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Antecedents of Customer Loyalty in Medical Tourism

Padma Panchapakesan

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P. Padma

Instituto Universitário de Lisboa (ISCTE - IUL),
BRU, Department of General Management and Marketing,
Av.^a das Forças Armadas, 1649-026 Lisboa, Portugal

Email: padma.panchapakesan@iscte.pt

Abstract

With the rise in number of medical travelers exponentially, Indian medical tourism is witnessing a high rate of growth. As many countries are foraying into this promising industry, it is imperative for the medical tourist service providers in India to take cognition of their levels of service in order to meet the expectations of their global consumers. This paper explores the primary antecedents of medical tourists' loyalty, considering both the functional and the hedonic components of the service. An instrument is also developed to obtain the perceptions of medical tourists as well as to measure the determinants of their loyalty. The major implications of this research are also discussed.

Keywords

Customer Loyalty, Medical Tourism, Medical Tourist, India

Introduction

With the globalization of industries and the shrinking distance between countries, medical tourism (MT) is a fast emerging phenomenon worldwide (Deloitte, 2008). Inaccessible care (i.e., long waiting time), increased consumerism, very high out of pocket expense and ageing population are some of the drivers which facilitate the travel of overseas patients from developed countries to emerging healthcare destinations (IBM, 2012; and Veerasoontorn and

Beise-Zee, 2010). A study by McKinsey (2008) states that medical travel market has a huge potential to grow despite being currently in rudimentary stages. Even though initially patients of upper economic classes from third world countries travelled to the developed countries for medical treatment, the trend is reversed now (Foster, 2005). Of late, there is a development of 'hotelspitals', where hospitals resemble top class hotels to provide patients with high level of customer service and promote a corporate culture with alternative service offerings, e.g. physiotherapy (Cohen, 2008).

India is one of the leading service providers of MT (Lunt and Carrera, 2010) and this paper specifically focuses on MT in India. According to PricewaterhouseCoopers (2007), an estimated 180,000 medical tourists were treated at Indian facilities in 2004, and the number has been growing at 25-30% annually. RNCOS (2007- 2011) predicts the number of medical tourists in India to grow at a rate of 28.09% annually since 2007. However, there has been a recent interest in investing in MT by other countries such as South Korea, New Zealand, Mexico, etc. (Wang, 2012). Hence, there is a need for Indian MT service providers to understand the drivers of medical tourists' loyalty, which would result in improved offerings and the current study attempts to address this gap.

In the past, people have traveled for the sole purpose seeking quality healthcare with or without availing tourist services (Connell, 2006). Though 'medical travelers' do not combine their medical treatment with holidays, 'medical tourists' are people who travel overseas for medical care along with vacationing (Wang, 2012). According to Bookman and Bookman (2007), MT refers to offering sophisticated medical care to foreigners. Further, the main motivation of medical tourists to travel abroad are long waiting list to avail medical care in the home country, health services that are not offered at home and the need to maintain

confidentiality in case of some surgeries (Hall, 2011). Therefore it is inferred that in MT, medical care forms the core service as the main intention to travel abroad is to undergo medical treatment and the secondary service comprises of aspects of tourism. According to the existing studies (e.g. Kano *et al.*, 1984), since the main attributes of the service are taken for granted by consumers, the secondary attributes become the differentiators of service offerings. In MT, though the main focus is on the medical care, tourism aspects give the service providers competitive advantage. India, with its places of varied natural beauty and a warm tropical climate, has comparative advantage over the other countries offering MT services. Hence, the present study incorporates both the treatment and tourism aspects in measuring the perceptions of medical tourists.

Medical Tourism: A Review of Literature

MT - Labels and Definitions:

According to Muller and Lanz (1998), the markets of illness and wellness together comprise health tourism. However, Hofer *et al.* (2012) noted that market for the sick and healthy could not be grouped under the same term health tourism. The label tourism is a misnomer for the medical services as there is lack of voluntariness or pampering aspect in the market for sick whereas the wellness market is free from an ailing condition and hence could be classified under the market for healthy people under the bigger umbrella of tourism. Sigrist (2006) divided the healthcare market as the market for sick and healthy, where the former is the traditional healthcare market which offers treatment for illness and the latter is the luxury market frequented for wellbeing and relaxation. Rulle (2004) stated that patient tourism denotes the flow of international patients who travel abroad to seek medical services. In this context, the choice of destination has been changing constantly (Garud, 2005).

