HEALTH TOURISM MARKET SEGMENTATION

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Abstract: *Health and tourism are viewed together as a growing industry based on strong opportunities to develop a new face of healthcare away from home. These social and economic sectors have different aims, creating a way for profitable business. Health units become entrepreneurs, and patients are targeted as customers. The study's main objective is to show the importance of market segmentation strategy, which entrepreneurs view as an opportunity to gain present customers for their future products or services. It is qualitative research based on semi-structured interviews of 12 people (3 doctors, 3 tourism entrepreneurs, 2 transport entrepreneurs, 3 wellness and spa entrepreneurs, and 1 professor researcher in the healthcare field). Points of discussion show the most important criteria for dividing the health tourism market, through entrepreneurs and customers, and answers for each planned decision. Health tourism players create management plans based on this marketing strategy according to each product or service category. Respondents were introduced to the subject of healthcare and the possibility of choosing a destination for better care and with persuasion asked for individual opinions about the image of healthcare as a business, an opportunity to create leadership and tourism destinations, and the segmentation of the health tourism market. Accordingly, in ethical procedures, every voice was appreciated as an important opinion without manipulation for targeted answers.*

Keywords: *health tourism, segmentation, marketing strategy, customer classification.*

JEL: I11, I12, I18, L83

1. Introduction

Every person, patient or tourist, is an individual entity; different choices, independent or influenced by someone for decisions, with individual social, economic, cultural, or educational positions. Predictive, preventive, and participatory medicine have all received a lot of attention; however, personalization is frequently overlooked beyond the molecular level, even though patient-centeredness is widely acknowledged as a fundamental component of high-quality healthcare and a cornerstone of biomedical ethics (Biller-Andorno, N., Ferrario, A., & Biller, A., 2024).

This study shows the difference between the segmentation of the market, in segments or categories, as a targeting marketing strategy and the differentiation of a company's products for a large market. Kotler describes segmentation as a part of the essence of strategical marketing near targeting and positioning, to divide customers with the same needs, attendance, and behavior, and establish for each segment a customer profile (Kottler, P., Keller, K. V., 2016, p. 57). The possibility of creating segments of customers perhaps to plan a business, implement it, and control the results, because customers have the same needs and wants, but they are not identical (Gillian, 2011). Commercial effectiveness is the main focus of STP (Segmentation, Targeting, Positioning) marketing, which also identifies the most valuable market segments for the business before creating a product positioning and marketing mix for every market that is being targeted (Hanlon, 2024). Segmentation is the process of classifying purchasers according to certain characteristics. These shared characteristics frequently aid health tourism companies in comprehending motivating behaviors, elements, and variables that might be replicated to persuade prospective or current clients to purchase a good or service

(Torkzadeh, L., Jalilian, H., Zolfagharian, H., Torkzadeh, H., Bakshi, M., Khodayari-Zarnaq, R., 2021). According to the literature, the most frequent variables used for market segmentation are gender, age, geography, and revenue. Specifically health tourism, the literature mentioned travel motivation (Weerakit, N., Tkachuk, A., 2024), behavior and attitudes toward foreign healthcare (Yeomans, C., Karg, A. and Nguyen, J., 2024), level of innovation of services (Zeng, Q., Liao, M., & Wang, Y., 2024) (Choe, J. Y. (Jacey), & Si Tou, C. F., 2024). Conversely, an entrepreneur defines a "competitor" by focusing on a market segmentation strategy. This method can be applied to determine competitors (Arnett, 2024) or can improve the organization's culture to create a structured efficient team (Serbaya, S. H., Khan, A. A., Surbaya, S. H., & Alzahrani, S. M., 2024).

2. Health tourism market segmentation

To better understand and market to potential customers, market segmentation is grouping them into groups or segments according to psychographic, behavioral, geographic, or demographic characteristics. Analyzing the context of interviews with respondents, the results of segmentation criteria are represented below:

Table 1. Types and criteria of market segmentation

Healthcare service: • Medical • Wellness • Spa	• Homogeneity: common needs of customers • Distinction: individuals from a group • Reaction as a response to a market	Primary types: • Demographic • Firmographic • Geographic • Behavioral • Psychographic

Source: own

Respondents consider the health tourism market as a large market, segmented by entrepreneurs for better-targeting customers:

