



The Development Strategy of Medical Tourism Industry in Sichuan Province Based on PEST-SWOT Model

Yulian Liu¹, Yuhui Liu¹, Huazhong Ding¹, and Lianxing Min²(✉)

¹ School of Marxism, Chengdu University of TCM, Chengdu 611137, China

² School of Management, Chengdu University of TCM, Chengdu 611137, China
minlx@foxmail.com

Abstract. Medical tourism is a concrete manifestation of the “health+” strategy in the context of industrial integration development and presents some typical economic characteristics. This paper use literature analysis to identify the connotation and industrial economic characteristics of medical tourism, use PEST-SWOT analysis to discuss the internal and external development environment and core strategies of the medical tourism industry in Sichuan Province. Overall, there are good opportunities and conditions for the development of medical tourism industry in Sichuan Province, but integration of resources is insufficient, and the industrial characteristics and brands are also not well-recognized. Specifically, the medical tourism industry in Sichuan Province should focus on products and positioning, adopt a differentiated and misplaced competition strategy, and make efforts in resource integration, brand building, government guidance, industrial investment, and talent training to enhance industrial development momentum.

Keywords: PEST-SWOT · medical tourism · development strategy

1 Introduction

Medical tourism is an emerging industry formed by the integration of traditional tourism services and medical services. Its history can be traced back to the sixth century BC, however, it didn't reach its industrial climax until the mid to late 20th century. Its share of the total global tourism economy is up to 17% by 2019 [1]. Medical tourism industry in China start late, the development vitality is strong, and the industrial chain is increasingly perfect, but it is still in the stage of exploration and construction as a whole. The 4 international medical tourism pioneer zones and 13 health tourism demonstration bases that have been established are mainly located in the central and eastern regions, and are facing difficulties such as insufficient supervision, lack of characteristic brand projects, facilities that are not yet sound and low professional level [2], which still leave a large gap compared with existing medical tourism powers. Therefore, on the basis of summarising the connotation and characteristics of medical tourism, this paper will use PEST-SWOT analysis to sort out the internal and external environment of the medical tourism industry in Sichuan Province from the regional level, and propose targeted development strategies

© The Author(s) 2023

N. Akhtar et al. (Eds.): PMIS 2023, AHIS 8, pp. 1366–1372, 2023.

https://doi.org/10.2991/978-94-6463-200-2_147

to promote the high-quality development of the medical tourism industry in Sichuan Province to provide reference for other western provinces.

2 The Concept and Characteristics of Medical Tourism

Medical tourism relies on the deep interaction and integration of medical treatment and tourism, and should have stable and clear boundaries. In terms of conceptual scope, medical tourism is a subset of health tourism [3], and the key to distinguishing the two is the presence or absence of medical intervention [4]. Medical tourism presents some typical economic characteristics. Firstly, medical tourism is a collection of traditional tourism services and medical services, both of which are indispensable, and the core of its tourism attraction is medical services, and tourism mostly belongs to subsidiary purposes [5]. Secondly, from the perspective of industry classification standards, medical tourism has been accepted by the tourism industry, but it has not received sufficient recognition in the field of health industry. Medical tourism is not included in the *Classification of Health Service Industry (Trial) and Statistical Classification of Health Industry (2019)* issued by the National Bureau of Statistics, which is in sharp contrast to the inclusion of “elderly tourism services” in the *Statistical Classification of Elderly Care Industry (2020)*. Thirdly, medical tourism has broken through the traditional six elements of “eating, living, traveling, shopping and entertainment”, and its resource form is essentially a combination of traditional tourism resources and medical service resources, and it is now difficult to define it through the current national standard of *Classification, Investigation and Evaluation of Tourism Resources*. Moreover, only the combination of traditional tourism resources and medical service resources can meet the needs of industrial development. Fourthly, the realisation of medical tourism must have sufficient action. It is difficult for critical, serious and acute patients to become target customers [6], and its target customers should be mainly ordinary patients and their families. Fifthly, the economic essence of medical tourism is the extension of the medical industry and the expansion of tourism. Taking medical services as the core of tourism attraction does not mean that medical care will unilaterally stimulate tourism. Only by emphasizing the two-way promotion of medical care and tourism can the organic integration of both sides be truly realized and the economy multiplied. Sixthly, the development of the medical tourism industry is mainly driven by demand [7], while the medical purpose is the core factor in the tourist’s decision on tourism behaviour. Due to differences in medical technology, service system operation and regulation in different countries or regions, tourists can legally access medical technology and drugs that are banned or temporarily unavailable in their place of permanent residence at the destination, reducing medical waiting times and accessing higher quality or lower cost medical services. The tourism services that can be enjoyed at the destination are often seen as additional value added [8].