Many studies used the terms, 'health tourism', 'wellness tourism', 'medical tourism' and 'medical travel' interchangeably. Health tourism referred to the travel with the main aim of improving physical well-being of the traveler (Gee and Fayos-Sola, 1997) whereas wellness tourism focused on massages, spa and acupuncture (Wang, 2012). Carrera and Bridges (2006) defined MT as a subset of health tourism and as a travel which is organized outside the country for maintaining, restoring or enhancing the body or the mind. Though initially the term MT was used to describe the movement of patients traveling from under-developed countries to developed countries it is now viewed as the migration of international patients from the developed world to the not so developed countries for the purpose receiving medical care (Foster, 2005). According to Wang (2012) and Connell (2006), 'medical travel' meant traveling abroad to seek medical care with or without tourism inclination. Hall (2011) identified the intersection among health tourism, MT and wellness tourism and showed that they have curative, preventive and promotive focus respectively. There are myriad terms and definitions of medical tourists and the current study describes medical tourists as people who travel to a country different from their homeland to avail healthcare services and also to take vacation. Thus, it brings together two services, medicine as well as tourism, so as to justify the term MT adequately.

MT Development Worldwide:

Some researchers investigated the concept of MT at a strategic level and examined the enablers and barriers of MT. Enderwick and Nagar (2011) examined the opportunities in the Asian emerging markets for MT and revealed that presence of government support, establishing partnerships with global players and receiving JCI accreditation are some of the strategies prevalent in these markets and recommended offering more specialized services resulting in differentiation. Heung *et al* (2011) found that high costs, lack of proper infrastructure, absence of active government involvement were the barriers of MT in

HongKong. Veerasoontorn and Beise-Zee (2010) explored the demand and supply factors impacting MT in Thailand. They revealed that lack of affordability, trust and confidence, previous negative experience with the service provider in the country of origin, inaccessibility of care due to long waiting time, unavailability of specialized treatments were the factors leading to medical travel for the first time; Innovation, organizational efficiency, emotional service quality and bonding were the factors resulting in repeat visits. According to Vijaya (2010), the presence of large number of qualified physicians along with the presence of a largely private-owned (around 83 percent) health sector provided a strong backdrop for MT in India.

Kesar and Rimac (2011) explored the MT development in Croatia. They concluded that the treatment costs in Croatia would be much cheaper when compared to other developed countries in Europe. However, the success of MT in Croatia depended on the long-term support by the government in establishing partnerships with global players, taking the examples of Taiwan, HongKong and Dubai. In order to target the international medical tourists who flock Asia for medical treatment, Dubai employed German physicians in its health city (Connell, 2006). While Taiwan and HongKong primarily focused on the Chinese for promoting their MT, Korea targeted the Japanese medical tourists (Ye *et al*, 2011; Wang, 2012; and Lee *et al*, 2012).

Effect of MT in Origin and Destination Countries:

Researchers also attempted to study the effect of MT on the origin as well as the destination countries; though a few of them argued in favor of MT, others revealed its pitfalls. Forgione and Smith (2007) asserted that the outflow of medical tourists to developing countries from the US might result in an overall advantage for the US healthcare system if proper precautions against social, regulatory and cultural issues such as prevalence of widespread

infections, lack of proper infrastructure for post-operative care, lack of patient confidentiality, etc were not taken. Hopkins *et al* (2010) highlighted that the inward flow of foreign currency in MT could be utilized for the betterment of infrastructure facilities, reversal of brain-drain, and provision and maintenance of advanced medical care with low domestic demand in the destination countries. However, NaRanong and NaRanong (2011) in their study on MT in Thailand, claimed that though MT provided economic benefits to the destination country, it also led to the shortage of medical workers from the private and public hospitals which provided care to the domestic patients. Freire (2012) contended that the phenomenon of MT incurred financial losses for the country of origin.

