

# **Evaluation of the Present Business Model that Exists Between France and India in Reference to the Context of Medical Tourism and Suggesting a New Business Model that is More Optimal, Profitable and Effective**

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**Abstract:** *Corona virus has created a heavy impact on how the planet operates. Most of the significant sectors that contributed to the economy came to stand still. It is not a great time to think of tourism. But healthcare is something which every human being deserves and one should not be deprived of it just because he resides outside the specified boundary. Now is the time for the governments to restore their credibility. The need of hour is good and standard healthcare. Even after the pandemic is over, the need for a quality healthcare is something that will exist. However, owing to the huge waiting time, cost related and other pragmatic issues, even developed countries like the UK, USA and France cannot provide the healthcare service to their citizens in time. The cost of private healthcare in such countries is very high. As a result, patients from such developed countries look for obtaining the treatment from developing countries like India. The governments understood the scenario and their spectacular management of the demand paved way for empowering their own medical tourism sector. The study is an attempt to understand the trade cycle between the consumers of medical tourism, in this case France and the suppliers, the Indian medical tourism healthcare. By obtaining information regarding the issues in the existing business model, the study has understood the areas of friction in the present model. Considering the urgency of the present situation, only the elements that needed radical measures were highlighted and possible alternate solutions were suggested to be incorporated in the new business model of medical tourism, which will be more effective, profitable and sustainable.*

**Keywords:** *Medical tourism, Hospitals, Affordable cost, Marketing of medical tourism, Indian economy, Demand and Supply, Indian medical tourism sector, Macroeconomics, Business Model, Supply Chain, Medical Tourists, Medical Tourism Service Provider.*

## **1. Introduction**

The number of people travelling across their national borders has tremendously increased. Tourism is the industry that has employed the maximum of the human workforce. Health care, on the other hand is also an inevitable element for the human survival (Arulmozhi et al., 2019). More number of people is in need of the service and is also employed in the sector (Naik & Lal, 2013). Interestingly “Medical tourism sector” emerged as an amalgamation of the tourism and healthcare, two very prominent sectors (Gunaseelan & Kesavan, 2020). People started to travel to other countries for gaining access to a better healthcare which provides value, in terms of treatment quality and cost. In the case of

developing countries, there is a distinctive advantage due to the “low cost factor” (Sharma et al., 2016). The emergence of medical tourism has resulted in economic development and enhancement of health care-oriented technology and infrastructure in the countries which host the medical tourists. India, Singapore, Malaysia, Thailand and South Africa are the key players in the sector (Deka, 2019). They compete strongly for their market share. In such an intense competition, countries that have created “synergies” among the various functional units of the supply chain of medical tourism sector have managed to be successful (Naik & Lal, 2013).

## **2. Theoretical Framework**

The concept of medical tourism has existed since the ancient period. In the recorded recent history, instances of medical tourism have been reported to have practiced in England in the 18<sup>th</sup> Century where patients got treated for health issues related to kidney and throat. However, in the course of time, the complexity and the magnitude of health issues grew. So was the cost associated with it and the waiting time. Hence there were a greater availability of patients with intense health conditions and a demand for medical treatment (Gunaseelan & Kesavan, 2020).

## **3. Research Methodology**

Analysis of literature will result in providing a comprehensive picture about the medical tourism in Indian health care sector. Further it will also provide a broader view about the importance of the sector. By thorough analysis of literature, the business model of the healthcare tourism sector in India would be understood and represented schematically at the end of the literature review with more details.

Primary data will be collected from Medical tourism service providers from France. The medical and front-line personnel involved in the process from India will also be interviewed. The questions will focus mainly in understanding the challenges that are present in the existing business model. The factors that are being the challenges for the effectiveness of the present business model of healthcare tourism setup in India will be determined after the end of primary data collection. The factors that are inhibiting the effectiveness of the present business model will be eliminated and a new model would be suggested.

## **4. Research Design**

Based on the research plan that is depicted in the picture above, it could be understood that the flow of the research is not purely “linear” in nature. After the collection of primary data, literature regarding the aspects that have been said as drawbacks in the existing model should be understood in the context of economic and management tools. Similar literature where the problems in medical tourism have been cited and the methods by which they were circumvented need to be referred. The research design of this project is made on the basis of certain key parameters such as considerations about the fact, matters that are explicit in the subject matter of research and the values surrounding the study. Hence the research design could be viewed as the “framework” that the research project would follow to reach its aim (Sim & Wright, 2000). The research design is the thread that connects the primary and secondary data with the research questions of the study thus making it highly important to choose the appropriate research design for the study (Kane, 2006).

