

THE MEDICAL TOURISTS VALUE AND TRUST OF CHOOSING MALAYSIA AS MEDICAL TOURISM DESTINATION

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Abstract

*Medical tourists' expectations and perceptions regarding health services have been explored by the service providers in developing countries. Patients' perceptions in health services which is provided by the destination might contour confidence and this will lead to positive behaviors in choosing and using the available health care facilities provided by the developing countries. It seems that patient's voice has been noted as one of the greatest role in designing the health care service delivery processes in the developing countries. Furthermore it has been a primary concern for the service provider and concludes those highly satisfied customers are more likely to return to a particular destination. **Design/methodology/ approach** – This conceptual paper offers an in-depth literature review regarding behavioral intention of the potential medical tourists and medical tourists. These tourists and medical tourists from many countries will be tapped in order to get information and to test the hypotheses. Questionnaire will be distributed and tested against the research framework by using partial least square Research **limitations/implications** – Contribution to research regarding healthcare services and the framework supports a health service paradigm that links country, government, organisations and competitors. Although the South-east Asian medical tourism is rapidly expanding, Malaysia is still working to capture a larger share, with the industry's designation as a national key economic area (NKEA) central to this effort. **Practical implications** - Although the South-east Asian medical tourism is rapidly expanding, Malaysia is still working to capture a larger share, with the industry's designation as a national key economic area (NKEA) central to this effort. **Originality/value***

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– This study is perhaps will contribute to an understanding what factors that will influence the intentions of medical tourists through investigation by targeting the customers' perception and expectation.

Keywords: *Perceived Value, Trust and Behavioral Intention*

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Introduction

Malaysia as developing country has been focusing in tourism because it was found it is one of the major contributors to a nation's income and wealth. In fact the tremendous growth in the tourism sector has made the industry as the second most important economic sector in Malaysia's gross domestic product. The Malaysian economy has gone through tremendous changes over the past 30 years. The journey of changes has evolved from an economy based on agriculture and mining to towards a knowledge based economy. Moreover, the Malaysian government is actively developing its manufacturing activities, upgrading services delivery and multiplying human capital in order to support the continues development towards a knowledge based economy. Thus, the service providers should focus and concerned with accomplishing and maintaining a reliable level of service quality in tourism products and the system of delivery.

The tremendous growth of medical tourism industry has made Malaysia as developing country venture in this field. The growth in the medical tourism industry Malaysia is one of the top five destinations and it's targeting patients is from developed and less developed countries in the medical tourism sector by providing good facilities and competitive rates compared to other parts of the world. How do we ensure that Malaysia will be the leading choices of destination? International accreditation alone is not good enough to attract the foreigner; marketing do play an important role in the maintenance of sustainable competitiveness. In this new era of globalization, it is important to understand the attitudes and behaviors of the medical tourists in order to support the government agencies and stakeholders to facilitate and formulate appropriate tourism policies.

Research reported that international demand for medical interventions from developed countries has grown dramatically due to lower cost health care services which is provided in the respective countries (Crooks, Kingsbury, Snyder, & Johnston, 2010). For example around 750,000 Americans travel to the developing countries in the year 2007 (Connel, 2006). Other reasons are lack of medical insurance or underinsured, long waiting list and low exchange rates (Andaleeb, 2001; Opperman, 1999). For example in the year of 2011, 52% of health care consumers in France, 45% from Germany, and 36% form United Kingdom has expressed their frustrations with long waiting list of medical treatment in their countries ("2011 Survey of Health Care Consumers Global Report Key Findings, Strategic Implications," 2011).

Nowadays, medical travel has been a popular scenario since many people realize the significant of travelling and benefits that they are getting. Malaysia has been known as one of Southeast Asia's topmost travel destinations, providing many interesting place for recuperation, attractive place for shopping and wonders place of natural habitat. Healthcare

expenditure in Malaysia is determined by augmented privatization within the healthcare service provision. Moreover it was found that the (The Malaysian Tourism Promotion Board(MTPB, 2009) has been supporting the healthcare services. Malaysia has been considered as heaven for healthcare facilities and hospitals. In fact, Malaysia has been receiving approximately around 75% of medical tourists from the ASEAN region, Europe and Japan at 3% each, India 2% and others at 17% in 2008 (Wood, 2009). Since the Malaysian government has a significant budget in these activities, this research will be very helpful because it can justify the promotional activities such as creating value, suitable strategies to improve the medical tourism promotion. Furthermore, Malaysia Prime Minister Datuk Seri Najib Tun Razak has announced in the Malaysian budget 2012, saying the The Malaysian Healthcare Travel Council will be privatized to promote and develop Malaysia as a health care destination.

