



Case study

A qualitative analysis of Singapore's medical tourism competitiveness

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ABSTRACT

Medical tourism, a rapidly growing market, has been recognized by many countries as a potential sector for economic diversification. Although Singapore stands out as one of the top destinations of medical tourism, investigation regarding its competitiveness has been limited and narrow in scope. This case study takes a qualitative approach to identify and analyze the factors that position Singapore as a competitive medical tourism destination. Based on a holistic approach, this study has shown that integrating diverse strategies for medical tourism development with sound government policies and proactive management practices have led to significant positive outcomes towards mutual success of tourism, healthcare and other economic sectors of Singapore. Additionally, the study provides strategic insights to drive lasting improvements in both public and private sectors of aspiring countries through efficient management and intelligent utilization of resources within and outside the medical tourism sector.

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1. Introduction

Globalization has compelled many economies to reconsider their competitiveness within the context of business performance, particularly, with increasing exposure to international market forces. Further, global competition has raised the potential for the emergence of newly transformed markets; one such market, due to transformation of the healthcare industry, is medical tourism; more precisely, it is a direct result of healthcare globalization (Bernal, 2007).

Medical tourism industry is a fast growing global niche market. According to Transparency Market Research (2013), the global medical tourism market was estimated to be at US\$ 11 billion in 2012 and was expected to reach US\$ 33 billion by the end of 2019, a compound annual growth rate (CAGR) of 18%. Patients Beyond Borders (2014) estimated this market at US\$ 39–55 billion with an annual growth rate between 15% to 25%. Asia is one of the first movers in this area, which positioned itself competitively in the global medical tourism market in terms of affordable and high quality medical care. In Asia, Thailand, Singapore and India have been recognized as the three leading medical tourism destinations with ambitions to control more than 80% of Asia's medical tourism market in the future (Mary, 2014).

A number of studies have revealed that Singapore is one of the most attractive medical tourism destinations in Asia (Alleman et al., 2010;

Lunt & Carrera, 2010; Beladi, Chao, Ee, & Hollas, 2015). Singapore's success as a leading medical tourism destination is attributed to its key competitive advantages including excellence in health care quality, trustworthiness, safe medical practices, and the availability of a large number of internationally accredited hospitals. Further, Singapore's government has played an active role in attracting medical tourists and investors by promoting and nurturing strategic collaboration among different stakeholders and signing agreements with Middle Eastern countries for the provision of medical services (Heung, Kucukusta, & Song, 2011; Hall, 2013). Medical tourism revenue generated by Singapore is estimated to reach US\$ 1.5 billion by 2016, growing at a CAGR of 13.6% (Beladi et al., 2015). In general, Singapore has reinforced its global superiority by shaping an appealing profile and attaining high ranks in various aspects including economic freedom (The Heritage Foundation, 2015), ease of doing business (World Bank, 2014), attractiveness for medical tourism (Medical Tourism Index, 2014), healthcare system efficiency (Bloomberg, 2014), innovation performance (Cornell University, INSEAD and WIPO, 2014), and global competitiveness (World Economic Forum, 2014).

2. Study rationale & design

Singapore's success as a leading and distinctive medical tourism destination has led many researchers to suggest that governments can learn from Singapore's experience of developing their own medical tourism sectors (Lunt, Horsfall, & Hanefeld, 2015; Medhekar, 2014a, 2014b; Lim, 2005). However, the topic of Singapore's medical tourism

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competitiveness has remained untapped in the existing literature. Most of the current research surrounding Singapore's medical tourism has a narrow focus with limited scope of investigation, for example, use of SWOT analysis (Wong, Velasamy, & Tengku Arshad, 2014; Phua & Pocock, 2012). The purpose of this study is to provide a broader scope of investigation by conducting a holistic examination of related literature and explicitly, identifying the pillars of competitiveness that make Singapore a success story in the area of medical tourism. This study, including the conclusions and recommendations, will help guide the decisions and actions of policy makers interested in medical tourism development.

In general, tourism competitiveness has been the focus in many countries through institutional work and academic research (Matias, Nijkamp, & Sarmiento, 2013). This is also demonstrated through collaborative actions of the international community. For instance, OECD member countries have sought to develop unified assessment and guidance frameworks dedicated to regain their tourism competitiveness as a new source of growth and for socioeconomic development (Dupeyras & MacCallum, 2013). The determinants of tourism competitiveness, despite their variety, have become distinguishable and measurable. They are also considered to be the determinants of the supply of value-added tourism products and increased attractiveness of the location (Hong, 2008). However, there is limited literature relating to the competitiveness of different aspects of tourism. In this context, it can be mentioned that specialist research is necessary to provide an insight into the areas of tourism competitiveness, especially for the emerging tourism segments such as medical tourism. Hence, the present study is aimed at identifying and analyzing competitiveness pillars of medical tourism as well as arriving at a definition of medical tourism competitiveness based on a holistic analysis of the case study of Singapore. This case study will support policymakers in aspiring countries to guide their policies and actions for medical tourism sector development and management, with the aim of embracing the principles of competitiveness.