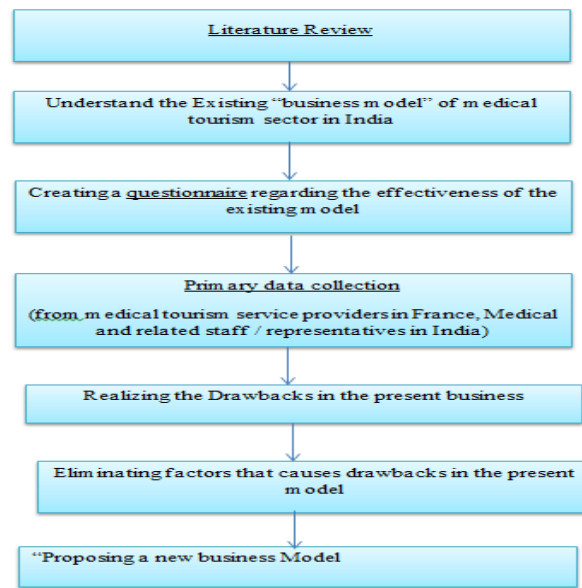
As far as this study is concerned, the research question is to determine “what” the business model is and “what” are the factors or areas that inhibit the effectiveness of the model (Portney & Watkins, 2009). Most importantly, the information regarding the recent scenario of the business model is essential. Hence, descriptive research design would be the most appropriate research design (Portney & Watkins, 2009; Kane, 2006 & Sim & Wright, 2000). Descriptive research designs are better in obtaining information from a completely natural setting thereby eliminating the possibility of the deviation of the normal pattern of the subject that is being investigated (Brink et al., 2006). The design is highly compatible with research methods that are “quantitative” in nature. For studies which are aimed at making recommendations, descriptive research design is highly suitable (Sim & Wright, 2000). Thus, in the case of understanding the business model of medical tourism that exists between France and India, descriptive research design would be a highly suitable design.



Figure No. 4.1 Plan of the research

## 5. Research methods

The research would be quantitative in nature. Data will be collected through telephonic interviews. Primary data obtained regarding the factors that are causing weakness in the business model would be analyzed quantitatively by using percentage analysis method. A schematic representation of the process of research is presented below.



**Figure 5.1 Process of research**

The research paper that served as a base to determine the methodology for primary data collection was obtained from (Rahmqvist, 2001). The idea about using and the importance of information in literature was obtained from (Tosic et al., 2018).

## 6. Analysis of Data

In the cases of the researcher not being experienced sufficiently, analysis of data would be a tedious task (Kane, 2006). Percentage analysis is the method in which the collected primary data will be analyzed (Brink et al., 2006). For quantitative studies, percentage analysis is considered as the basic premise (Portney & Watkins, 2009). The key purpose of the primary data is to estimate the “core issues” in the present business model. The data needs to be analyzed with this perspective so that it is treated fairly without any room for the researcher interpreting it differently (Sim & Wright, 2000). Percentage analysis was the simpler and one of the most precise methods to analyse data received from questionnaires (Kane, 2006).

## 7. Secondary Research

The information which is conceived previously and relevant to the subject matter of the study is referred as the “literature” (Williamson et al., 2011). However such data could be relied and applied for this study since they are verified by academicians before they are published and hence become scientifically valid (Saks & Allsop, 2012). The key advantage of the application of the secondary data is that it saves a lot of human effort and time by preventing the researcher from working on areas that have already been explored and understood (Portney & Watkins, 2009). As far as this study is concerned, secondary data played a very important role. Initially it informed about the concept of medical tourism, its evolution, hierarchy, processes involved in it and the base lines on which the system is built. The nature of impact the medical tourism sector is having on the Indian economy also gives a financial

insight. It is the literature review that served as a basis for conceptualizing the existing “business model” between the consumers of France and the Indian medical tourism sector. Later, after the collection of primary data, for aspects that need to be modified and eliminated, the literature review is referred since they are the source of management and behavioral concepts on the basis of which, the changes are made and a new proposal is put forth. More importantly, the research methodology for the analysis of the primary data that is collected was derived from the literature review.