YEAR	VALUE (RM MILLION)	GROWTH (%)
2000	33	48.4
2001	44	35.7
2002	36	-18.7
2003	59	63.6
2004	105	78.2
2005	151	43.8
2006	204	35.0
2007	254	24.6
2008	299	17.8
2009	288	-3.7
2010	378	31.5
2011	511	34.9

**Table 1.1: MEDICAL REVENUE IN MALAYSIA, 2000-2011
("Medical Tourism Revenue," 2012)**

YEAR	NUMBER OF FOREIGN PATIENTS	GROWTH RATE
2001	75,210	33.99%
2002	84,585	12.47%
2003	102,946	21.71%
2004	174,189	69.20%
2005	232,161	33.28%
2006	296,687	27.79%
2007	341,288	15.03%
2008	374,063	9.60%
2009	336,000	-10.18%
2010	392,956	16.95%
2011	583,296	48.44%

Table 1.2: TOTAL NUMBER OF FOREIGN PATIENTS IN MALAYSIA
("Medical Tourism Revenue," 2012)

From the above table, it was found that even though the number of revenue is increasing throughout the years, unfortunately the growth rate is very unstable and it does not exhibit a trend. The growth rate from 2001 to 2011 is around 25.37% per annum ("Medical Tourism Revenue," 2012).

Literature Review

Perceived Value

Based on the theory of consumption values (Sheth, Newman, & Gross, 1991), consumers will purchase after considering many value dimensions and trade off (Turel, Serenko, & Bontis, 2010). Perceived value derived from a person's experience and interactions with products or services. Perceived value has gained so much attention in the marketing field since it plays an important role in predicting the consumer behaviour which include attitude, ideology, beliefs, and justification directly in positioning their strategies in order to achieve a sustainable competitive advantage (Bolton & Drew, 1991; Brady & Cronin Jr, 2001; Zeithaml, .Berry, & Parasuraman, 1996). Furthermore it has been known as the ways of selling technique in 1990 and it continues into the twenty-first century. It is not easy for the company to predict the expectations of the customer because their needs and wants will keep on changing due to the environmental factors. Moreover, customer will tend to compare between what is given and what they received which is solely based on their perceptions (Zeithaml et al., 1996). In other words it is a trade-off between perceived benefits and perceived costs (Lovelock, 1983). Normally, when a customer intend to make a purchase they tend to compare the differences between the amount that they invest(cost) with benefits(quality) that they are getting; and if the benefit is greater than what they are sacrificing, this may lead to positive decision making or vice versa. Creating customer value is a necessary state of affairs for a company to secure their business in the niche market especially in a competitive environment (Day, 2002; Day

& Crask, 2000). (Oh, 2000), value definitely a way to improve a destination's competitive perimeter.

Petrick, Morais and Norman (2001), has found that there is a significant relationship between perceived value and behavioural intention of visiting selective destination. Price that is paid in doing business has been recognised as one of the salient determinants for purchase intentions and also repeat purchase behaviour (Jayanti & Ghosh, 1996). These determinants include both long term performance and repurchase intentions for modern and competitive approach to tourism markets. Furthermore it has been known as the ways of selling technique in 1990 and it continues into the twenty-first century. Kotler (2003) and Schiffman&Kanuk (2007), describe consumer value as an opinion of product's or service's value and it is the differences that occur between the evaluation of the customer regarding the benefit that will be obtained compared to the cost incurred that is offered. It is also the opinion which regard the relationship between customer's perceived benefits (economic, functional and psychological) as compared to the resources (monetary, time, effort, psychological) (Wang, 2012). Actually is has nothing to do with the price offered but it depends on the product's or service's ability to satisfy the market. Customers' do not buy goods or services. What they are after is actually the goods or services that create value which is in sequence with their visions and perceptions. Eventually, service quality, values and customer satisfaction has very strong influences on perceived value. Falkenreck and Wagner (2011), customer's expectations in relationship and quality perception will definitely influence customer's perceived value. A company should focus mainly on perceived value because it is relative and subjective. Moreover it could definitely strive for customer loyalty (Yang & T.Peterson, 2004). For example report says that certain customer may visit a restaurant or hotel which cost around RM300.00 per person, the customer may expected a unique and delicious food, immaculate service and beautiful décor which is equivalent to the invested amount of money. But certain customer may receive even more than they had expected and will leave the restaurant or hotel with positive feeling that the experience was worth the amount of money which they had invested (such as long waiting list for a reservation). On the other hand certain customer will have a negative feeling.