Birch *et al* (2010) addressed the complexity of MT and recommended that it was not appropriate to travel abroad for bariatric care as it resulted in various issues such as lack of domestic physicians who were willing to provide follow up care, prevalence of infections, lack of insurance coverage, etc. Sarojini *et al* (2011) researched on the malpractices prevailed in MT in India, especially in the fertility market. They contended that though the assisted reproductive technology was poised for growth, issues such as unverified claims of the care providers, exploitation of the poor, and lack of legal and regulatory frameworks resulted in inequities. In this context, some authors also raised concerns about the prevalence of illegal organ transplantation (Schiano and Rhodes, 2010) and euthanasia (Mullock, 2010) in some destination countries. Snyder *et al* (2011) emphasized on the need for interdisciplinary approach to the research on MT in order to address the ethical issues in MT.

Promotion of MT Services:

A number of studies researched on the marketing and promotion of MT services. Generally, the service providers and facilitators engage in the promotion through internet as well as international exhibitions on MT in the developed countries. Penney *et al* (2011) examined the

content of websites of Canadian brokers who provided MT services. They determined that the websites failed to communicate the risks in medical treatment adequately but conveyed the role of brokers in the follow up care and price details of the treatment provided. Turner (2011) investigated the websites of companies in Canada which facilitated MT and exited their operation by 2011. The author determined that most of these players were generalists firms which provided tourism activities in addition to medical treatment options. Cormany and Baloglu (2011) explored the information provided on the websites of MT facilitators. The results revealed that the information provided by service providers varied according to the regions, for example, the US facilitators provided more generic information with respect to medical travel than others. Some destinations such as Singapore and Dubai promoted themselves as health cities (Crone, 2008), emphasizing on the quality of care rather the cost, especially because of the luxurious nature of MT. While familiarity and cultural similarity were the factors used by MT service marketers to target the Diaspora population, colonial nexus was also used to attract medical tourists in some countries (Lunt *et al*, 2012). Crooks *et al* (2011) revealed that most of the promotional print materials used by Indian MT service providers in Canada were devoid of cost information. They attributed the lack of information on the cost to avoidance of indicating low standards of quality, uncertainty to follow exact cost structures in some cases, presence of higher priority issues such as safety, quality and technology factors, etc. Thus, it is understood that the websites of MT facilitators failed to provide vital information pertaining to costs of treatment, safety issues and risks involved in the medical travel.

Medical Tourists' Motivations, Experiences and Loyalty Intentions:

Many researchers attempted to find the motivations of medical tourists to travel abroad for their treatment. They found that the motivations differed according to the destination country, country of origin and the nature of the treatment. Ye *et al* (2011) found that many Chinese

medical tourists traveled to HongKong for treatment to overcome the barrier of ‘One Child’ policy. Moghimehfar and Nasr-Esfahani (2011) revealed that religious proximity was the primary determinant of the choice of MT destination among the medical tourists in Iran. However, Crooks *et al* (2010) determined that the motivators behind MT could be classified as procedure based, travel based and cost based. The procedure based motivators included the wish to pursue procedures which were either illegal or unavailable in the home country, availability of advanced technology and expertise in the destinations, and positive word of mouth, while the travel based reasons were frequency of flights to destinations, availability of mediators to provide support services such as accommodation and internal travel, presence of packages and ease of booking, etc. The cost and affordability aspects were also primary motivators for some patients. Lam *et al* (2011) examined the potential of Macao in China to become a MT hub and concluded that though price was an important concern for mainland Chinese tourists, they would be willing to avail body-check services in Macao through value packages. It was also found that they sought most of the information through online websites and word of mouth.

Some studies focus on the medical tourists’ experience and loyalty. Oliver (1999) defined customer loyalty as predisposition to re-patronize a brand, resulting in repeated purchase despite the influence of situational factors and marketing efforts of competitors. Yu and Ko (2012) determined the differences between Japanese and Chinese medical tourists in Korea. The Chinese tourists preferred aesthetic treatment while the Japanese tourists demanded rehabilitation and psychological therapies. While the Chinese demanded treatment based MT options, the Japanese preferred tourism based MT services. Martin *et al* (2011) developed MEDTOUR scale to predict MT intentions. They found that normative and attitudinal scales significantly impacted MT intentions and hence, recommended that the service providers must strive to create a positive attitude towards MT. Lee *et al* (2012) investigated the