Table 2. Health tourism market segmentation

By service:	Age group:	Type of service:	Service providers:
• Medical treatments • Cosmetic procedures • Alternative treatments	• Babies • Children: 2-12 years old • Teenagers: 13-19 years old • Young people: 20-30 years old • Adults: 31-45 years • Vulnerable: 46-53 years old • Sikhs patients: 54 years old < • Seniors	• Dental treatments • Rehabilitation after surgery • Oncological treatments • Surgery procedures • Infertility treatments • Cardiovascular treatments • Neurological treatments • Addiction recovery care	• Hospitals • Rehabilitation clinics • Health resorts with professionals • Spa resorts • Intermediaries • Health tourism tour operator • Cruises providers with health programs • Patient transport providers • Insurance providers • Market researchers

Source: own, based on answers of respondents

Respondents consider the segmentation of services between regions, countries, or destinations as an international targeted plan driven by providers based on natural, educational, and cultural environments, histories of places, and sustainability reforms viewed by authorities and populations as a successful strategy for better world life.

Table 3. Health tourism market segmentation, by region/ country/ destination

Wellness destinations:	Cosmetical surgeries:	Medical surgeries:	Dental treatments:
• Hungary • Italy • Thailand	• Turkey: hair implants, liposuction • Mexico: esthetical procedures • South Korea: rhinoplasty, facial contouring • Brazil: augmentation and body contouring • Thailand: facelifts, gender reassignment • Italy: minim invasive plastic facial surgeries	• Austria/ Spain/ Germany: neurological surgeries • Mexico • South Korea • India • Turkey	• Hungary • Mexico • Poland • Turkey • India • Thailanda • Romania • Malaysia

Source: own, based on answers of respondents

**Table 4. Benefits, opportunities, and necessity of market segmentation**

Benefits for customers:	Opportunities for providers:	Necessity:
• Gain time waiting for a better life • Gain travel experience • Save money for high-standard quality of professionals and service • Travel with family for cultural/ shopping and health reasons • Discover potential healthcare destinations	• Create leadership for a healthcare • Research and offer important results for the market • Create a blockchain model for businesses and be attractive • Empathy with visitors and transform them into customers, gain them as new consumers • Create influencers team into customer segments for large market	• Reducing the suffering of patients and their families • Reducing risks of epidemics • Offer true value for health payments • Reducing waiting lists for expensive treatments • Gain the correct price for expensive procedures • Research and prevent disasters in healthcare

Source: own, based on answers of respondents

2.1. Market segmentation of patients

Regarding patients as tourists traveling for medical services, respondents mentioned the importance of segmented groups with the same diagnostic or the same treatments, or as patients for the same hospital. Findings also show the necessity of entrepreneurship and co-creation for targeted services, as it is mentioned in the literature (Sarhadi, A., Akbarnia, M., Bagh Shirin, L., Daronkola, H. K., Shabankareh, M., & Aznab, E., 2023).

Based on the Health Belief Model (HBM), respondents mentioned the traveling distance between home and the place of consuming traveling package (Jiang, M., Qiao, G., Hou, S., & Zhao, L., 2024).
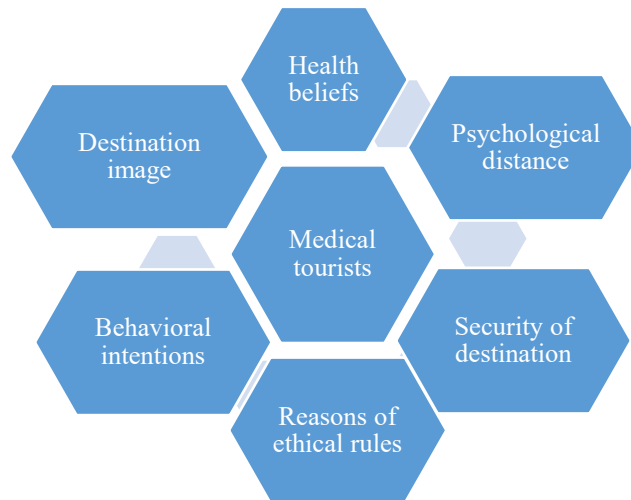
Figure 1. The most appreciated segmentation criteria for medical tourist
Source: own

In the respondent's opinion, healthcare organizations must segment their patient populations to identify high-risk, high-cost patients, comprehend the complicated care requirements of different patient groups, and customize care delivery or engagement initiatives according to those particular requested needs. These discrete categories may be delineated by several variables, including functional status, pain, discomfort, and risk of morbidity or death, typically characterized by chronic and several procedures; demography status; anticipated behavior; or socioeconomic determinants of health.