3 PEST-SWOT Analysis of the Medical Tourism Industry in Sichuan Province

PEST-SWOT analysis, which has been widely used in industrial development decisions in both tourism [9] industry and healthcare [10] industry, is a strategic decision analysis method that combines the traditional PEST method of macro-environmental analysis with the SWOT method of making strategic decision.

3.1 Strengths

- 1) With 269 tertiary hospitals, Sichuan is the strongest medical province in the western region. In particular, the West China Hospital of Sichuan University is world-renowned. In addition, Sichuan Chinese medicine is very unique, ranking first in terms of the number of Chinese medical institutions, the number of open beds and the volume of services. Sichuan, rich in tourism resources and well-equipped infrastructure, is also a major tourism province, which is among the highest in the country with 868 tourist attractions above A.
- 2) As an important transportation hub in the west, Sichuan has a comprehensive network of roads, railways, civil aviation and waterways. Furthermore, Chengdu, as the provincial capital, is currently the third city in China to have two airports, providing excellent accessibility for domestic and international medical tourists.

3.2 Weaknesses

- 1) As a region with a “double abundance” of medical and tourism resources, Sichuan’s medical tourism resources are not sufficiently integrated, and the business model is still dominated by traditional sightseeing and medicinal food experiences, lacking professional medical tourism routes and special medical tourism products. These factors have led to a low value-added industry and low overall competitiveness.
- 2) For a long time, China’s medical institutions have attached great importance to domestic medical grade assessment, while neglecting international certification. At present, only five medical healthcare providers in Sichuan Province have passed JCI certification, resulting in an international image of healthcare services that has yet to be fully established and has limited appeal to international patients.

3.3 Opportunities

Politics: In 2020, the *Implementation Plan for the Creation of a National Demonstration Province for Combining Medical and Health Care in Sichuan Province* clearly proposed to promote synergistic development of medical and health tourism and create new models of medical tourism such as “medical + tourism”. With the active promotion of the government at all levels, Sichuan Province has formed a diversified pattern of medical operation. The number of private hospitals has exceeded that of public hospitals, which can alleviate the pressure on the service capacity and fairness of the local medical system caused by the development of medical tourism.

Economy: In the long term, the impact of the COVID-19 has not changed the growth trend in tourism consumption. Demand for health services will also gradually expand against the backdrop of an ageing population and a high prevalence of chronic diseases. Moreover, middle-aged and elderly people with money and leisure will become the main clientele for medical tourism, which can drive the rapid development of the industry.

Society: Since the enactment of the *One Law, One Plan* in 2016 and makes important contribution in the COVID-19, the popularity of Chinese medicine culture in China has gradually increased, thus public recognition of Chinese medicine has increased significantly, which is conducive to its characteristic advantages in the development of medical tourism.

Technology: In recent years, Sichuan has made significant progress in both the technical and service capabilities of Chinese and Western medicine, and has entered the ranks of national advanced, forming a certain comparative advantage. With the construction and development of tourism technology and all-area tourism, the level of digital and intelligent services for tourism in Sichuan has increased significantly. At the same time, the featured and innovative services have emerged, forming an attraction for different types of medical tourists.

3.4 Threats

Politics: In terms of policies and laws, the government's planning and investment are insufficient, and there is a disconnect with the existing medical system. There is currently no specific industry planning for medical tourism in Sichuan. China's medical resources are mainly concentrated in public hospitals. It's difficult for public hospitals to carry out high-class medical tourism with profitability, because they are confined to providing basic healthcare to the general public. On the other hand, private hospitals don't pay enough attention to medical tourism and have limited investment. In addition, medical tourism is a series of interactions between medical suppliers, tourism suppliers, relevant management agencies and medical tourists, which needs to be supported by comprehensive supporting systems and laws, such as visa policies, service specifications and regulatory policies. But those are currently too weak to restrict the development of the medical tourism industry.