intentions of Japanese tourists' intentions to travel to Korea for medical treatment by using theory of planned behavior as a theoretical framework. The study determined that social pressure arising from family, friends, and physician was the most important predictor of MT intentions. Mechinda *et al* (2010) explored the loyalty of medical tourists in Pattaya, Thailand. They found that the destination satisfaction i.e, the overall affective response due to the use of service (Oliver, 1981), followed by trust, i.e., the expectation of the customer that the service provider could be relied on (Sirdeshmukh et al., 2002), perceived value, i.e., consumers' evaluation of services based on the perceptions of what is given and what is received (Zeithaml, 1988), familiarity (which is defined by Moorthy et al., 1997 as the customers' perception of how much she knows about the attributes of various alternatives being considered) and image i.e., the sum of beliefs, ideas and impressions of a tourists about a destination (Crompton, 1979) significantly impacted medical tourists' loyalty. Lertwannawit and Gulid (2011) investigated the service quality perceptions of medical tourists in Bangkok, Thailand. The authors found positive relationships between service quality i.e., the consumer's overall impression of the relative inferiority/superiority of the organization and its services (Bitner and Hubbert, 1994), satisfaction, perceived value, brand trust and loyalty. Wang (2012), in a research on Chinese medical tourists in Taiwan, established that perceived value was the key driver of their MT intentions. Panchapakesan and Dahab (2012) proposed a framework for measuring service quality in Indian MT with medical quality, image, trust, enjoyment, perceived value and familiarity as the component dimensions.

Thus, from the above review of literature in MT, it is observed that:

- There is sporadic empirical research on both emerging as well as developed markets.
- The research examining the medical tourists' loyalty is virtually non-existent with respect to India.
- In the existing literature, research on consumer decision making in MT is lacking, especially with respect to the availability of online information, telemedicine facilities for online consultation, presence of facilitators and their offerings, etc.

Thus, the current study attempts to address this void by analyzing the perceptions of medical tourists in India.

Research Hypotheses, Conceptual Model and Proposed Instrument

Customer loyalty in services is different from the loyalty towards products (Berry, 1983). Hence, measuring customer loyalty from their intentions to re-purchase may indicate only a measure which focuses on the outcome. Further, repeat purchase may also result from barriers to switching to other service providers (Liljander and Strandvik, 1997). Hence, Bloemer *et al.* (1998) explained that the repurchase intention was the end result of commitment towards the service firm and hence, commitment was a true indicator of loyalty. Hence, the current study considers both attitudinal and behavioral measures of loyalty (see Appendix). According to O'Brien and Jones (1995), loyal consumers of a firm are less price-sensitive. They can also generate increased revenues, sales and profit (Reicheld, 1996). Customer loyalty also is a mark of overall success of a firm (Zeithaml *et al.*, 1996). Thus, it becomes interesting as well as important to study the loyalty of medical tourists. Therefore, the main objective of the current research is to determine the antecedents of medical tourists' loyalty.

This section deals with the formation of research hypotheses with respect to customer loyalty in MT. The conceptual framework for the research based on the hypotheses generated is also provided.

Medical Quality:

The core service or technical quality refers to the primary aspect of service which represents its essence, for example, food offered in a restaurant (Sureshchandar *et al.*, 2002). Even if the service firms exceed the expectations of customers with respect to the functional quality or secondary attributes of service, they would miserably fail in the eyes of customers, if they do not meet their expectations with respect to the core service. In the research on service quality in healthcare, 'clinical care' is considered the main service offering (e.g. Padma *et al.*, 2009) and this aspect of service is also difficult to evaluate (Rohini and Mahadevappa, 2006). Carman (2000) identified that the technical aspect of hospital service consisted of nursing care, physician care and outcome. Several other researchers (e.g. Andaleeb, 1998; Reidenbach and Smallwood, 1990; Rose *et al.*, 2004; and Pakdil and Harwood, 2005) found technical competence as a dimension of service quality in healthcare. Duggirala *et al.* (2008) and Padma *et al.* (2010), in their study on Indian healthcare, revealed that 'process of clinical care' is an essential dimension of hospital service quality.

The term 'medical tourism' refers to traveling abroad for seeking medical care (Balaban and Marano, 2010) as well as holidaying (Bookman and Bookman, 2007). However, the main motivation for the medical tourists is to avail medical treatment. Hence, medical care becomes the core component of MT. Many countries providing MT services have doctors with international qualification and experience (Wang, 2012). Some researchers in the area also included medical quality as an important aspect of MT services (Panchapakesan and Dahab, 2012; Wang, 2012). In MT, the quality of treatment also influences the decision to avail follow-up care.