Individuals' quality of life is significantly impacted by their health and how they perceive it. Update services on patient needs are possible in modern practice due to innovation, researchers, high-quality education, and the digitalization phenomenon, creating a trend called personalized medicine (Green, S., Prainsack, B., & Sabatello, M., 2023). According to the literature, all respondents mentioned that not all market segments are interested in hospitals or private health tourism clinics. Their efficiency should be measured and help entrepreneurs create targeted plans.
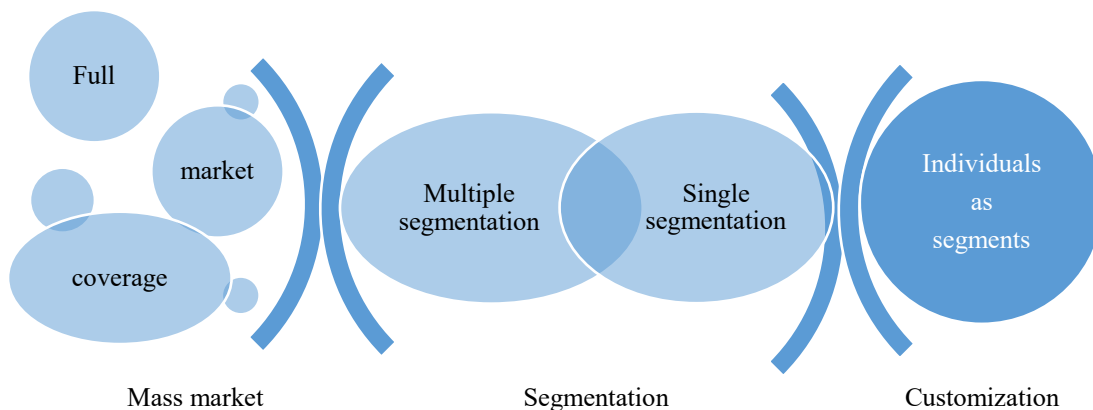
Figure 2. Marco and micro-segmentation efficiency.
Source: (Kottler, P., Keller, K. V., 2016, p. 286)

The ability of a business to fulfill the needs of each client by mass-producing specially created goods, services, initiatives, and communications is known as mass customization. International demand requests personalized medicine. Partnerships co-create health tourism packages based on clients' wants. Actually, it is characteristic of medical tourists from tourism providers. Marketing management targets this strategic plan helping to prevent and gain time for better health. (Hagedorn, J. M., George, T. K., Aiyer, R., Schmidt, K., Halamka, J., & D'Souza, R. S., 2023). Only recently has the use of AI in the healthcare sector come to light. Its application is being investigated in several areas, such as the ease with which patients can be diagnosed and treated, the automation of payer and provider workflow, and the improvement of manufacturer-developed technology, and respondents mentioned the efficiency of AI implications in the segmentation of customers. Regarding this idea, AI can help to create a PPP (the Patient Preference Predictor), a fantastic opportunity to fully embrace personalized medicine by capturing the values and preferences that shape people's expectations for their future healthcare (Biller-Andorno, N., Ferrario, A., & Biller, A., 2024).

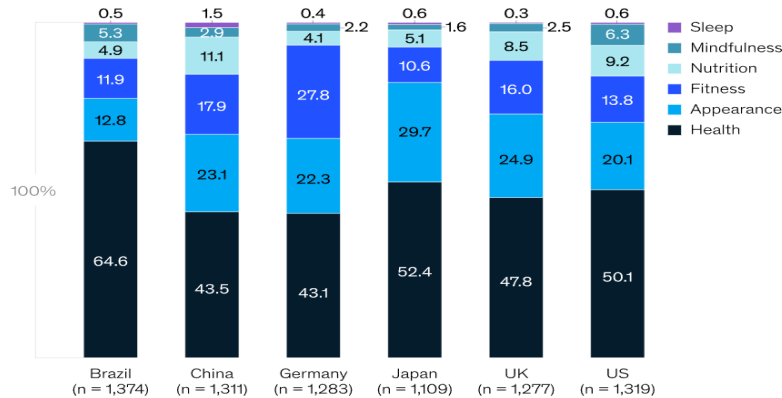## 2.2. Wellness Market Segmentation

The wellness tourism market as a business function is based on the same rule: segment customers, target each segment, and get a position for a service or product. Specifically, some given answers mentioned that wellness means „feeling good" with some perceptions (see Figure 3).

