



# *Feng Chia University* *Outstanding Academic Paper by Students*

**Title : Medical Tourism Business Plan**

**Nice Medical Travel Service**

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## Abstract

This market plan is made for Nice Tour, a hypothetical travel agent with 10 years history since it has been established in 2000. Nice tour is going to launch in medical tourism, it's still in its infancy of Taiwan market. Despite those dominance medical organizations (hospitals), Nice tour can compete because its products offer a unique combination of features at a value-added price. Nice tour is targeting specific segments in the individual and business markets, taking advantage of higher demand on mainland Chinese tourists fast grow, Taiwan could see a surge in medical tourists, with growing wealth in China. Taiwan has the attributes of a good medical tourism destination.

The primary marketing objective is to achieve year 2011 (-NT\$1,484,000); year 2012 NT\$ 1,696,000 and year 2013 NT\$6,996,000, and break even early in the second year.

**Keyword :** Medical Tourism



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## Chapter 1 Current Marketing Situation

### 1.1 What is medical tourism?

**Medical tourism** (also called **medical travel**, **health tourism** or global healthcare) is a term initially coined by [travel agencies](#) and the [mass media](#) to describe the rapidly-growing practice of travelling across international borders to obtain [health care](#). It also refers pejoratively to the practice of healthcare providers travelling internationally to deliver health. (Wikipedia)

### 1.2 Market Description

Over 50 countries have identified medical tourism as a national industry. List below is international price comparison of medical treatments. In 2012 world medical tourism will bring US\$300 billion revenue with 40 million tourists; Asia countries will share US\$44 billion revenue. Compare to other countries in Asia, such as Thailand, Malaysia and India Taiwan has big lag on developing medical tourism. In the fact, Taiwan has its advantages in lower price with high quality medical treatment compare to other countries. According to Taiwan government forecast, medical tourism will bring Taiwan US\$ 4.72 billion revenue per year.

**Table 1 International Medical Treatment Price Comparison**  
(<http://www.medicaltravel.org.tw/service.aspx>)

Medical Tourism Business Plan- Nice Medical Travel Service

手術名稱					
冠狀動脈繞道手術 CABG	\$27,500	\$70,000-133,000	\$45,454	\$7,000	\$22,000
繞道手術拌有心瓣膜置換	\$30,000	\$75,000-140,000		\$9,500	\$25,000
心臟支架手術	\$6,877	\$57,000		\$11,000	\$13,000
髖關節置換	\$8,800	\$33,000-57,000	\$27,272	\$10,200	\$12,700
膝關節置換	\$10,000	\$30,000-53,000	\$22,727	\$9,200	\$11,500
前列腺手術	\$2,750	\$10,000- 16,000		\$3,600	\$4,400
子宮切除	\$2,229	\$20,000		\$3,000	\$4,500
胃繞道手術	\$10,200	\$35,000-52,000		\$9,300	\$13,000
活體肝臟移植	\$90,910	\$300,000		\$69,000	
脊椎融合術	\$3,743	\$62,000		\$5,500	\$7,000
拉皮手術	\$1,819	\$10,500- 16,000		\$4,800	\$5,000
健康檢查	\$455	\$1,818	\$4,090		\$227
人工生殖	\$10,313				

手術名稱	HK				
冠狀動脈繞道手術 CABG	\$50,064	\$16,300	\$12,000	\$10,500	\$31,750
繞道手術拌有心瓣膜置換		\$22,000	\$13,400	\$13,500	\$42,000
心臟支架手術		\$13,000			
髖關節置換		\$12,000	\$7,500	\$5,500	\$10,600

膝關節置換		\$9,600	\$12,000	\$7,000	\$11,800
前列腺手術	\$6,700-11,253	\$5,300	\$4,600	\$3,200	\$3,150
子宮切除	\$3,114-8,662	\$6,000	\$3,000		
胃繞道手術	\$6,568-15,129	\$16,500	\$12,700	\$8,500	\$9,300
活體肝臟移植		\$160,000			
脊椎融合術	\$11,187-13,633	\$9,000			
拉皮手術	\$2,246- 3,626	\$7,500	\$6,400	\$2,500	\$6,650
健康檢查	\$513- 1,110	\$455	\$273		
人工生殖					

1. 以上各國醫療服務費用是以美金計價，僅包含麻醉、手術診療、病患飲食、病房等相關費用，尚不包含國際機票、其他航具、國內交通與術後休養居所等費用。
2. 本表所顯示的相關資訊，僅供參考，實際情況尚需視病患身體狀況而定。

## Taiwan: Government promoting medical tourism

According to Medical tourism news reported on 04 January 2011: Taiwan government will set up an international medical development fund aimed at promoting Taiwan's medical services to the global community. President Ma Ying-jeou said "In recent years, the country has received about 90,000 visits annually from foreign tourists seeking medical check-ups and healthcare services. The establishment of the medical fund is expected to position Taiwan as a top medical tourism destination and help the country bring home more business opportunities from Asian countries, which currently stand at US\$4.72 billion per year."