Hence, the following hypothesis is framed.

H₁: 'Medical Quality' has a positive influence on the loyalty of medical tourists.

Facilities:

The physical facilities offered by any service provider (e.g. waiting space, appearance of employees, cleanliness and hygiene, etc.) tangibilize the service. According to the SERVQUAL model (Parasuraman *et al.*, 1988), tangibles form the first and foremost aspect of any service. Bitner (1990; and 1992) proposed that elements of physical environment reinforced a firm's purpose and image to its consumers. Baker (1987) also determined that atmospherics had strong influence on the quality of the service encounter. Issac *et al.* (2003), in their study on software services, found that 'infrastructure and facilities' improved the clients' perceptions of service delivery.

Padma *et al.* (2009) and Duggirala *et al.* (2008), in their study on healthcare services in India, considered 'infrastructure' to be one of the dimensions of service quality in hospitals. Most of the studies in hospitality (e.g., Ekinici *et al.*, 1998; Mei *et al.*, 1999; Kozak and Rimmington, 2000; and Nadiri and Hussain, 2005) included tangibles or facilities as a dimension of service quality. It is generally believed that medical tourists expect facilities such as online consultation with the physician, advanced reservation for sight-seeing tours, availability of information about MT packages, (Crooks *et al.*, 2010; Burns *et al.*, 2003; George and Henthorne, 2009), etc.

Thus, the following hypothesis is framed.

H₂: 'Facilities' has a positive influence on the loyalty of medical tourists.

Image:

Nguyen and Leblanc (1998) considered image as a bundle of meanings about the evaluation of objects, which were linked to individuals' values and were stored in the memory. Mazursky and Jacoby (1986) asserted that image influenced customers' expectations and hence their quality evaluations. Sirgy and Samli (1989) found a direct positive impact of

image on customer loyalty. Because of intangible nature of services, image could be crucial to service firms (Bolton and Drew, 1991; and Fornell, 1992) and it helped to improve the competitive performance of the firm (Gronroos, 1990). Image was a gestalt, indicating the overall impression formed by the consumer of the services (Zimmer and Golden, 1988). Lewis (2001) revealed that corporate image influenced consumer's buying intentions significantly. Further, image of a country could strongly influence the purchase behavior with respect to the products of that country (Laroche *et al.*, 2005).

Hong and Goo (2004) found that the reputation enjoyed by a service provider plays a significant role in the service quality perceptions of customers. In tourism, positive images of destination significantly influenced the destination loyalty of tourists (Gibson *et al.*, 2008; and Hernandez-Lobato *et al.*, 2006). Padma *et al.* (2010), in their study on healthcare services in India, found that hospital image significantly impacted patient satisfaction. Mechinda *et al.* (2010), in their study on MT in Thailand, revealed that positive reputation of destination positively impacted the customer loyalty. They further suggested that tourism marketers in Thailand should make use of positive images of Pattaya and Thai hospitality to promote it as a leading MT destination. Thus, in MT, image of a destination as both healthcare and tourist service provider becomes essential. Panchapakesan and Dahab (2012) included image to be one of the dimensions of service quality in their study on MT in India.

Thus, the following hypothesis is framed.

H₃: 'Image' has a positive influence on medical tourists' loyalty.

Trust:

In the research on relationship marketing, several researchers determined that brand trust positively influenced behavioral loyalty (Sirdeshmukh *et al.*, 2002). The ability to provide service as promised has been considered to be a necessary aspect of service delivery

(Parasuraman *et al.*, 1985; Walters and Jones, 2001). Healthcare, being a credence service, trust was a very essential component (Padma *et al.*, 2010; Bejou and Palmer, 1998). Trust impacted the attitudinal loyalty of consumers by reducing the transaction costs of searching information (Kramer, 1999) and by improving the sense of commitment towards the service provider (Ganesan, 1994). Lertwannawit and Gulid (2011), while examining the loyalty of medical tourists in Thailand proposed that trust built between the provider and the medical tourists reduced the frustration arising due to long distance communication, language barriers, etc. and improved the experience of MT. They also found that brand trust was essential to generate favorable behavioral intentions of medical tourists and also played an important role in reducing their uncertainty levels while making purchase decision. Trust, which has been viewed as credibility (Padma *et al.*, 2010), placing customer's interest ahead of self-interest (Morgan and Hunt, 1994), and promptness and earnestness of service provider in solving issues (Hart *et al.*, 1990), was found to be an important determinant of commitment to a service provider (Mechinda *et al.*, 2010; Panchapakesan and Dahab, 2012).

