketing and attracting health tourists face with different challenges. The present study aimed at identifying the structure governing the health tourism management and the status of marketing in the process. This was an analytical-descriptive research. In order to analyze documentary information and specifying the problems of health tourism marketing in Iran, the marketing mix model based on seven elements making up this model and the structured interviews with experts were used. To review the management structures of health tourism, authentic tourism and health/medical tourism websites were searched. According to organizational and upstream documents and interviews with practitioners in the health field, health tourism marketing is mainly based on unstructured activities of private and public sectors. The main target market of this industry for Iran is in the countries of Iraq, Central Asia and Afghanistan. The country's the most important current marketing strategy is low cost of medical services compared to regional competitors. The major challenges of health tourism marketing management in Iran is the lack of a comprehensive system of marketing planning, lack of a control and monitoring system of the components of marketing planning and the problems caused by lack of diversity in tourism products and emphasis on medical tourism by public and private sectors.

**KEYWORDS:** marketing; marketing management; health tourism; Iran

## 1. INTRODUCTION

Many countries interested in tourism development have focused their attention on health tourism and its planning. Iran, on the basis of the objectives of 20-year development outlook plan in 2025 horizon, would be one of the main health tourism hubs in the region through which not only outflow of foreign currency is prevented, but also significant foreign exchange earnings for the country is made. Tehran, Shiraz, Mashhad, Isfahan and Yazd are among the cities in Iran providing health tourism services because of their relatively suitable transport infrastructures, residential accommodations, recreation centers. A review of studies and statistics in this field indicates that although in recent years there have been some efforts and managing and marketing plans to attract foreign tourists, unfortunately due to the lack of cohesion and coordination of public and private sectors and in particular the absence of written criteria in the field of health tourism, the process is being performed traditionally and incoherently with unsatisfactory economic results. There is not required continuity and connection in value chain of Iran health tourism and as a result, the industry's marketing system is not of the required order and regulation. Domestic research also suggests that the main negative factor affecting the attraction of health tourism in Iran is a weak marketing and informing system at national and international levels.

Global evidence suggests that health tourism (especially medical and healthcare sector) as one of the bases of tourism has received the interests of many countries in recent decades and most of them take into consideration the health tourism as one of the pillars of job creation, foreign exchange earnings, etc. and have also taken significant steps in this direction. In Iran, this is developed by the private sector without the supervision and support of government so there are some advantages and disadvantages.

According to upstream documents in this regard, the Iranian government approach to the development of the industry is positive. However, there have been taken no significant steps in practice towards the implementation of the policies adopted in the Fourth Development Plan. And while we can see various entities such as the Cultural Heritage organization, Chamber of Commerce, the Ministry of Health and Medical Education, Expediency Discernment Council, some academic associations and different parts of the private sector are running the medical tourism process sporadically and unsupervised and confusion and chaos have been caused by dispersion behaviors instead of synergy and growth of the industry creating distrust in the recipients of services so some take advantages of it. The most obvious sign can be seen in the imperfect

\* **Corresponding Author:** Masoomeh Tavangar, department of geography, university of Ahwaz (shahidchamran), Iran

mechanism of international marketing of health/medical tourism, lack of full recognition of target markets and the absence of clear policy in dealing with this issue.

Given the importance of health tourism and especially medical and therapeutic tourism in Iran, several studies about the process of how to organize, plan and manage the industry have been performed including Delgoshaei et al. [1], Haghighi Kafash et al. [2], Ghalami [3], Erfan Nia [4], Sadremontaz and Agharahimi [5], Kazemi [6], Mirfakhredini et al. [7], Izadiet al. [8], and Dehdashti and Ancheyi [9], Nasiri Pur et al. [10]. It should be noted, however, that medical and health tourism marketing literature in Iran is poor and there is no source in practice. Foreign studies used in this study also suggest that governments often don't limit the trade of health services in the form of remote health methods and medical tourism and restrictive policies especially in import are often in the form of chain creation methods and employment of experts. Each has considered health tourism from different aspects and viewpoints in the sample areas. The present study aimed at studying the pathology of health tourism marketing in Iran with the emphasis on marketing and informing as the most important factors influencing health tourism growth. Most of national and international studies have also concluded that the development in this field can be achieved only by recognizing target markets properly and planning for attracting applicants. So this study reviews all domestic research regarding the development of health tourism in Iran and the required suggestions for the development of the industry, especially in the marketing sector are offered by selecting a marketing mix model with 7 components affecting marketing of tourism activities.

