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**Is there a World Market for  
Uighur Medical Tourism?**

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## **Is there a World Market for Uighur Medical Tourism?**

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### **Abstract**

**Purpose:** The purpose with this paper is to reflect on the international market for Uighur Traditional Medicine for Xinjiang Province, China.

**Design/Methodology/Approach:** The research is explorative using secondary information and textbook models.

**Findings:** Travelling for health or medical tourism is in the rise, primarily of availability and cost reasons. Uighur Traditional Medicine is perceived as having a knowledge shortcoming in the international medical tourism market. It is believed that proper strategic planning can alleviate these shortcomings, especially for Xinjiang Province, China, which is perceived as having the highest standard within the Uighur Traditional Medicine field.

**Research limitations:** Because this research is based on secondary data and reflection of a person outside the medical field, it should primarily be perceived as framework/tools to make field research and strategic planning in the Uighur medical environment later on.

**Practical implications:** As a conceptual paper its major force is intended to be as an eye-opener for decision makers in the Uighur Traditional Medicine field.

**Originality/Value:** The aim is for Uighur Traditional Medicine executives to be visionary and interested in further research and ultimately doing strategic planning for Uighur Medical Tourism.

**Keywords:** Market analysis, Medical tourism, Strategic planning, Traditional medicine, Uighur medicine.

## **Introduction**

These marketing notes are intended to give an introduction to the market for Uighur Traditional Medicine Tourism. The paper is conceptual as it gives suggestions for marketing models to be used in a future research and strategic planning of the issue.

Treatment of diseases has become globalized and many Westerners are travelling abroad to receive treatment because of availability and of cost reasons. It is well known that healthcare in US is expensive. According to Woodman (2007: 22) high facilities costs, unpaid hospital bills totaling billions of dollars, high-priced medical education, costly research, and excessive malpractice litigation all add up to exorbitant prices for healthcare in the US. In many Western countries the situation is similar.

Governments in developing countries are interested in establishing medical tourism hubs in their countries. It will give them foreign currency and enhance growth in the country through the fees the medical tourists pay and through additional income from medical tourists and their companions through the patients' convalescence period. This will also inspire local medical staff to stay in the country with potential lasting benefits for local residents too.

### *Research Question*

The aim of the research is to explore market factors and present strategy models for medical tourism of Traditional Medicine – especially Uighur Traditional Medicine in Xinjiang Province.

### *The Objectives of the Research are as Follows*

- ✓ To examine the macro factors in force in the global medical tourism market.
- ✓ To explore the demand factors for Traditional Medicine – especially Uighur Traditional Medicine.
- ✓ To examine the supply factors of Traditional Medicine.
- ✓ To present models for overall market research and strategy planning for Traditional Medicine – especially Uighur Traditional Medicine.

### *Methodology*

This paper is a concept paper focusing on literature studies and reflections. It is an explorative study presenting frameworks for analysis and decision making in respect to Uighur Traditional Medicine.

## **Demand**

### *Macro Level*

Apart from low costs and medical expertise The Economist Intelligence Unit Limited, EIU (2011) lists a number of driving factors for growth in the medical tourism industry:

- ✓ *Development in information technology*: The internet has made it much easier to retrieve information of foreign treatment opportunities. Besides, people have become more familiar with foreign cultures lessening the fear factor of travelling abroad for medical services.
- ✓ *Lower air fares*: Prices of air tickets have decreased over the last decades and the trend is still for lower prices making it more affordable for medical tourists to go abroad.
- ✓ *Trade liberalization*: The World Trade Organization (WTO) has taken away some barriers for trade in medical services and the European Union (EU) has issued a 2011 Directive on cross-border medical services.
- ✓ *Increasing foreign investment*: Foreign ownership in many emerging market economies has been possible and it has helped to finance the building and running of modern hospitals.
- ✓ *Internationalization of the medical workforce*: The number of International Medical Graduates (IMGs) has increased substantially over the years. Some expatriate IMGs have returned home and seized the opportunities offered by medical tourism.
- ✓ *Internationalization of medical training and accreditation*: Many IMGs are trained in developing countries but work in the West. This has prompted some harmonization of medical training to make medical services marketable. The extent of English as an international language has helped in the internalization of medical services as well.
- ✓ *The rise of facilitator firms*: Agencies dealing with medical tourism have risen fast over the years. They market medical services to healthcare travelers including accommodation and sightseeing. They also function as mediators between patients and hospitals.

Developing countries can also enhance the development in their own countries by policy measures (EIU 2011):

- ✓ *Economic growth*: Medical tourism for some developing countries has become an industry of importance for boosting economic growth.
- ✓ *Funds for public healthcare*: A growing health care sector will increase funds from the government into the sector.
- ✓ *Maintaining quality facilities*: Medical tourism in a country can be a tool for keeping expertise and modern technology in the sector.
- ✓ *Staff retention*: In case medical tourism in a developing country becomes popular expat doctors often have a wish to return home as pay and conditions improve in their home country.

- ✓ *Raising medical standards:* Hospitals targeting foreign patients raise their own standards and will often create the standard for public hospitals to follow suit.
- ✓ *Spreading medical expertise:* If official links are established between private and public hospitals medical expertise can be diffused.

Part of these travellers is aiming at receiving alternative treatment—alternative to Western medicine.

The Economist Intelligence Unit Limited (EIU 2011) has published a medical tourist index covering three separate rankings of a range of countries that could attract medical tourists. The three rankings are composite rankings:

- ✓ Healthcare system (covering the strength of the countries' medical systems).
- ✓ Environment (the countries' right conditions to develop a medical tourism industry).
- ✓ Low costs (cost of healthcare procedures).