Therefore:

H₄: 'Trust' has a positive influence on the loyalty of medical tourists.

Enjoyment:

The opportunity to have fun makes the consumers highly involved and enables them to co-create their experiences, especially in services characterized by experience attributes such as sports, restaurants, movies, etc. In hospitality and travel industries, the element of fun /enjoyment leads to sense gratification and thereby results in positive evaluation of service (Duman and Mattila, 2005). MT is characterized by both utilitarian and hedonic components, with healthcare catering to the utilitarian needs and tourism appealing to the hedonic preferences of medical tourists. Lin *et al.* (2005) found that positive state of emotions

impacted the consumption decisions significantly. Poon and Low (2005), in their study on Malaysian hotels, suggested recreation and entertainment as a factor impacting customer satisfaction. Narayan *et al* (2008) determined in their study on tourists in India that hedonic factors such as food and pubs were components of service quality in tourism. Bookman and Bookman (2007) revealed that countries such as India and South Africa offered their medical tourists with learning activities, e.g. cooking, photography, etc. to provide affective gratification. Wang (2012) found that perceived enjoyment was a significant predictor of perceived value in MT services in Taiwan. Panchapakesan and Dahab (2012) proposed 'enjoyment' to be a dimension of service quality in MT.

Hence, the following hypothesis is generated.

H₅: 'Enjoyment' has a positive influence on the medical tourists' loyalty.

Perceived Value:

Zeithaml (1988) determined that value is measured based on the perceptions of what benefits consumers receive for what they give. Monroe (1990) stated that 'perceived value' was a trade-off between benefit and sacrifice. Customers did not always necessarily buy the highest quality service in business markets as purchase managers bought for economic reasons rather than emotional reasons (de Ruyter *et al.*, 1997). Rust and Oliver (1994) concluded that perceived value increased as the price of the offerings decreased while their quality increased. Hence, service firms should focus on achieving customer satisfaction and loyalty by delivering superior value, an underlying source of competitive advantage (Woodruff, 1997). Bolton and Drew (1991) found that customers' perceptions of value were influenced by monetary costs, non-monetary costs, personal taste and demographics. Hoyer and MacInnis (2003) listed intangible costs such as convenience, time, security, time and effort spent as factors more important than the monetary cost itself. Dennett *et al.* (2000) showed that value-

added services serve as differentiators of offerings in the airline industry. Cronin *et al* (2000) determined that perceived value was a significant predictor of re-purchase intentions.

Many medical travelers cited low cost as a reason for availing medical care abroad (Connell, 2006). Glinos and Baeten (2006) revealed from their research that sometimes people travel to a different country because they perceived some advantage when compared to their native country. Wang (2012) determined in their study on Chinese medical tourists in Taiwan that ‘perceived value’ was an important driver of MT loyalty and also found that ‘perceived enjoyment’ had the greatest impact on ‘perceived value’. Mechinda *et al* (2010) found significant impact of perceived value on medical tourists’ loyalty in Thailand, which reinstated Yang and Peterson’s (2004) findings.

Thus, the following hypothesis is framed.

H₆: ‘Perceived Value’ has a positive influence on the medical tourists’ loyalty.

Familiarity:

Being familiar with the service provider helps to reduce the risk perceptions of consumers (Gitelson and Crompton, 1984). Familiarity reduces the search effort of travelers (Gursoy and McCleary, 2004) and hence tends to increase the attractiveness of a destination (Hu and Ritchie, 1993). Narayan *et al.* (2008) revealed significant differences in the perceptions of tourists in India with respect to their prior experience. Similarly, many researchers found that familiarity positively impacted destination choice and increased the likelihood to revisit (Milman and Pizam, 1995; and Chen, 1997). Mechinda *et al.* (2010) also found that familiarity with the service provider positively impacted the future purchase intentions of medical tourists. Panchapakesan and Dahab (2012) considered ‘familiarity’ as a dimension of service quality in their conceptual framework for MT in India.

