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POTENTIALS OF SERBIA AS MEDICAL TOURISM DESTINATION AT THE INTERNATIONAL TOURISM MARKET

The aim of this paper is to present specificities and differences of medical tourism destinations at the international tourism market. Special attention is drawn to the analysis of different profiles of demand and their motivations for visiting medical destinations. The work will also highlight the condition of medical tourism in Serbia, especially in Serbian spa centers. Contribution of this study is to provide Serbian spa industry with recommendations for better usage of capacities to increase competitiveness at the international tourism market as a medical tourism destination.

Keywords: medical tourism, medical tourism destinations, international tourism market, Serbian spas, management of destinations.

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ПОТЕНЦІАЛ СЕРБІЇ ЯК ЦЕНТРУ МЕДИЧНОГО ТУРИЗМУ НА МІЖНАРОДНОМУ ТУРИСТИЧНОМУ РИНКУ

У статті описано особливості та відмінності напрямів медичного туризму на міжнародному туристичному ринку. Особливу увагу звернено на аналіз різних профілів попиту і мотивації відвідування медичних центрів. Також висвітлено стан медичного туризму в Сербії, особливо в сербських курортних зонах. Розроблено рекомендації сербській курортній індустрії відносно кращого використання її потенціалу для підвищення конкурентоспроможності на міжнародному туристичному ринку як напрямку медичного туризму.

Ключові слова: медичний туризм, напрями медичного туризму, міжнародний туристичний ринок, сербські курорти, управління туристичними потоками.

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ПОТЕНЦИАЛ СЕРБИИ КАК ЦЕНТРА МЕДИЦИНСКОГО ТУРИЗМА НА МЕЖДУНАРОДНОМ ТУРИСТИЧЕСКОМ РЫНКЕ

В статье описаны особенности и отличия направлений медицинского туризма на международном туристическом рынке. Особое внимание обращается на анализ различных профилей спроса и мотивации посещения медицинских центров. Также освещено состояние медицинского туризма в Сербии, особенно в сербских курортных зонах. Разработаны рекомендации для сербской курортной индустрии относительно лучшего использования ее потенциала для повышения конкурентоспособности на международном туристическом рынке как направления медицинского туризма.

Ключевые слова: медицинский туризм, направления медицинского туризма, международный туристический рынок, сербские курорты, управление туристическими потоками.

Introduction. Health was one of the main traveling incentives for centuries. Through the last few decades, medical tourism destinations have appeared world-

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wide. Millions of tourists from all over the world travel for medical reasons and visit different destinations each year. High medical costs and large waiting lists for medical services in developed countries, as well as affordable prices of traveling altogether with high quality medical services in developing countries have contributed to medical tourism development. The study will use analytic-synthetic and comparative method as well as the method of statements' truthfulness determination. Serbia is a part of Europe with the largest number and density of spas having a potential for medical tourism development.

Medical tourism. Medical tourism has emerged from the contemporary medicine and tourism and is seen today by many authors as a new global market niche. While some authors have continued to use expression "health tourism" to cover all forms of health-related tourism (Garcia-Altes, 2005, 262-266), others claim that there should be made a distinction, so the "medical tourism" needs to be treated as a separate market of health tourism which includes specific medical interventions. According to Connell (2006, 1094) medical tourism is "where people travel, often long distances, to overseas destinations to obtain medical, dental and surgical care while simultaneously being holidaymakers, in a more conventional sense".

While other forms of health tourism strive to improve or maintain the existing health condition including the hedonistic relaxation in spas and alternative treatments, medical tourism refers to diagnostics, hospitalisation and medical interventions. There are often serious surgeries, such as organ transplantation or plastic surgery, which require a longer recovery. Therefore, medical and other forms of health tourism are differentiated by the level of surgical and physical interventions in a tourist's body (Cook, S. P., 2008, 8).

Smith and Puczko (2009, 101) have defined medical tourism as "traveling to destinations to undergo medical treatments such as surgery or other specialist interventions. Medical tourism can have 2 major forms: surgical and therapeutic. There is a clear distinction between the two. Surgical certainly involves certain operation(s), whereas therapeutic means participating in healing treatments".

Medical tourism therefore refers to traveling for the reasons of curing some illnesses or operations under medical supervision in hospitals or medical centers. Customers in medical tourism are patients with serious health problems in need of complex medical treatments (surgeries, transplantations, interventions on eyes etc.) that require services of specialised health institutions and high-quality medical staff. Very often patients need to stay for some period at medical centers/destinations in order to recover. However, medical tourists are not only patients but also healthy people who use this form of tourism for less serious medical procedures: dental services, cosmetic interventions etc.