Figure 3. Views of wellness for a better life.
Source: (Callaghan, S., Losch, M., Pione, A., Teichner, W., 2021)

AI can monitor customer behavior by an algorithm, segmenting individuals with the same needs or wants and creating individual programs to be attractive in the tourism market as individual-created tourism package entrepreneurs. Figure 4 shows the wellness spending in 2020.


Figure 4. Wellness spending by country.

Source: McKinsey Future of Wellness Survey, August 2020. (Callaghan, S., Losch, M., Pione, A., Teichner, W., 2021)

2.3. Spa Market Segmentation

In the respondents' opinion, the Spa market can be segmented by several types of criteria:
- Customers: Spa lovers, High spenders, price sensitives
- Service: medical spa, wellness spa, hotel spa, daily salon spa
- Facilities: complex resort spa, cruise spa, entertainment spa
- Users: men, women, families with children, seniors, patients

In alignment with based criteria (gender, demographic, revenue, psychographics), providers develop products and services to measure demand, level, and type of payments. Figure 5 shows the market size of the wellness industry.
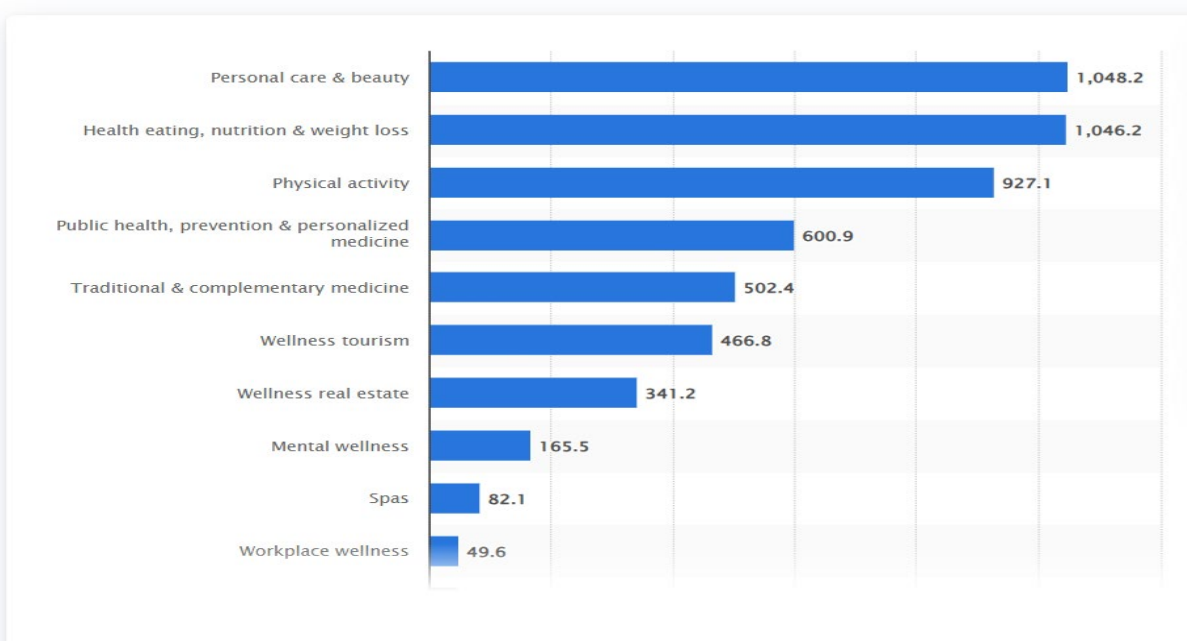
Figure 5. Market size wellness industry in 2022, in billion U.S. dollars.
Source: Statista (Gough, 2024)

3. Conclusions

The process of defining target markets, which are the market groups you desire to draw into your business, is aided by market segmentation. The market segment is a collection of consumers in your sector who are unique from one another but have some traits in common. The market potential—the entire demand for a product in an environment—is then understood using this study. With the respondent's answers, I conclude that segments differ based on psycho-graphics, demography, and place of residence, depending on health tourism packages; often, multiple marketing strategies are implemented to reach any target segment. Based categories for segmentation of customers are geographic segmentation with the following elements: regions, the density of home place/ destination, city size, and country size; demographic segmentation with the following indicators: gender, age, the status of family, region, culture, revenue, social class; psychographic segmentation with elements: personality, attitudes, price sensitivity, loyalty. The segmentation market of health tourism is a strong pilon near targeting and positioning for entrepreneurs, creating opportunities to be profitable and invest in personalized customer values.

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