Thus, this study aimed to identify the structure governing health tourism management in Iran, the status of marketing in management process of the industry and in sum health tourism marketing in Iran. This research is original and the results of a scientific research in the field of health tourism in Iran with an emphasis on the city of Mashhad. This is a descriptive-analytic research, hypothesis-free, and seeks to answer the question that what are the features of Iran health tourism in marketing management and what problems it faces with.

## 2. MATERIALS AND METHOD

### Method

The present paper is analytical-descriptive. Data required is collected by examining documents and texts relating to the institutional structures of tourism in Iran, practitioners involved in the management of health tourism in Iran and structured interviews with experts, managers and practitioners in the field in 2013 in the public and private sectors providing health services. In order to analyze documentary information and determine the problems of health tourism services marketing in Iran, the marketing mix model was used and these problems were identified based on seven constituent elements of this model and interviews. Also, in order to achieve health tourism management structures, several websites were searched. In addition, interviews recorded in the official websites of tourism and medicine in the period of 2011-2014 was used.

### Theoretical Bases

#### Health Tourism

According to World Trade Organization (UN-WTO), health tourism is the travel of people from their permanent life settlement to maintain, improve or retrieve mental and physical health for more than 24 hours and less than a year. Although a variety of terms is used in this case, it seems that health tourism has a broader concept and covers other cases which can be divided into Medical Tourism; Health, Preventive and Wellness Tourism and Therapeutic Tourism Curative [11].

It is clear that the needs of health tourists will vary enormously at different times and stages of their lives. Although a wide variety of health tourism is globalizing, the countries operating in this field have a specific emphasis and major market on medical and therapeutic activities and such countries are famous throughout the world due to offering special medical treatments. The important thing in the process of attracting health tourists and the objectives of this type of tourism is mutual linkages between different economic and management and policymaking sectors at the destination. Identification of health tourism destinations and the continuation of such activities depend on cooperating different components of the tourism industry, offering high quality facilities and welfare services, obtaining international accreditation and integrated management of institutional resources, capacities, investment, facilities, supervision, funding and political and executive support.

#### Health Tourism Marketing

Tourism is a service industry and most of its products are services. Such products have specific characteristics that should be taken into consideration. Marketing of these products is also heavily influenced by these characteristics and follows the same rule [12]. According to Kotler [13], Marketing Management means the analysis of market opportunities, the search and selection of target markets, development of marketing strategies, the planning of marketing techniques and implementation and control of the results of marketing efforts [13]. In the marketing process, target market or the group of consumers that the company (tourism destination) selects to target them by marketing activities are in the center of the process. Such destinations constantly examine the environments and make changes in their marketing plans, including marketing planning,

implementation and evaluation of marketing plans. The process is referred to as marketing management cycle in marketing literature.

### **Marketing Models in the Health Field**

In general, marketing models in the health field are discussed in two groups of major marketing and market segmentation. Major marketing model is an approach in which the organization employs a mix of its strategy to attract the largest group or the most number of people. Market segmentation model is the process of grouping customers in the clusters that have similar needs and demands [14]. In comprehensive tourism marketing plans, a combination of all components and elements involved in this process will be considered which is referred to marketing mix model in the subject literature. The marketing mix model includes seven elements of product, price, place, promotion, human resources (people), process and local evidence (physical evidence).