## **8. Analysis**

The collation of primary data that is collected and scrutinizing it to extract the information needed for meeting the objective of the research project is the most crucial task for the researcher (Portney & Watkins, 2009). Literature review gives information sufficient to develop a conceptual “business model” that is in operation. The primary data was collected to locate the draw backs and infirmities in the present model. Owing to the Covid-19 circumstances, only a very limited number of respondents were approached. Hence application of high end statistical tools will not be fruitful in the study. Therefore, a simplistic yet insightful method of “percentage analysis” was used. This method has a potential to represent the actual thoughts of the respondents on the matter that is being questioned (Kane, 2006). The representation of the role of the data analysis in the research is presented below:

## **9. Response from consumers of the medical tourism service.**

A total of 100 respondents were approached. But only the responses of 18 were able to be collected within the stipulated time. It was very difficult for locating medical tourists in this situation surrounded by the pandemic. Doctors were also contacted. In addition, patients who have experienced the service offered by the medical tourism sector of India, that is the people who have obtained treatment from Indian hospitals have also been included in the study. But a significant majority of the respondents did not want their names and that of their affiliated institutions to be known. Once a medical condition is diagnosed to be serious by a doctor or a competent medical authority, and the patient is suggested to get a treatment from India, the patient immediately looks for a medical tourism provider in France.

The Medical tourism provider will be the interface between the patient in France and the hospital in India. Locating such medical tourism provider is the first step and hence it is crucial. The sooner it is the better the chances of the patient being treated earlier and receiving a comprehensive treatment (Sharma, 2019). Locating a Medical tourism provider also gives an emotional support to the person needing the medical treatment. However, the data collection reveals that 67% of the respondent’s face difficulty in locating a medical tourism provider in France if they have decided to get medical service from the Indian medical sector.

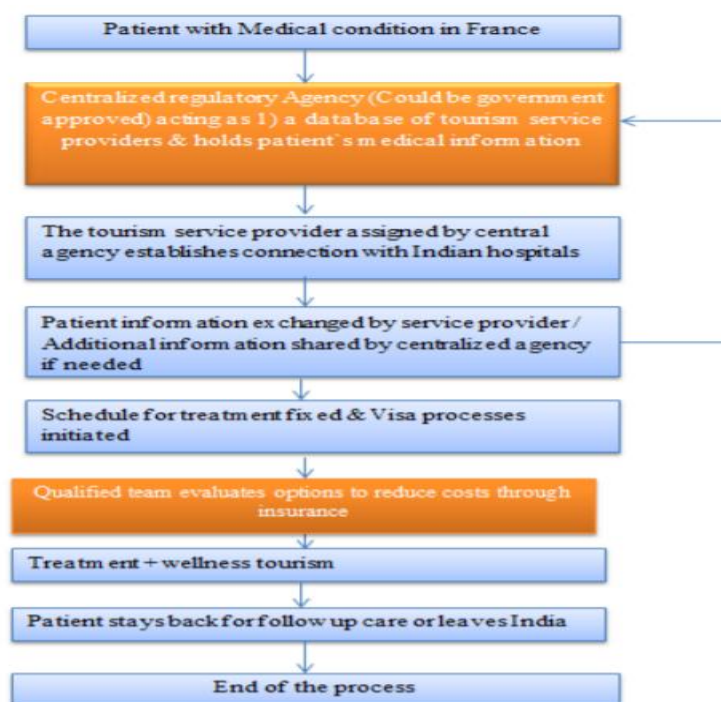
## **10. Results**

The data analysis of the primary respondent`s from France have highlighted weakness in two areas. One is locating the medical tourism provider in France who could access the Indian medical tourism sector and the other is the exchange of information of the patient to the corresponding Indian authorities. What is striking is that the resemblance between both the elements. “Information” is the key word that connects both these weak links. One is the

lack of information and the other is connected to the inability to share the information. If this loop hole of the business model is left unattended, it will lead to only one thing in the long term: a spectacular failure rate of the model.

Hence a centralized agency should be set up as a part of the medical authority in France. The authority should have the database of the Medical tourism service providers. Such service providers could also be made to be country specific if needed. Creating such a database would serve two purposes. One, it will be easier in times of distress to locate a medical tourism service provider (Sharma et al., 2016) Two, it will be helpful in storing the relevant medical information of the patient which could be provided to the Indian hospital upon the permission of the patient.