Economy: In recent years, the global economy and tourism growth has slowed down under the influence of the COVID-19, which directly affects people's consumption expectations. As a non-permanent need, it will be difficult to achieve growth in the short term for tourism. In addition, domestic places such as Hainan, Shangrao, Changzhou and Qingdao have set up international medical tourism pioneer zones, which have formed certain first-mover advantages, making it difficult for Sichuan to catch up later.

Society: The public's awareness of private hospitals and medical tourism is insufficient. Due to the prevalence of the notion of medical non-profit, coupled with the bad influence of some private hospitals' unregulated market practices, the public can be wary, even sceptical and opposed of medical tourism involving the allocation and use of medical resources, which is an important resistance to the development of medical tourism.

Technology: Obtaining international quality certification of medical services including JCI is a great challenge for domestic medical institutions because of long lead time

and high degree of difficulty. In addition, the high level of expertise and complexity of medical tourism services often requires the involvement of professional tourism intermediaries and the coordination of multiple government departments, while the current level of development of relevant domestic institutions is still not high, and governments have yet to set up dedicated coordinated management departments to effectively support the rapid development of medical tourism.

3.5 PEST-SWOT Analysis Matrix

Based on the above analysis, the PEST-SWOT analysis matrix is constructed in Fig. 1. Overall, the current medical tourism industry in Sichuan Province should adopt a differentiated and misplaced competition strategy. Firstly, the products are differentiated. Take full advantage of Sichuan’s unique resources to create a special, high-quality medical tourism service. We should give full play to the advantages of western medical disciplines such as dentistry, obstetrics and gynaecology and the characteristics of Sichuan Chinese medicine such as beauty, ophthalmology, taoist herbs. And then create a special medical tourism destination by integrating the rich natural and humanistic tourism resources around high-class and Chinese medical treatments, supplemented by sight-seeing and entertainment. Secondly, the positioning is differentiated. With the strategic goal of becoming a medical tourism hub in the western region, adopt the idea of keeping an eye on the domestic and penetrating the international market. Specifically, avoid direct competition with the coastal pioneer areas in the international market, and then use high-quality projects and destination brand to gradually expand into the international market.

Internal			External	
Strengths	Weaknesses		Opportunities	Threats
Unique resources and high accessible transportation	Not-integrated resources and not obvious brand effect	Politics	Governments support for the industry and private hospitals	The government's insufficient plan and investment
		Economy	Continuous growth of tourism demand	Slowdown in global economic and tourism growth; other first-mover advantage
		Society	Growing trust in Chinese medicine	Lack of public awareness of private hospitals and medical tourism
		Technology	Progress in medical technology and service capacity; innovation in tourism services	Difficulties in obtaining international accreditation and well-developed industry chain

Fig. 1. PEST-SWOT Analysis Matrix for the Development of Medical Tourism Industry in Sichuan Province

4 Suggestions for Promoting the Development of Medical Tourism Industry in Sichuan Province

4.1 Highlight the Advantages of Resources to Build a Medical Tourism Brand

Highlight the advantageous medical resources with rich cultural significance, such as dentistry, geriatrics, Sichuan Chinese medicine and Tibetan medicine, while developing innovative tourism products that are distinct from well-known projects such as cancer treatment in the US, medical aesthetic surgery in Korea and anti-ageing program in Switzerland. Integrate regional tourism resources, develop standardised medical tourism itineraries and cultivate medical tourism brands with regional characteristics. On this basis, it is necessary to intensify publicity. For example, press conferences, exhibitions, new media and other media are used to publicize in an all-round and multi-angle manner, so as to form a brand effect.