Tourism product is a package of benefits that has three main elements: central benefits, facilitative benefits and support services. The total amount is the money that a customer is willing to pay for obtaining the product. The location element in the marketing mix includes the position of the firm supplying the product, the selection of distribution channel, customer accessibility to the product through intermediaries (travel and tourism agencies) or the World Wide Web. Promotion is communicative element in the marketing mix. The product can be promoted by four ways: propaganda or advertising, personal selling, public relations and publicity, sales promotion (measures such as presentations, exhibitions, offering coupons, holding competition, etc.). The people element in the marketing mix consists of three groups of tourists, local community and employees of tourism industry in specialized fields. The process involves a path a tourist (patient) gone through to achieve the product (treatment). Customer satisfaction is influenced by the supply process and the final outcome of this process. Service delivering quality in the tourism industry plays an important role in the quality of the tourist experience of the final product. Finally, there is local evidence (physical evidence). Superficial aspects of the organization imply things that are received by human senses from the supplier organization. Properly designed visual effects commensurate with the rest of the marketing mix elements lead simply to differentiate and direct the target market to the product [15].

## **3. RESULTS**

### **The Current Status of Health Tourism in Iran**

Although Iran has long been the host of patients from neighboring countries because of skilled doctors being famous in the world, health (medical) tourism in the form of entrepreneurship in the healthcare sector has been taken into consideration officially since 2001 by economic planners. In this decade following the establishment of employment headquarters in various ministries, medical tourism as international services was received much attention and also emphasized in the Fourth National Development Plan. Although in 2006 the Council of Health Tourism Policy Making was established in Cultural Heritage, Handicrafts and Tourism organization, it didn't effective in this regard. Due to cheaper medical services in Iran compared to other countries, there is a tendency in the formal and informal private sectors to take advantages of it, so different individuals and companies ranging from medical and tourism groups and other people spontaneously arrived in this direction and bring foreign tourists to Iran for treatment without any supervision. Most of such tourists are Iranians living abroad (in Europe and United States). In 2004, the number of foreign patients was about 12,000 and the following year 2005 it reached 17,500. In the following years due to measures taken by the government and the private sector, the number of foreign tourist's arrivals increased from 1,816,900 in 2006 to 2,171,699 in 2007 with a growth rate of 20%. In another statistics, total foreign tourists arrivals in 2008 was over 1,017,795 with a growth of 5.7% compared to the last year reflecting that there are many differences in national statistics [16]. In this increasing trend, the number of health tourists has been also effective. The number of foreign tourist arrivals in 2013 (in the first ten months of 2013) was about 4,126,000, indicating 21% growth compared to the same period in the last year [17].

The share of the global health tourism in 2012 was about 100 to 110 billion dollars and in 2013, about 120 to 130 billion dollars and in the meantime, Iran's share in 2013 was about 400 to 500 million.

According to the investigations by Research Center of The Islamic Consultative Assembly in February 2010, the government's attention to the sector in key policies, especially the Fourth and Fifth National Development Plans and Iran's Holistic Scientific Map can be considered as its strengths. In the Fourth National Development Plan, it was established that at the end of the program, the Ministry of Health funds 30% of the cost of its foreign exchange from the export of products and services. Establishing Curative Tourism Committee in Cultural Heritage and Tourism Organization in 2004 with the aim of developing health tourism, establishing the Council of Health Tourism Policymaking in 2006 with the aim of creating harmony between stakeholders and removing barriers to the development of health tourism, renaming Curative Tourism Committee to Health Tourism Committee and establishing provincial committees following the formation of the Council of Health Tourism Policymaking and the formation of an international task force of health services in the Ministry of

Health and Medical Education at the end of 2007 were among the regulatory approvals of this plan[18]. In the Iran's Holistic Scientific Map, it was decided that by the year 1404 Iran will become a regional medical hub [10]. In the Fifth National Development Plan, it was approved the support of private and cooperative sectors by the government for establishing knowledge and health towns [19].