For a business model to ascend towards growth and success, availability and sharing of information within the model is absolutely necessary. It should be noted that the core objective of this entire process is to save the human lives. Economic benefit should be viewed only as a byproduct. There should be no room for “information asymmetry” in this business model (Virani et al., 2020). Hence a mechanism to sort this issue is included in this business model (Virani et al., 2020). Hence a mechanism to sort this issue is included in the present business model. Including the provisions suggested above in the existing model will synthesize a new business model which looks like the one below



**Figur No 10.1 Proposed New Business Model**

## 11. Retrospection

The study gains significance as it was conducted in the time frame when the corona virus was raging in its full swing. Apparently, the macroeconomics surrounding the medical tourism shall be forgotten conveniently for a while. But this stagnation has given room for the governments; economists and policy makers to rethink and redesign their policies. Without an iota of doubt, it could be inferred that ‘health care’ oriented discussions would have occupied the dominant space of discussion. The decisions and strategies made by the

government pertaining to the health care policies would have been impacted strongly by the circumstances surrounding the Covid -19 pandemic. But as political leaders and economists tend to think on a long-term perspective, their decisions would not have been made solely surrounding the pandemic. Unarguably, this is a very lean period for the medical tourism sector. However, considering the progress made in terms of medicinal development, it is evident that the span of the situation will only be brief. After the commercial production of Vaccine developed by the Russian agencies, the Corona virus will be a distantly related term in the near future. All the sectors that have been confined now will begin to expand. Needless to say, the medical tourism sector will witness a spectacular re-establishment. Those governments and healthcare systems that have established a standard for their healthcare service by then would succeed.

## 12. Evaluation of Objectives

The title of the study is *“Evaluation of the present business model that exists between France and India in reference to the context of medical tourism and suggesting a new business model that is more optimal, profitable and effective”*. The first objective was to understand how the Indian medical tourism sector is advantageous to the medical tourists of France. The second objective was to know the scope and potential of the Indian medical tourism sector. The third objective was to conceptualize the “business model” that existed between the consumers of France and the Indian medical tourism sector that supplied the service. All these objectives were achieved in the literature review process which gave an overview about the structure of the medical tourism sector in India, its role and impact in the GDP of India, overall growth in recent years, the actual needs and wants of the consumers who demand the service and the unique features that give India the high market share in the field of medical tourism. The fourth objective was to understand the areas of concern in the existing business model. This was achieved by the collection and analysis of primary data from the respondents. The possible solutions to circumvent and mitigate the weakness in the present model were theorized in the results and discussion chapter of the dissertation. This was the last objective.

## 13. Recommendation

The study will be a reference for other research projects that are carried out in the area of medical tourism. However, studies in future can adopt fresh methodologies depending upon the nature and the scenario of the sector at that point of time. All the policy related decisions to medical tourism shall only be given consideration after conducting a study in such regard. The findings of the study could be progressed in two dimensions. From an academic perspective, addition of sample size and application of vigorous data analysis tools to the present study could increase the scope of the study for being accepted in the academic community and getting published in a management or economic journal. On the other hand, the study could also be used as a base for the business plan and it could be pitched in to potential investors, Joint Ventures or angel investors and could be turned into a real business venture. Since the researchers are from India and also have a significant knowledge about the social setting of France after spending reasonable time in France as students, their approach for business would be more appealing to the investors.

## 14. Conclusion

The aim of the study to develop a new business model for medical tourism has been satisfied. Though the personnel at the senior level are responsible for making decisions regarding the policies surrounding the medical tourism sector, it is implemented by the administrators and others in ground level. The medical tourism in itself is a separate sector in India. It cannot be denied that the public sector of the Indian government did continue to attract medical tourists from the other parts of the world, it failed to take complete ownership. Considering the present circumstances, it is time to change tune of the governments in the sector for a while. More departments that are sensitive to the ground level reality of the medical tourism sector need to be created. The mission of the departments will be to assist both, the consumers and the host (respective governments) in facilitating a mutually beneficial transaction. The material fate of the medical tourism sector does not look significantly brighter at present when viewed as a sub unit of the government. Public – Private Partnerships (PPP) should emerge in the field of medical tourism. Especially in a country like India that is huge in terms of political and geographical landscape, the consumers of medical tourism look for security. The public sector will assure the security of the sector and the consumers whereas the private sector will be responsible for the predictability of the sector.

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