4.2 Strengthen Government Responsibility and Guide Enterprises to Invest More

Strengthen top-level design, set up professional management departments and establish a linkage mechanism to coordinate the development of the medical tourism industry to avoid conflicts with the existing healthcare system. Use industrial planning and investment policies as a grip to support the separation of public and private sectors, guide enterprises and institutions to increase investment, focus on developing high-class medical services, promote quality reform and the internationalization of private healthcare, and strive to obtain international quality standards such as JCI accreditation. At the same time, increase policy support for market access, finance and taxation, improve the construction of public facilities for medical tourism, stimulate cooperation between tourism enterprises and medical institutions, cultivate leading enterprises with a focus on major projects, develop high-quality and special services to consolidate the industrial foundation.

4.3 Accelerate the Training of Talents to Enhance the Momentum of Industrial Development

Accelerate the construction of a professional talent training system, strengthen talent support, and enhance the momentum of sustainable industrial development. According to the characteristics of the skill demand of medical tourism professionals, a system of professional service specification, talent practice, professional level evaluation and conduct regulation will be established to regulate the order of the industry. Promote university-industry cooperation, and optimise the training programmes for relevant professionals in universities and the continuing education system for in-service personnel. In order to enhance the industry's sustainable momentum, we must address the bottleneck of a weak talent pool and a lack of professional skills by improving talent incentives, accelerating the training and introduction of international, composite and high-class professionals.

Acknowledgement. This work was supported by the Sichuan Science and Technology Department Soft Science Project with Grant No. 2021JDR0333.

References

1. Sun Hongjie, Yang Tingting. Basis, Risks and Suggestions of International Medical Tourism Cooperation between China and Nepal[J]. *Foreign Economic and Trade Practice*, 2020, (9): 89-92. DOI:<https://doi.org/10.3969/j.issn.1003-5559.2020.0>
2. Zhang Ying. The Experience of Foreign Medical Tourism Development and the Inspiration for China[J]. *Foreign Economic and Trade Practice*, 2019, (7):34-37. DOI:<https://doi.org/10.3969/j.issn.1003-5559.2019.07.008>.
3. Andrea H C, Francisco M L, Márta B. Past Themes and Future Trends in Medical Tourism Research: A Co-word Analysis[J]. *Tourism Management*, 2018, (65):200-211. <https://doi.org/https://doi.org/10.1016/j.tourman.2017.10.001>.
4. Carrera P M, Bridges J F. Globalization and Healthcare: Understanding Health and Medical Tourism[J]. *Expert Review of Pharmaco Economics & Outcomes Research*, 2006,6(4):447-454. DOI: <https://doi.org/10.1586/14737167.6.4.447>.
5. Mogaka J J, Mashamba-Thompson T P, Tsoka-Gwegweni J M, et al. Effects of Medical Tourism on Health Systems in Africa[J]. *African Journal of Hospitality, Tourism and Leisure*, 2017,6(1):1–25. [http:// www.ajhtl.com](http://www.ajhtl.com).
6. Johnston R, Crooks V A, Snyder J, Kingsbury P. What is Known About the Effects of Medical Tourism in Destination and Departure Countries? A Scoping Review[J]. *International Journal for Equity in Health*, 2010, (09):24. DOI: <https://doi.org/10.1186/1475-9276-9-24>
7. Liu Jia, Wang Juan. A Review of Medical Tourism in Foreign Countries and Its Implications [J]. *Journal of Ocean University of China (Social Science Edition)*, 2016, (6):56-64. DOI:<https://doi.org/10.16497/j.cnki.1672-335x.2016.06.008>.
8. Horowitz M D, Rosensweig J A. Medical Tourism-Health Care in the Global Economy [J]. *Physician Executive*, 2007, 33(6):24–6, 28–30. <https://pubmed.ncbi.nlm.nih.gov/18092615/>
9. Zhan Zhaozong. Analysis and Revelation of the New Normal of Tourism Based on PEST-SWOT [J]. *Zhejiang Journal*, 2016, (1):194-198. DOI:<https://doi.org/10.16235/j.cnki.33-1005/c.2016.01.026>.
10. Li Yuchen, Liu Zhiyong. PEST-SWOT Analysis of China's Cloud Hospital's Development [J]. *China Hospital Management*, 2019,39(4):50+54–55. DOI:CNKI:SUN:YYGL.0.2019–04–021.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