In addition, the demand for medical tourism in the country as a whole has increased especially in recent years under the influence of potentials such as, Iranians living abroad, patients from neighboring countries and Muslims, the tenth rank in the world in terms of historical works, the fifth rank in the world in terms of ecotourism attractions and handicrafts, suitable physical infrastructures (hospitals and research centers), relatively low prices of diagnostic and therapeutic services and accommodation, development of private healthcare service providers, healthcare service providers equipped with modern medical equipment, cultural and linguistic homogeneity and partnership with neighboring countries, international fame of Iranian physicians especially in the region, new achievements obtained by Iranians in the field of medicine, training 3,000 doctors annually by 51 Medical Schools, prestigious research centers, the private sector's willingness to work and invest in this area, increased access to the world medical tourism market and holding international scientific and medical equipment conferences in Iran. Thus, considering the legal support by the government and multiple sources of demand in this field, health tourism and especially medical tourism has been put forward as one of the areas with potential for economic development. However, some weaknesses threaten the field of economic and scientific activities in Iran which in brief are: adverse impact on equity of access to high quality health care services, outflow of specialists from government agencies to the private sector and the development of health inequality, the loss of local community due to the lack of services provided to foreign patients, diverting more resources from prevention to the treatment sector due to higher profitability, importing modern medical equipment and thereby increased diagnosis and treatment costs for citizens, controlling and monitoring communicable diseases and the possibility of these diseases entering the country, political and economic sanctions and political insecurity in Iran in foreign tourists' viewpoints because of the false propaganda of the Western media; These can provide significant restrictions on the executive and administrative process of health tourism in the country.

Organizational and executive structure of health tourism management in Iran is illustrated in the following diagram.



**Fig1.** Components of health tourism management in Iran

In a summary overview of administrative and executive structure of health tourism in Iran it can be said that three institutions of Iranian Chamber of Commerce, the Ministry of Health and Medical Education, and Cultural Heritage, Handicrafts and Tourism Organization play the most important role. Chamber of Commerce is responsible for attracting investor and investment opportunities; the Ministry of Health is responsible for providing healthcare and medical services and Cultural Heritage, Handicrafts and Tourism Organization is the custodian of tourism (Iran chamber of commerce, industries, mines & agriculture, 2012).

#### **Health Tourism Marketing Strategies in Iran**

Health/Medical Tourism Marketing in Iran is mainly based on unstructured activities of private sector and health care institutions and hospitals in this sector. Iran, due to competitive advantages in prices of medical

tourism product and the long history in providing medical services to the Persian Gulf countries, is attracting traditionally their patients. Attraction of more than 85% of foreign patients through informal processes of marketing and beyond contracts between Iran and other applicant countries is the evidence for it. The most important marketing strategy in the tourism sector suggested by economic planners is illustrated in the diagram below.



**Fig2.**The most important tourism marketing strategies

In Iran, Cultural Heritage and Tourism Organization and its subsidiary the Council of Health Tourism Policymaking develop related executive strategies and policies. Although tourism marketing and promotion group of Cultural Heritage Organization is trying to do basic activities in two specialized areas of "marketing development group" and "Advertising and Informing Group" in the form of tourism marketing strategic plan and investigating tourism status in other countries to prioritize the countries of tourism target market [20], it can be said that the most effective marketing strategy at present to attract foreign patients is low cost of health care and medicine.

There are also considerable legal and institutional contexts in tourism management organizational structure and national laws and documents that can help the development of this industry in the country. Article 87 of the Fourth National Development Plan as well as Iran 2025 Outlook Document is the key policies of the government supporting the development of health /medical tourism. On the other hand, Article 44 of the Constitution requires the government to provide investment security for the private sector and to perform private sector development strategies in all aspects of economic dimensions. In addition to achieve its rightful share of the tourism industry, Iran plans to become the medical hub in the region. By intersection collaboration at a macro level, the government is responsible for the real strategic coordination between two health and tourism sectors. To this end, the Council of Health Tourism Policymaking in Cultural, Heritage, Handicrafts and Tourism Organization and the International Health Service Taskforce in the Ministry of Health and Medical Education have been established.