Medical tourism destinations. Medical tourism destination can be further defined as a balanced mix of destination's natural and cultural environment with available medical treatments. For medical tourists it involves a particular medical treatment along with recuperation in specific natural and cultural environment. In other words, medical tourism incorporates central features of the medical industry and the tourism industry at a destination (Hunter, C. W., 2007, 131).

Increasing interest for medical tourism destinations is connected with potential savings due to high medical costs and long waiting lists in developed countries, glob-

al trend of the population aging, high-quality surgeries at affordable prices in developing countries with skilled personnel, high level of care, the accessibility of international air travel and high quality accommodation.

Before, medical tourism was connected to clinics and universities in developed countries. There is a famous London "Harley Street" with large number of private specialists in medicine and surgery. In 1860, there were only 20 registered doctors, while today it is over 3.000 people who offer different medical services from plastic surgery to oncology and attract patients from all over the world (http://en.wikipedia.org/wiki/Harley_Street).

Nevertheless, at the international medical tourism market the poor and medium rich countries are also strongly present today. The main actors at the market are the following countries (<http://www.medicinska-grupa.hr>):

- Asian: India, Singapore, Thailand, Malaysia and the Philippines (in 2007 accrued an income in the amount of 3,4 bln. USD holding 12,7% of the world market);

- American: Mexico, Cuba, Brazil, Venezuela, Argentina and Columbia;

- African: South African Republic and Egypt;

- European: Hungary, Poland, Belgium, Spain and Switzerland.

For example, "Bumrungrad International Hospital", internationally accredited hospital located in the hearth of Bangkok, Thailand, was established in 1980. Today it represents the largest private hospital in Southeast Asia with 554 beds and over 30 specialised medical centers. Bumrungrad offers diagnostic, therapeutic and intensive care services in "one-stop" medical center. Bumrungrad serves over a million patients annually (more than 400.000 international tourists from 190 countries). English is widely spoken. The hospital has a medical coordination office staffed by doctors, nurses and translators who serve the special needs of international patients.

There are new medical tourism destinations entering the international tourism market such as Korea, China, Libya, Iran, Caribbean and South American countries, oriented primarily on the patients from the USA. In 2007 the Americans spent USD 17 bln for medical services outside the USA (www.medicinska-grupa.hr). All these destinations are actively promoting themselves as medical tourism destinations at the international tourism market, building the offer upon expressively lower prices, high quality medical services, and skilled medical personnel speaking foreign language, health institutions equipped with modern technology and available without waiting lists. Also, very important is the attractiveness of destination in a tourism sense, modern accommodation capacities, natural environment, anthropological resources, as well as a tourism program for complete enjoyment of tourists/patients.

Many medical tourists are not wealthy, but are anyway looking for high-quality medical service at affordable prices. To meet the demand, entrepreneurs are building technologically advanced facilities using the foreign and domestic capital. They also employ doctors and medical staff educated according to American and European standards. Where qualified personnel are not available locally, expatriates are recruited (Herrick, M.D., 2007, 1).

Medical tourists have different motives for traveling. India, for instance is, well-known for low-cost medical treatment and highly skilled doctors. Even with additional airfare and accommodation, many "medical vacations" are remarkably less

expensive comparing to developed countries. Depending on location and intervention type, medical treatment with additional tourism services may cost 50%, 30%, or only 10% of the cost of medical treatment in a home country.

For example, a heart-valve replacement which costs in America over USD 200.000, in India costs only USD 10.000 including airfare and a brief vacation package. In addition, many patients are satisfied to receive a quality medical service and the opportunity to visit Taj Mahal and other tourism attractions in India. There are many similar examples worldwide (Thailand, Singapore, South Africa etc.).

Table 1. The cost of medical procedures in the selected countries (in USD)

Procedure	US Retail Price *	US Insurers' Cost *	India **	Thailand **	Singapore **
Angioplasty	98.618	44.268	11.000	13.000	13.000
Heart bypass	210.842	94.277	10.000	12.000	20.000
Heart-valve replacement (single)	274.395	122.969	9.500	10.500	13.000
Hip replacement	75.399	31.485	9.000	12.000	12.000
Knee replacement	69.991	30.358	8.500	10.000	13.000
Gastric bypass	82.646	47.735	11.000	15.000	15.000
Spinal fusion	108.127	43.576	5.500	7.000	9.000
Mastectomy	40.832	16.833	7.500	9.000	12.400

* Retail price and insurers' costs represent the mid-point between low and high ranges.

** US rates include at least one day of hospitalization; international rates include airfare, hospital and hotel.

Source: Herrick, M.D., 2007, 11.