President Ma has called for the formation of a cabinet-level office in charge of internationalizing Taiwan's medical services. There are 31 domestic medical institutes providing services to medical tourists. Although the government has yet to agree details of the fund's operations and amount of capital, the suggestion is that it could be established as a venture capital fund backed by the National Development Fund and money from the private sector. The main purpose of the fund will be to market the nation's medical industry and boost its image abroad. The government wants visitors



to move on from health checkups and simple operations to other medical procedures including heart surgery and fertility treatment.

Taiwan wants to emulate competitors Singapore and Thailand. Taiwan was slow to take advantage of the growth in medical tourism. Taiwan's government has paid out substantial funds each year to a government-backed taskforce on medical tourism since 2007. That funding is to cover international marketing activities and operating expenses.

While restrictions on mainland Chinese tourists fast deregulating, Taiwan could see a surge in medical tourists, with growing wealth in China. Taiwan has the attributes of a good medical tourism destination — it is safe, located a few hours by plane from other major Asian cities, and western-trained doctors who speak English. Thousands of Chinese nationals have visited Taiwan to have health checkups in the first eight months of this year, taking advantage of medical tourism offered to Chinese tourists since 2008. At least 3000 Chinese in tour groups received health checkups says the Department of Health. Chinese visitors, attracted by Taiwan's advanced medical skill and equipment, are willing to pay as much as US\$3,289 for a half-day or full-day medical examination. Some China-based Taiwanese businessmen also arrange checkups for their employees when they make trips to Taiwan.

## Chapter 2 Nice Medical Tourism Service (NMTS)

**Nice Tour** is established in 2000 located in Taichung city. In 2011, changes its name as **Nice Medical Tourism Service (NMTS)** and moves its office to Pou Chen Group Building (Windsor Hotel). Nice Medical Tourism Service (NMTS) is preparing to launch a cosmetic dentistry service combine with sightseeing tour in Taiwan in 2011; then expand their business to cosmetic surgery and health examination in following 2 years.

### 2.1 Product Review

Nice Medical Tourism Service's first product, offers the following standard sightseeing with cosmetic dentistry:

**Table 2 6 days 5 nights Package**

Day	Activity
Day 1	Arrive Taichung, Feng Chia Night Market

Day 2	PS Dental, dental check
Day 3	Sun Moon Lake, Nantou area
Day 4	Ali Mountain, Jayi
Day 5	PS Dental recheck, National Museum of Natural Science, Shin Kung Department Store
Day 6	Sweet home

Price: NTD 28,500

RMB 6,200

**Note: above prices not included air freight, for cosmetic dentistry items are optional.**

**Option items:**

**Table 3 Cosmetic Dentistry Reference Price**

Item	Reference Price
<b>Implant (Including Crown)</b>	66 to 84 thousand dollars / a tooth, people for bone fixed need to pay additional 15 to 30 thousand dollars/a tooth
<b>Ceramic Patch</b>	20 thousand dollars /a tooth
<b>Whitening</b>	20 to 30 thousand dollars
<b>All Ceramic Crown</b>	24 to 30 thousand dollars /a tooth
<b>Ceramic Crown</b>	7 to 24 thousand dollars /a tooth
<b>Orthodontia</b>	80 to 120 thousand dollars

資料來源：高雄市醫學美療觀光推展協會

## 2.2 Competitive Review

### Dragon Tours:

Set up in 1958, with its long history, Dragon Tour has highly reputation in traveling industry. Dragon tour was involved medical tourism in 2008, launched first package to the market: 4 days 3 nights including sightseeing and optional medical treatment:

Premium Health Examination;

Skin Physiologic Exam and Rejuvenation Therapy;

Against the Age Evaluation and Therapy.