Attempts performed in recent decades to define the managerial and executive structure of health tourism were not successful and since in this process, the private sector (traditional management of health tourism) sees itself against the government and its political and legal actions, it is not willing to participate and interact. So there is not a regulatory, prudential and facilitative look for the government and in fact the government plays the role of competitor of the private sector.

### **Characteristics of Health Tourism Marketing System in Iran**

Analysis of the results in the form of elements of the marketing mix model of marketing tourism performed through review and analysis of documentation, the results of previous research and structured interviews with managers and practitioners in this field indicates that Iran has the following features in the components forming health tourism marketing system.

**Table1.**the components of health/medical tourism marketing mix model of Iran

Details	Elements
High quality health care services to health/medical tourists of neighboring countries and Muslim	<b>Product</b>
Competitive advantages in the prices of medical products, compared with Arabic countries, Central Asia and Europe	<b>Price</b>
Lack of introducing the places providing health/medical tourism services through domestic and foreign websites	<b>Place</b>
Lack of a cross-border advertising and marketing research system on health/medical tourism and weak marketing institutions	<b>Promotion</b>
World reputation of Iranian physician especially in the region countries Low foreign language proficiency of medical and support staff Lack of a training system of health/medical tourism professionals	<b>Human resources(people)</b>
Shortcomings in obtaining international for medical centers of health/medical tourism and lack of accountability to patients after the treatment process	<b>Treatment process</b>
Low to medium quality of public health tourism centers Lack of integrated information management systems (hospital and medical infrastructures and health tourism statistics)	<b>Local evidence</b>

#### 4. DISCUSSION

Health tourists 'arrivals to Iran mainly for receiving medical services undermine the competitive situation at the international level so the country doesn't have the required conditions compared to competitors who consider other types of tourism and provide their facilities and equipment's. This is while Iran could follow both differentiated and concentrated marketing approaches considering overall goals of tourism marketing which includes increased sales, increased profits, entry into foreign markets, increased market share in foreign markets, development of social welfare and increased use of health services and thus improved health status and social health. Accordingly, if the policies for developing the industry are exclusively based on the development of medical tourism, the proposed marketing model is concentrated; on the contrary, if diversity in the delivery of health care services is adopted as the strategy of Islamic Republic of Iran, differentiated marketing should be performed.

Considering the existing institutional and organizational infrastructures, Iran health tourism could have a special position in the world in case of the organization and management of the market and the identification and acquisition of target markets. Since each health tourist brings foreign currency three times a normal tourist, the presence of health tourists in the country improves the quality of healthcare services and security and scientific dynamics. However, measures such as holding annual international conferences of health tourism and approving resolutions and the memorandum of cooperation in this regard have increased the ability of the country to develop target tourism market.

In sum, health tourism marketing management in Iran faces the following challenges:

- Lack of a comprehensive planning system of health tourism marketing in the country
- The challenges related to the lack of a balanced and integrated structure in administrative and managerial structure of health tourism
- Lack of a monitoring and control system of marketing planning elements
- Problems caused by the lack of diversity in the health tourism product and the emphasis on medical tourism by the public and private sectors

#### 5. CONCLUSION

According to the research and studies conducted in connection with the marketing management of health tourism in Iran and to meet the challenges and barriers of the development of this industry in the country, the following suggestions are offered:

1. Determining the contribution of tourism and its role in the economy of Iran and the role and status of the country in the development of health tourism
2. Determining the role and status of cities and regions prone to the development of health tourism in the country and identifying potential areas of planning
3. Designing and developing an integrated management system of health tourism
4. Strengthening the legal infrastructures to support the development of health tourism at the macro- and micro-economic levels

5. Taking advantage of existing rules in order to organize, plan and develop a comprehensive system of health tourism in Iran (the law of establishing Cultural Heritage Organization, Articles 7 to 11 and regulations related to health tourism development in the country)
6. Acquiring international standards and accreditation certificates of health tourism and standardization of related service providers to have more effective marketing
7. Funding and investing in health tourism infrastructures in the prone areas