Medical tourism is especially popular in the USA, where it is estimated that 43 mln people are without health insurance and 120 mln without dental coverage. It is therefore understandable that people from the USA are the main participants in medical tourism, because they combine low prices and good quality of medical treatment abroad with a holiday in attractive tourism destination. Medical services from the Near East are commonly used because of the high technology implementation. Patients from Canada and the United Kingdom travel mostly to avoid long waiting lists for medical services in their country, where for serious interventions (e.g., hip replacement) one has to wait one year or more, while in Bangkok the service is available immediately upon request. People from Germany usually travel to choose among different medical treatments at a low cost. For many others, medical tourism is an opportunity to combine tropical holiday in an attractive tourism destination with cosmetic surgery. This is especially the case with South Africa which offers Safari packages in combination with cosmetic surgery.

There are only a few studies about medical tourists making decisions to travel and how do they perceive the quality of medical tourism, but generally it may be concluded that tourism resources of a destination are equally important for medical tourists as is the quality of medical services.

Each year millions of patients from all over the world go to some of the most popular medical destinations to receive a "five-star" treatment at unbelievable prices. Experts forecast that by the end of 2012 the overall medical tourism turnover will be USD 100 bln with more than 780 mln of patients traveling abroad for a particular medical reason. The current structure of medical tourism include: 41% dental services, 40% orthopedics, cardiology, cardiac surgery, neurosurgery and 19% represents cosmetic surgery.

Table 2. The main factors of medical travel decision

Medical factors	Touristic factors
<ul style="list-style-type: none"> • Reputation and skills of doctors • Results of medical treatments • Price of treatment • Insurance and guarantee • Follow-up and supporting services • Foreign language skills 	<ul style="list-style-type: none"> • Reputation as a touristic destination • Price of a trip • Developed infrastructure • Cultural closeness • Safety and stability

Source: Sziva, I., 2010, 338

Table 3. The characteristics of the selected medical touristic destinations

Coun-try	Main areas	Main characteristic	Prices (USD)	Overall message
Tha-iland	General and cardiac surgery, cosmetic surgery, dentistry, orthopedics	First-mover, prominent hospital with strong communication, strong state subsidies, Thai treatments, low prices	1. Dental Implants – 1600 USD 2. Facelift – 2400 USD	High quality, low price, exotic travel, great experience in medical travel - image made by the service suppliers, and facilitator
Sin-gapore	General surgery, cardiac surgery, ophthalmology, orthopedics, gynecology, urology	Strong governmental support, national communication, low prices, traditional Chinese medicine	1. Dental implants – 1180 USD 2. Facelift – 2700 USD	“Peace of Mind when Health Really Matters” – high quality, low prices, transparent National facilitator system + strong communication
India	Cardiac surgery, orthopedics, ophthalmology, alternative medicine	Some prominent hospitals, strong market contacts and governmental support, holistic concept, extra low prices	1. Dental implants – 500 USD 2. Facelift – 2700 USD	“The Global Healthcare destination” - holistic view: Western medicine + traditional Indian treatments (Ayurveda, Yoga), governmental support
USA	Rare, complex illnesses, treatment of cancer, neurotic treatments, general surgery, cardiology	Famous clinics, the highest technologies, and skills, continuous R&D	1. Dental implants – 2800 USD 2. Facelift – 14500 USD	Leading surgeons and hospitals in the world – image built by market players
Poland	Dentistry, cosmetic surgery, cardiology, ophthalmology, neurology	Close to many markets, high-tech private centers, success in innovation, international training for doctors	1. Dental implants 805 USD 2. Facelift 3980 USD	High quality with international experience, innovation, but low prices - image built by market players
Hun-gary	Dentistry, cosmetic surgery, orthopedics, ophthalmology	High quality centers, highly skilled staff with international experience, first-mover	1. Dental implants – 882 USD 2. Facelift – 4885 USD	“Happy dent” – high quality, low prices, complex experience - image built by market players, governmental support recently started

Source: according to Sziva, I., 2010, 347.

Medical tourism in Serbia. Taking into account the high quality medical personnel in Serbia, excellent medical treatments at low prices comparing to the Western countries, as well as the attractiveness as a tourism destination, Serbia has a large potential to become a regional leader in medical tourism. Nevertheless, while countries from the region have recognised the opportunity for medical tourism development, Serbia still lacks agencies specialised in medical tourism whose task would be to attract foreign patients and organise their stay. So far, medical services were provided to the Serbs who are temporarily employed abroad and visit home country during the summer time, as well as to the citizens of other ex-Yugoslavian Republics and Russia. The biggest demand was for dental, orthopedic and cardiology services, plastic surgeries, as well as for rehabilitation in Serbian spa centers.