### Kingdomcine:

**Kingdomcine International Development Co., Ltd.** is currently the first professional company that integrates and markets tourism and healthcare. It's founded by Mr. Lee Kun-lun at the end of 2006. To offer integrated marketing services, in order to expand the international medical tourism system that is prevalent both in Taiwan and abroad. It provides the public with the most trust-worthy of integrated services, including health care such as artificial tooth implant, premium health examination, mini cosmetic surgery, psychotherapy, ophthalmic laser, hot spring therapy, and the integrated services of Taiwan-style sightseeing tour.

## 2.3 Nice Medical Tourism Service SWOT Analysis

**Table 4**

<b>Strengths</b>	<b>Weaknesses</b>
1. Sole agency of PS Dental 2. Excellent location in Windsor Hotel building; dental check, spa and accommodation in the same building 3. Nice tour is a professional ticket agent for business person over 15 years.	1. No medical background key man in company. 2. Outsourcing Taiwan inland traveling, limit profits. 3. Higher office rental fee now in new building.
<b>Opportunities</b>	<b>Threats</b>
1. Tourists come from China 2. Government promotes Taiwan medical tourism overseas and invests more than US\$ 105 million.	1. Competitors provide whole range of service, such as cosmetic dentistry, cosmetic surgery, health examination and other surgery. More diversification

3. Besides individual tourist, China companies hold oversea conference in Taiwan more often.	product lines. 2. High fuel price, air ticket rise price
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## 2.4 Objectives

1<sup>st</sup> year launch cosmetic dentistry- sales revenues are projected to be NT\$ 10,600,000; 2<sup>nd</sup> year launch cosmetic surgery-year sales revenues are projected to be NT\$ 26,500,000; 3<sup>rd</sup> year launch health examination sales revenue are projected to be NT\$53,000,000.

Table 5 Objectives

Objective	Product	Sales Revenue
1 <sup>st</sup> year	Cosmetic Dentistry	NT\$ 10,600,000
2 <sup>nd</sup> year	Cosmetic Surgery	NT\$ 26,500,000
3 <sup>rd</sup> year	Health Examination	NT\$ 53,000,000

## Chapter 3 Marketing Strategy

**Nice Medical Travel Service's** (NMTS) marketing strategy is based on a positioning of production differentiation. Our primary consumer target is middle-to upper-income tourists come from China who wants to heartily enjoy Formosa's beautiful scenery as they are enjoying Taiwan's high level cosmetic dentistry service with a peaceful mind. This segment can be described demographically by age (35-45).

Our secondary target is mid-to large-sized corporations in China that want to have seminar or conference in overseas and include sightseeing and cosmetic dentistry in the package. This segment consists of companies with more than \$25 million in annual sales and more than 100 employees.

### 3.1 Positioning

Using product differentiation, we are positioning the **NMTS** as the most professional cosmetic dentistry tourism agent. The meaningful differences supported by appropriate strategy and implementation, can help **NMTS** are as listed below:

**Sole agency of PS Dental** - NMTS corporate with PS Dental as its sole agent. With its professional dentistry skills and the most advance equipment in Asia NMTS is different from the other agents in market.



**Excellent location** – NMTS relocates to PCG’s headquarter building, PS Dental and Windsor Hotel are in the same building. NMTS is the only one agent can have this excellent position to provide its best service to customers. In this building, customers could enjoy staying in Windsor Hotel with its 5 stars facilities (gem, spa, foot massage, swimming); gourmet food ; cosmetic dentistry; for those company groups, there is a professional venue for international conference. Our customers are more likely to see **dentist in hotel not in a hospital**. **Almost the existing packages in market, tourists are brought to hospital to have related medical treatments, the environment is “hospital”, not a relaxing, joyful place to fit a traveling mood. To exam the existing competitors in market, no one can have the similar location. NMTS has its unique strength in the market.**





### 3.2 Pricing/Product Strategy

NMTS has a package 6 days 5 nights in different prices for its customers, for individual customer at price NT\$ 28,500; for corporation at price NT\$ 24,500. The price includes basic teeth checking and traveling. **Note: above prices are not included air freight, for cosmetic dentistry items are optional.**