## REFERENCES

1. Delgoshaie B, jabari AR, Frzin MR, Sharbafchizadeh N, Tabibi SJ, Current status of medical tourism, the case of Iran, , Journal of the Institute of Health Sciences ACECR(Payesh), 2012.11(2):p.157-165.
2. Haghighi Kafash M, Ziyaie M, Jafari GH, Prioritize the factors related to the development of medical tourism. Journal of Tourism Studies, 2006.12&11(4&1):p. 23-40.
3. Ghalami, S. Investigate ways to improve Iran's position in the market for health services and medical tourism, 2010.
4. Erfan Nia M, Comparative study of information systems in selected countries and provide a solution for medical tourism in Iran, 2010. M.S.Thesis, Tehran Univ of Medical Science .
5. Sadr momtaz N, Agharahimi Z, Guidelines for the development of medical tourism in Iran, Health Information Management journal, 2010.7(4):p. 516-524
6. Kazemi Z. Study of the Effective Factor for Attracting Medical Tourism in Iran [Thesis]. Lulea: Lulea University of Technology; 2007.
7. Mirfakhrodini SH, Mirfakhrodini FS, Sadr bafghi SM, Satisfaction of health tourists in Yazd And prioritize the factors that affect by Fuzzy TOPSIS Method, Journal of Shahid Sadoughi University of Medical Sciences, 2012. 20(5):p. 668-678
8. Izadi M, Ayubian A, Nsiri ,Joneidi N, Fazel M, Hoseinivarfard MJ, State of health to urismin Iran, Opportunities and Threats, Journal of Military Medicine, 2012. 14(2):p. 69-75.
9. Dehdashtishahrokh Z, Encheyei AH, Strategies for tourism development in the Islamic Republic of Iran(Adapted from tourism development strategies in countries Malaysia, Turkey and Tunisia), Journal of Tourism Studies, 2004. 8(4):p.31-67.
10. Nasiripour AM, Salmani L, Ability of hospitals in Tehran to development of medical tourism. Hospital Journal; 2010.9(3-4):p. 57-68.
11. Rahbari M, Akhavan behbahani A, Look at the health tourism situation in Iran and the world, 2010.Parliament's Social Studies of Iran.
12. Ranjbarian B, Zahedi M, Tourism Marketing, 2009. Charbagh publications, Isfahan.
13. Kotler,p,1983. principles of marketing,second edition,prentic hall,englewood cliffs,newjersey.
14. Movahed A, Kahzadi S, Izadi P, Tourism marketing for cities,2010.AzarakshshPublications, Tehran.
15. Nasiri pur AA, Raiesi P, Maleki MR, Akbarian Bfghi MJ, Marketing mix model of health care in government hospitals of Iran, Health Information Management Journal, Supplement Management development in the health sector, 2011. 9(7):p.1158-1168.
16. Monazzam K, 2009. Literature review reports and experiences of other countries and to provide guidelines for the country's medical tourism, Parliament's Social Studies of Iran.
17. Rahmani movahed M, Inrance 4126 million foreigntouristsin2013 in Iran, Available from URL:<http://www.jamejamonline.ir/NewsPreview/1381060670067774625>,2013
18. Fourth Economic, Social and Cultural plan in Iran, 2006-2010.
19. The Fifth Economic, Social and Cultural plan in Iran, 2011-2015
20. Cultural Heritage, Handicrafts and Tourism Organization of Iran, Reporting performance and achievement of the country's tourism. Deputy Tourism. Tehran, 2009.
21. Bon m, Torab ahmadi M, An overview of the medical tourism in developing countries with emphasis on Iran, Journal of Social Sciences, 2010.26(4), p.103-114.
22. Iran chamber of commerce, industries, mines & agriculture, tourism commission, 2012.
23. Iran's Holistic Scientific Map, 2010.