To estimate how much Serbia could earn from medical tourism, we could employ a fact that the Institute for cardiovascular diseases "Dedinje" in Belgrade has earned EUR 25-30 mln from foreign patients' treatments during the period of 10 years. Medical treatment is provided by highly skilled experts who constantly follow trends in the area of cardiovascular medicine. The Institute is amongst the top European cardiovascular institutes and a part of teaching base of the Belgrade University School of Medicine.

Huge potential for medical tourism belongs to Serbian spas and their rehabilitation centers. Serbia has over 1.000 cold and warm mineral water springs, and a great wealth of natural mineral gases and medicinal mud. In over 53 thermal locations, where even ancient Romans had enjoyed, spa therapies have been adapted to treat a wide range of health ailments and diseases and involve drinking medicinal water or taking medicinal baths. Besides the rich medicinal water spas, Serbia has "climatic spas", which have been designated health resorts thanks to their favourable climate and geographical location.

Serbian spas have all the preconditions to be positioned as medical tourism destinations: natural curative factor, medical indications, skilled medical personnel, equipped special hospitals, different types of accommodation, affordable prices, spa&wellness supply, sport and recreation, culture and entertainment. However, not many of them have recognised the opportunity for medical tourism development but were rather oriented towards the traditional curative spa tourism. Serbian spas' offer should be completed with medical tourism products, such as dental services since they are cheaper in Serbia by 60% comparing with some EU countries.

As an example we could mention the special hospital "Merkur" in Vrnjacka Banja, which besides prevention, curing and rehabilitation offers also a dental tourism. "Merkur" has offered to patients several attractive health-tourism arrangements under the title "Smile on present", basing on 7, 10 or 14 days half board hotel stay, which included dental services, aqua center, fitness center, wellness center, massages and baths, and possibility for visiting the surrounding monasteries. The prices vary from EUR 260 (7 days) to EUR 580 (14 days), which is affordable for patients from developed countries. Besides, patients are given the possibility to spend their vacations in the most famous Serbian spa, rich with natural and anthropogenic resources, tourism contents and manifestations.

The main problem in attracting foreign medical tourists can be found in management of spa destinations, which do not invest enough in medical tourism promo-

tion at international tourism market. This certainly means that there is a need for brand creation, brand communication and continued improvement of attractive and competitive medical tourism products. However, success of one medical tourism destination on international market depends on involvement and networking of all tourism and health subjects, as well as other stakeholders. Destination management should be based on participative management, which requires good communication, cooperation and interactive relationship between local tourism organisation and other subjects involved in providing health-tourism services. Such approach means consensus while making important decisions relevant to defining goals and choosing marketing strategies for a destination.

Local tourism organisation is responsible for implementation of marketing activities and should represent the interests of complete destination, cooperating in that respect with: Serbian Tourism Organisation, Ministry of Health, Ministry of Economy (responsible for tourism) and with the other relevant institutions (Spa Association of Serbia, Association of Serbian hoteliers etc). Clustering is one of the Serbian government models for increasing destinations' competitiveness which is already accepted in developed countries. Connecting education, science and production is a necessary condition for economic development and innovative business approach. Access to new technologies, new jobs creation, and entering new markets without institutional help seems to be very difficult.

Serbian government established clusters for different areas. The aim of medical tourism cluster is to improve and develop Serbian medical tourism offer and harmonize with the EU standards in the area of medical tourism, to promote Serbia as medical tourism destination, and to participate in international Medical Tourism Associations. Cluster involves all interested state and private subjects of medical and tourism services — spas, hospitals, clinics, institutes, ordinations, hotels, tourism agencies, restaurants, and other parties whose services are adapted to foreign guests. Cluster's objective is to enhance marketing position of Serbia as a medical tourism destination and to offer highly professional services for international tourists.

Conclusion. During the last decade medical tourism has become a new trend at the contemporary tourism market. Customers of medical tourism are patients with different diseases, as well as healthy people. So, medical tourism has an enormous market potential with different market segments. Management of medical tourism destinations has to pay special attention to marketing activities.

Understanding the global phenomenon of medical tourism, Serbian spas should follow the needs of contemporary society and focus on international market by offering high-quality medical services at affordable prices. Positioning Serbian spas as medical tourism destinations at the international tourism market will certainly have positive impact on the spas' economy: larger number of foreign visitors, increased foreign exchange inflow, positive destination image, the whole year season, better usage of accommodation capacities and higher living standards for local inhabitants. Medical tourism may be attractive also to potential foreign investors.

Successful development of a medical tourism destination largely depends on destination management, tourism activities at the level of an entire destination where integral medical-touristic product is formed. It also depends on the ability for mutu-

al constructive communication between different subjects, which together contribute to the formation of unique experience of medical tourism destination.

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Стаття надійшла до редакції 23.08.2012.