### Reference Prices in Taiwan

#### Table 6 Plastic Surgery Reference Price



<b>Surgery Type</b>	<b>Surgery Item</b>	<b>Reference Price(TWD)</b>
<b>Lifting</b>	Forehead Lifting Surgery	70 to 120 thousand dollars
	Face Lifting Surgery	150 to 200 thousand dollars
<b>Eye</b>	Upper or Lower Eyelid Plastic Surgery	30 to 50 thousand dollars
<b>Nose</b>	Rhinoplasty	40 to 70 thousand dollars
<b>Fat</b>	Autologous Fat Injection	25 to 50 thousand dollars /region
	Liposuction	60 to 140 thousand dollars
<b>Face</b>	Pointing Out Moles And Age Spot Treatment	700 dollars/a grain
	Mole Or Benign Skin Tumors Excision	5000 dollars /a grain
	Facial Form Remolding	80 to 200 thousand dollars
<b>Breast</b>	Breast Augmentation Surgery (Jelly Silica Gel)	160 to 200 thousand dollars
<b>abdomen</b>	Abdominal Lifting Surgery	120 to 180 thousand dollars
<b>Others</b>	Hair Implant	200 dollars/a bunch
	Bromhidrosis	25 to 40 thousand dollars
	Scar Revision	Face : 8000 dollars /cm Body : 5000 dollars /cm
	Epicanthus Removal	500 dollars/a grain

Reference : Taiwan Society of Aesthetic Plastic Surgery

**Table 7 Cosmetic Surgery Reference Price**



**Injection cosmetology**

ype	Item	Reference Price(TWD)
<b>Botox</b>	Botox injection	350 dollars/1U
<b>Hyaluronic Acid</b>	Hyaluronic Acid Injection	Long-acting and short-acting ones both cost 2000 dollars/0.1cc
<b>Whitening Injection</b>	Whitening Anti-Aging Fluid Infusion	1500 dollars/time



**Cosmetic Phototherapy**

Type	Item	Reference Price(TWD)
<b>Spot Removal</b>	Local Laser	50 to 100 dollars/shot
	Full Face Intense Pulsed Light	5000 to 7000 dollars /time
<b>Laser Hair Removal</b>	Armpit	2000 to 3000 dollars /time
	Hand	10 to 12 thousand dollars /time
	Calf	12 to 15 thousand



		dollars /time
	Thigh	12 to 15 thousand dollars /time
<b>Pit Removal</b>	Whole Face Resurfacing Laser	20 to 30 thousand dollars /time
	Whole Face Fraxel Laser	25 to 35 thousand dollars /time
<b>Wrinkle Removal</b>	Whole Face Thermacool	80 to 100 thousand dollars /time
	Whole Face Tightening with Magnetic Wave	15 to 20 thousand dollars /time
	Whole Face Tightening with Lightwave	15 to 20 thousand dollars /time
<b>Whole Face Wrinkle Removal with Strong Fraxel Laser</b>		25 to 35 thousand dollars /time
<b>Whitening/ C6 Laser(Whole Face)</b>		4000 to 6000 dollars /time

Reference : Taiwan Society of Aesthetic Plastic Surgery

**Table 8 Ophthalmology Reference Price**



Type	Item	Reference Price(TWD)
<b>LASIK</b>	Conventional LASIK	20 to 30 thousand

		dollars/eyes
	Fourier Wavefront LASIK	30 to 40 thousand dollars/eyes
	IR Fourier Wavefront LASIK	40 to 60 thousand dollars/eyes
<b>Cataract Surgery</b>	Multi-Focus Intraocular Lens Implantation	160 to 200 thousand dollars/eyes
	Intelligent Anti-Blue Light Aspheric Intraocular Lens Implantation	50 to 100 thousand dollars/eye
	Standard Intraocular Lens Implantation	20 to 30 thousand dollars/eye
<b>Presbyopia Refractive Surgery</b>	Multi-Focus Intraocular Lens Implantation Combined With Myopic Astigmatism Laser Surgery	200 to 260 thousand dollars/eyes

Reference : The Ophthalmological Society of Taiwan

### 3.3 Distribution Strategy

NMTS' channel strategy is to use selective distribution, marketing NMTS through:

**NMTS offices:**

NMTS Taichung: located in Pou Chen Group building, with Windsor Hotel Taichung

NMTS Shanghai: located in Windsor Park Hotel KunShan

NMTS DongGuan: located in Windsor Park Hotel DongGuan

**Well-known travel agency:**

**Lion Travel (Taiwan):** Lion Travel was nominated the No. 1 travel agency. The Capital is NT\$ 3.36 billion, with 1600 employee.