It is generally believed that customers who perceive service quality over repeated service encounters have an overall favorable image of the firm. According to MacInnis and Price (1987), 'image' incorporated ideas, feelings and past experiences; repeat visitors of a service firm had a favorable image formed in their minds about the firm. In fact, Echtner and Ritchie (2003) found that tourists formed image of the destination before and after their travel. While initially the image was formed by media, internet and word of mouth, it was modified and made more complex by their personal experiences after the visit. Hence, Gursoy and McCleary (2004) recommended different communication strategies for familiar and unfamiliar tourists. The unfamiliar tourists should be provided with simple information about the destination and also a comparison with other destinations while the familiar tourists would prefer detailed information about the destination.

Niederman *et al.* (1996) found that experienced information system users tended to be more satisfied with the service while novice users complained more about interpersonal issues because of their anxiety about the new technology. As previous experience makes the knowledge stored in memory easier to retrieve, it helps in eliciting satisfaction and trust in the users (Taylor and Todd, 1995). Hence, familiarity with the service provider may change the nature and form of the relationship between service quality and customer loyalty.

Thus, it is hypothesized that:

H₇: Familiarity with the service provider moderates between various factors of MT services such as medical quality, facilities, image, trust, enjoyment, perceived value and customer loyalty.

The conceptual model of the current research based on all the above hypotheses (i.e., from H₁ to H₇) is shown in Figure 1.

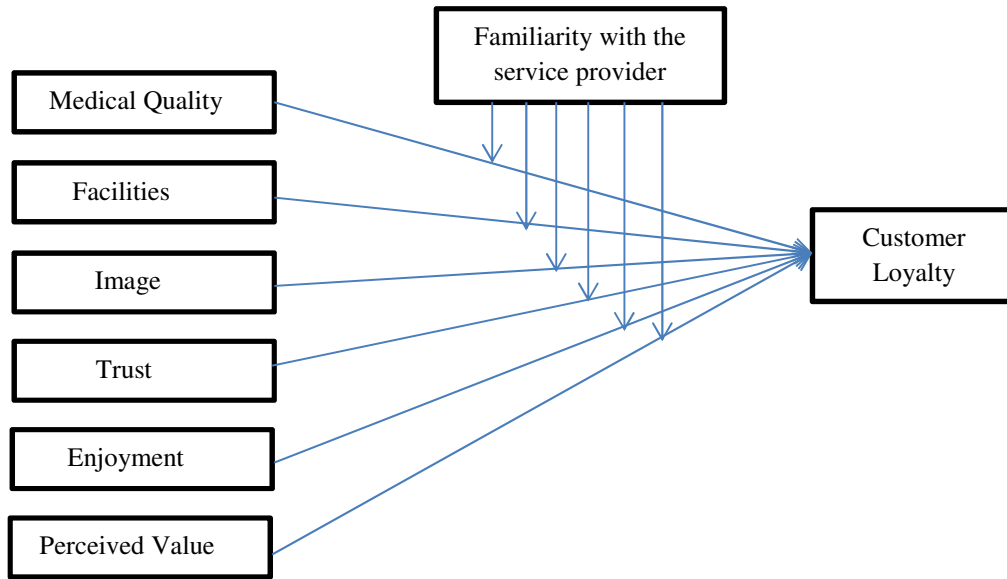


Figure 1 A Conceptual Framework for Customer Loyalty in Medical Tourism

An instrument to measure the perceptions of medical tourists based on the conceptual model discussed in Figure 1 is provided in Appendix.

Implications of the Current Research

The current research would enable the service providers to understand their current level of service and the scope for improvement. It would also help in determining the predictors of medical tourists' loyalty towards MT services.

The research may also aid service providers in their resource allocation decisions. They may first focus on the factors which significantly impact the loyalty intentions of medical tourists, and then look at other aspects of service.

Further, it would also help in examining the moderating effects of familiarity in this context. A significant moderating effect would imply that different service strategies are necessary for medical tourists who are familiar and informed about the treatment and tourist options

available in the destination country and those who are unfamiliar. The unfamiliar visitors may need additional positive service-cues to strengthen their bonding with the service providers. In addition, internet may play a vital role by providing information related to cost, medical treatment and cultural issues in the destination countries. Effective retention strategies such as complimentary services, discounted price, etc. could be provided for medical tourists who come for follow-up treatment.