Since there is no universally-agreed definition of medical tourism competitiveness in the present literature, this case study aims to contribute knowledge fundamentally through answering the main question: how has Singapore achieved a competitive position in the global market of medical tourism? Case study as a research method is considered an appropriate strategy to answer this question and draw meaningful conclusions. This research method is chosen with the purpose of taking a holistic approach for the analysis of Singapore's success as a popular medical tourism destination in Asia. The empirical inquiry of such research method enables intensive description to be included for in-depth qualitative analysis. The investigation in this case study deals with dynamic operational links over time (Yin, 2003). Singapore's medical tourism sector was chosen as a subject of analysis to determine the unique relationship between its success and the identified competitiveness pillars of medical tourism. These pillars were primarily considered to be the determinants which positioned Singapore as a competitive medical tourism hub. Thus, the identified pillars represent investigative themes for initial research and are based on comprehensive examination of relevant primary and secondary data sources. Subsequently, explanations and/or clarifications are provided for each pillar and its relationship to the country's competitiveness in medical tourism is explained.

3. Pillars of Singapore's medical tourism competitiveness

3.1. First pillar: an enabling tourism sector

Singapore represents a case study of tourism development and success in the context of rapid economic growth in a market oriented global economy. In 1991, Singapore attracted 5.41 million international visitors, and notably this number has tripled over the past 3 years between 2013 and 2015 (STB (Singapore Tourism Board), 2015a). Today,

Singapore is a highly globalized economy, and deeply connected with the world through a myriad of sectors which are not limited to industry, commerce, finance or communications. Out of 141 economies, Singapore had been ranked 11th globally in the Travel and Tourism Competitiveness Index (World Economic Forum, 2015). Despite scarce natural and cultural resources of the country (Hall & Page, 2011), Singapore's government has met with the challenges through various initiatives and one among those is an attractive and lucrative tourism sector, which contributed US\$ 13.7 billion towards Singapore's GDP in 2014 (World Travel and Tourism Council (WTTC), 2015).

Singapore's outstanding achievements in tourism stand as a testimony to its planning excellence in a wide range of tourism related projects including but not limited to the modernization of its economic infrastructure (Lim, 2015); economic liberalization and international openness (Tisdell, 2013); innovative management in developing natural and cultural resources (Hall & Page, 2011); and high quality human resources development. However, Singapore's competitive edge in tourism is mainly driven by prosperity in two types of income generating tourism: leisure tourism (Shen, Song, Li, & Jiang, 2015) and business tourism (Beaverstock, Derudder, Faulconbridge, & Wiltlox, 2016). Truthfully, such flourishing tourism relates more or less directly to the development of medical tourism, and mutually contributes to each other's growth. This is explained later in this section of the study.

Research has shown that Singapore and several other medical tourism destinations in Asia, such as Thailand, Malaysia, Dubai, have competitively positioned themselves in this market through leveraging on the advantages produced by their globalized tourism markets, especially in terms of offered holiday attractions, hospitality, shopping, leisure activities, and world-class amenities of hotels and resorts (Lunt et al., 2015; Connell, 2006). In fact, creative ways were sought by Singapore to ensure that its medical tourism sector meets its potential and also increases its appeal to international tourists. An example is the operation of one-stop service centers to offer special packages of medical care, travel, and tourism services to medical tourists and their companions in Singapore.

On one hand, it is evident how Singapore has utilized its tourism success for a better value proposition for medical tourism. On the other hand, medical tourism is associated with positive spillover effects to other areas of tourism, such as business tourism segment, either by complementing its performance or by creating new opportunities for business investment and for entrepreneurs. For example, medical tourism reputation of Singapore has strengthened international market of MICE (Meetings, Incentives, Conferences and Exhibitions) with distinctive engagement in the medical field (Lee & Park, 2013). Many socioeconomic opportunities, beginning with the attraction of skilled medical professionals to the establishment of world class hospitals and global health insurance companies, are the beneficiaries of this medical tourism initiative (Bernal, 2007; Lee, 2006). In general, it is noted through this investigative case study that Singapore applies central institutional intelligence to ensure that its medical tourism sector is well integrated within the economy and is developed alongside other sectors of tourism.

3.2. Second pillar: strategic planning

It is crucial that every country crafts a national strategy that provides a clear direction, integrated planning and policy framework for the development and management of the programs of strategic priority. In many countries, central national strategies target priority sectors, and relate to programs such as economic development, security or human development. Simultaneously, national strategies are developed to target sectors such as health, education, tourism, etc. or a specific segment of a sector, such as medical tourism – a segment of the overall tourism sector. The United Nations Environment Program (UNEP) and World Tourism Organization (WTO) (2005), state that "national tourism strategies relate to national tourism vision; overall position and direction for

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