**China International Travel Service (China):** CITS owns a national network with

122 CITS branches and sub-branch offices across the whole country to provide service wherever people travel within China. CITS is a prestigious trademark of high value in China and is the only tourism company among the country's Top 500 Enterprises, with its real asset being NT\$ 46 billion.

**TV commercial channel** – China TV commercial channel

### 3.4 Marketing Communications Strategy

By integrating all messages in all media, we will reinforce the brand name and the main points of product differentiation. Research about media consumption patterns will help our advertising agency choose appropriate media and timing to reach prospects before and during product introduction.

**Advertising:** advertising will appear on airport, travel magazine, newspaper, medical journal on a regular basis to maintain brand awareness and communicate various messages.

**Sales promotion:** to attract customer attention and encourage purchasing NMTS package, we will offer a limited-time premium a Hush Puppies bag (cost NT\$2,000).

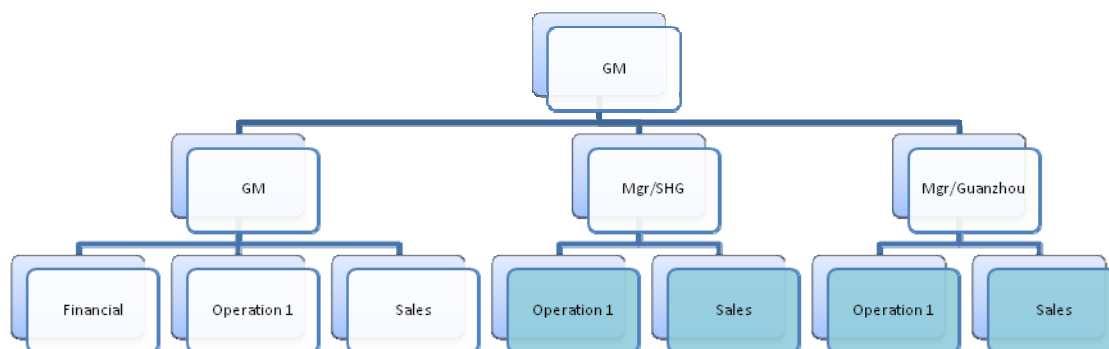
**Public relation:** to maintain a friendly and good social responsibility, we offer free dental check for senior citizen in community center once a month.

**Personal selling:** NMTS has its sales representatives in each office, one of their purposes is to make sales and build customer relationships. Therefore they have to do sales contact with corporate customers.

**Direct marketing:** use email to communicate directly with specific customers, obtain customer contact list from organizations, associations, and use it with care.

### 3.5 Company Organization

**Nice Medical Tourism Service: 6 employees in 3 cities in 2011;  
8 employees in 2012;  
10 employees in 2013**



**Figure 1. Organization**

### 3.6 Action Programs

**Table 9**

Month	Activity
January	Participate 2011 Exposition, Taichung Relocate office
February	Join TMTDA(Taiwan Medical Tourism Development Associate)
March	Nice Medical Tourism Service Website
April	Set up Shanghai & Guanzhou contact window in Windsor hotel
May	Participate 2011 Exposition, Taipei
June	2011 Exposition, Shanghai Registration

At the beginning, set plan for six months is easier to implement and monitor.

### 3.7 Budgets

Average margin:  $(28500+24500)/2 * 20\% = \text{NT\$}5,300$

Year fixed cost:  $300,000 * 12 = \text{NT\$} 3,600,000$

Break-even point:  $3,600,000/5,300=680$  Tourists/year

2011: 400 tourists (400- 680 tourists) x NT\$ 5,300 = **Loss (NT\$1,484,000)**

2012: 1000 tourists (1000-680 tourists) x NT\$ 5,300= NT\$ 1,696,000

2013: 2000 tourists (2000-680 tourists) x NT\$ 5,300= NT\$6,996,000

### 3.8 Controls

Nice Medical Tourism Service is planning tight control measures to closely monitor quality and customer service satisfaction. This will enable NMTS to react quickly in correcting any problems that may occur. Any early signals that will be monitored for signs of deviation from the plan include monthly sales and monthly expenses.

## Chapter 4 Conclusion

Taiwan government set up an international medical development fund aimed at promoting Taiwan's medical services to the global community. The restriction of mainland China tourists is deregulated this year. The environment is beneficial to medical tourism industry, and it is on taking off stage in Taiwan. This study simulates a business plan demonstrates a business module could help for companies in medical tourism industry.

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