The research could also serve to segment the medical tourists. For example, it would be fruitful to understand the profiles of loyal and not so loyal medical tourists and develop appropriate retention strategies. It could also help in identifying the preferences of various medical tourist segments. Differences in perceptions could be probed further to design effective marketing campaigns and develop new offerings.

Summary and Conclusions

This research would be possibly one of the first studies to provide a comprehensive instrument for measuring the determinants of medical tourists' loyalty in India. This research, has taken into account the aspects of both healthcare and tourism by incorporating the core and secondary attributes of MT. Hence, the research model, apart from helping the service providers, will also help policy planners in the areas of medicine and tourism to understand the needs of international tourists so as to develop favorable policies.

In future, immediate attention could be given to validate the instrument and the hypotheses proposed in the current study. A comparison with the other emerging countries which provide MT services, e.g. Brazil, China, etc. would shed more light on the MT phenomenon in the less developed countries. The study could also be extended by including the perspectives of service providers such as hospital administrators, physicians, hotel managers and tourist

agencies (i.e., facilitators) offering MT services. The future studies may also investigate the mediator variables in the context of MT.

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Appendix

An Instrument to Measure Medical Tourists' Perceptions

This section provides the instrument to measure the perceptions of medical tourists as described in Figure 1. A seven-point scale, where '1' indicates 'very low' and '7' indicates 'very high' could be used for measuring the level of service and loyalty.

Medical Quality

- India's doctors have high skill standards.
- India's hospitals can compete with other countries in terms of medical expertise.
- Participating in India's medical tourism puts my life at risk owing to the lack of post-operative care.
- Participating in India's medical tourism puts my life at risk owing to the possible occurrence of side effects.
- Doctors are friendly and caring with due understanding of my feelings and needs.
- The hospital staff addressed my concerns and requirements with understanding and caring attitude.
- The medical treatment received is effective.
- Traveling to India for medical treatment could not instill confidence in the recourse against malpractice.
- The doctors provide appropriate information and appraisal about my health, medical tests and treatment procedures.

Facilities

- The hospital is clean and hygienic.
- The places outside the hospital are clean and hygienic.
- All prominent places (e.g. hospital, place of stay, place of visit) have good internet connectivity.
- All prominent places (e.g. hospital, place of stay, place of visit) have good internet connectivity.
- The hospital enjoys a good reputation.
- Medical help in case of emergencies is available.
- Physical facilities and infrastructure in the hotel are visually appealing.
- Tourist spots are well-connected and easily accessible.

Image

- India is a safe place to visit.
- The hospital enjoys a good reputation.
- Local people are friendly and helpful.
- The weather is pleasant to go around for a tour.
- The hospital enjoys a good reputation.
- Hospital invests in new technologies and innovative practices.

Trust

- The billing system in the hospital is correct, accurate and reliable.
- The hospital cares for my benefit and welfare.
- The staff at my place of stay are trustworthy.
- Hospital provides services as promised and on time.
- The hospital maintains patient privacy and confidentiality.
- Hospital has several safety and comfort measures (e.g. handrails in aisles, ramps designed for wheelchairs) in place.
- When I travel, my co-tourists' display acceptable attitude and behavior.

Enjoyment

- There are beautiful places in India to visit and relax.
- There are many interesting events and festivals to participate.
- Food is exotic and delicious.
- Combining tourist attractions with medical procedures is enjoyable.
- There are adequate opportunities for night life.
- There are ample sports facilities and activities.

Perceived Value

- Compared to the potential risk I bear, India's medical tourism is worthwhile to me.
- Compared to the fee I am asked to pay, India's medical tourism offers value for money.
- Compared to the time away from work/leisure that medical care requires, India's medical tourism is worthwhile to me.
- The place of stay is value for money.
- All the places of visit are value for money.

Familiarity

- I consider myself knowledgeable about the places to visit in India.
- I consider myself familiar about the culture of India.
- I consider myself informed about medical procedures in India.

Customer Loyalty

- I will recommend others to use medical tourism services in India.
- I will tell others positive things about medical tourism services in India.
- I consider myself a loyal customer of the hospital where I underwent treatment.
- If I had to choose again, I would select the same service provider.