Successful positioning can be achieved by developing a positive value of feeling. What the service provider should do is the value of propositions has to be above the customer expectations, continuously fulfil the needs and wants and provide a better services compared to their competitors because these competitors are always try to win over the market. According to the research done by (Bolton & Drew, 1991), there is a positive relationship between perceived value and benefits gained and it found out that there is a negative relationship between perceived value and sacrifice. It can be concluded that perceived value is considered as trade-off between consumer's evaluation regarding benefits gained by consuming the services and sacrifice done by using the services (Boksberger & Melsen, 2011). Therefore if the medical tourism context, it is expected that the customer to have a high evaluation of perceived value among the medical tourists which may lead to high intention of purchase.

Trust

Customer trust has been known in many field and has been recognised as a mediating variable in many disciplines such as social psychology (Peter, 1964), management (Cropanzano & Mitchell, 2005) and marketing (Morgan & Hunt, 1994). As for the field of services, literatures show that there is evidence for the mediating role of trust in the satisfaction and loyalty link (Sirdeshmukh, Singh, & Sabol, 2002). Trust by definition is viewed as “a willingness to rely on an exchange partner in whom one has confidence”(Moorman, Deshpande, & Zaltman, 1993). Trust will help people to make a decision because trust will embodies the feelings of security regarding an object of trust, that will encourage them to move forward without feeling fear or uncertainties in a certain situation (Holmes, 1991; Luhmann, Davis, Raffan, & Rooney, 1979). As a result, both parties will communicate, interact in such a ways that will describe their needs, care and benefits of others which will leads to strengthening of the relationship (Rempel, Holmes, & Zanna, 1985). Morgan and Hunt (1994) theorize that perception of trust towards a company is positively related to his or her level of commitment and repurchase intention. In addition, it is a key of mediating constructs for successful relational exchanges. Furthermore as when the service provider finds a way of how to build a customer trust, this will allow them to make a confidents predictions for the future intention and therefore commit themselves to have an on-going relationships. In this study, the medical tourists trust is affected by the perceptions of overall satisfaction, not forgetting that these perceptions are influence by past experiences and reputations of the service provider (Butler, 1991).

Effects of medical tourism on healthcare services

State involvement in developing the medical tourist industry has been predicted on the premise that it is an export industry that earns foreign exchange and contributes to economic development. According to Bookman and Bookman (2007), the highly skilled jobs, capital intensive technology and foreign exchange that medical tourism generates will help less developed countries escape from the economic dependency that extractive industries create. Theoretically, there is also a possibility of direct benefits to the public health system. A Malaysia MOH document, for example, states that the income from foreign patients can be utilised to improve the national health services for the benefit of the local population (Henderson, 2003).The government felt that it is necessary to reassure the public of their access to healthcare in the face of competition from foreign consumers. For example, one of the director general of the Malaysian MOH in responding to reservations expressed by doctors and non-governmental organisations that the ‘overemphasis on medical tourism by the government would result in poor healthcare for the locals as resources would be diluted’, said that “...Malaysia’s effort to promote its medical tourism amongst foreigners will not affect the quality of healthcare now being enjoyed by locals” (Leng, 2010).

Futuristic of Malaysian Health Tourism sector

According to Health Minister LiowTiong Lai, Malaysia is estimated to rake in RM342 million (US\$110 million) and it showed that the country still has room to grow and be at the forefront of health tourism in the region. He also added that the healthcare industry has been identified as one of the key areas in achieving high income status. One of the way is by joint venture with an establish medical center for example signing an agreement between AriyanDana Equities and NarayanaHrudayalaya India to establish the Narayana International

Medical Centre (NIMC) in Nilai located in the state of Negeri Sembilan. Furthermore, Liow also said that this joint venture was moving the right direction in planning to promote health tourism, creating a hub to attract foreigners while being beneficial to Malaysians. Furthermore he said that the merger will also become a good option for patients from other parts of the regions and a source of foreign revenue which will help to speed up Malaysia's transformation into high income nation.

Malaysia has many advantages in the health tourism sector. Among the factors of advantages are its cost-competitiveness compared to the regional and international markets, the good infrastructure and the fact that English is widely spoken here. In addition, the overall performance of Malaysia's healthcare system is considered remarkably well by the standards of the World Health Organisation (WHO).

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