The rankings are ultimately summed up into a total ranking with an equal weighting. The ranking for the 20 highest ranking countries out of 60 of the world's biggest economies is shown in Table 1.

**Table 1. Medical Tourism Ranking: Potential by Country**

<b>Overall Ranking</b>	<b>Country</b>	<b>Healthcare System</b>	<b>Environment</b>	<b>Low Costs</b>
1	France	8	1	35
2	Mexico	19	32	4
3	USA	2=	4	48=
4	Taiwan	23	26	13
5	Poland	28	19	21
6	Germany	2=	2	53
7	Bulgaria	41	34	2
8	Sweden	39	6	24
9	Belgium	12	14	38
10	South Korea	9=	27	30
11	Greece	11	28	31=
12	Netherlands	29=	5	37
13	Canada	22	11	40
14	China	15	31	28
15	India	20=	43	8
16	Singapore	34	12	36
17	Hungary	29	25	29
18	Australia	14	15	47
19	Austria	18	10	52
20	Ukraine	16	46	12

Source: The Economist Intelligence Unit Limited (EIU 2011: 5).

Looking at Table 1 it is seen that France is No. 1 in Environment and pretty high on Healthcare system, but rather poor on Low costs. Mexico is high ranked on Low costs but it has a poor Environment and a medium ranked Healthcare system. The USA is ranked No. 3 in Overall ranking, based on a superior Healthcare system and high ranked Environment, but its rank on Low costs is poor. China is ranked No. 14 with a medium Healthcare system, but its Environment and Low costs rank draw its Overall ranking down. As it can also be seen, China is one rank before India. For worldwide medical tourism India might have an advantage before China in language which is English in the sector.

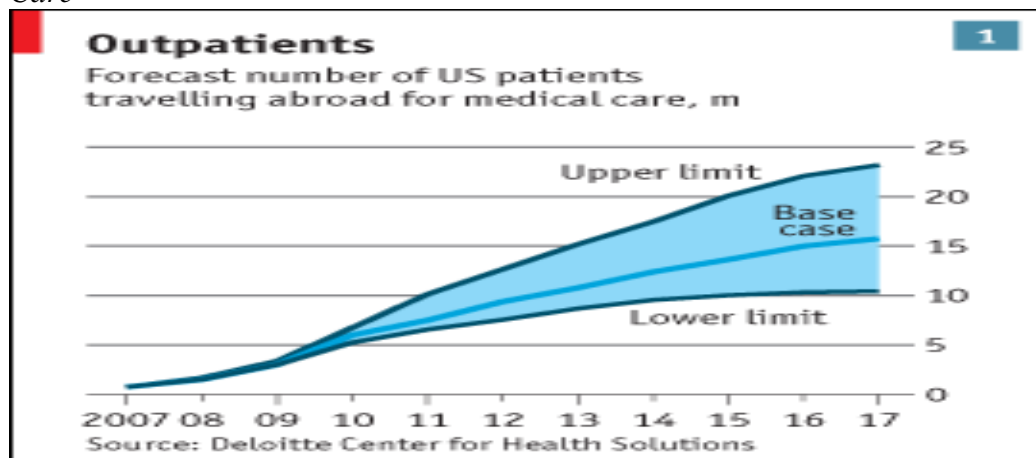
*Forecast*

The value of healthcare deals in China has more than tripled from 2007-2013 reaching a total investment of USD 10.5 billion. The rise in 2013 alone was 23%. After the spring 2014 launch of new foreign ownership rules the hospital sector of China is expected to become a particularly hot investment target. The reform also includes greater transparency in the pricing system and a strengthened supervision system. Previously, recognizing worthwhile deals was difficult due to a lack of transparency and corruption among doctors and hospital administrators (Industry Briefing 2014).

The lifting of restrictions on prices, private investors in Europe and the USA have become more interested in investing in the private hospital sector in China with building of new facilities and acquisitions of private hospitals (Industry Briefing 2014).

The Chinese government urge foreign health insurers to operate in the country and partner with and invest in hospitals with the aim to create closer ties between private health insurers and hospitals. This, they think, will facilitate channels for direct payment and encourage growth in the private healthcare sector (Industry Briefing 2014). In its issue 14 August 2008 The Economist published a forecast as shown in Figure 1.

**Figure 1.** Forecast Number of the USA Patients Travelling Abroad for Medical Care



Source: "Globalization and health care" 2008.

As it can be seen from Figure 1 there is quite uncertainty in the forecast from 2007/2008. The consultancy firm Deloitte predicted that the number of Americans travelling abroad for treatment will soar from 750,000 in 2007 to 6million by 2010 and reach 13million by 2014 (Figure 1).

#### *Micro Level*

*"Patients Beyond Borders estimates that as many as 12m people globally now travel for care, perhaps 1m of them Americans. Industry insiders admit that growth has not matched the initial heady expectations. Patient interest also turned out to be lower than predicted. Though some patients in the rich world seek out deals, most receive adequate health care at a manageable price and would prefer to stay at home. Potential savings are often insufficient to trump concerns about quality and the lack of recourse if something goes wrong ("Medical tourism" 2014)."*

Demand for medical services comes from sick people or people seeking more wellness. One can talk about a local market and a more international market. Primarily, public hospitals and clinics take care of the local market with its more common offers. More specialized treatments are usually the ones that are demanded at the international market and therefore with attention from an international audience. Woodman (2007: 4) calls international health travel for medical tourism.

Essentially, the prospective clients are located all over the world, but it depends on the supply of services, which markets specific suppliers can attract. There is a cost factor to consider, so that it is costlier for patients to travel long distances than short distances. Besides, the cultural distance matters too.

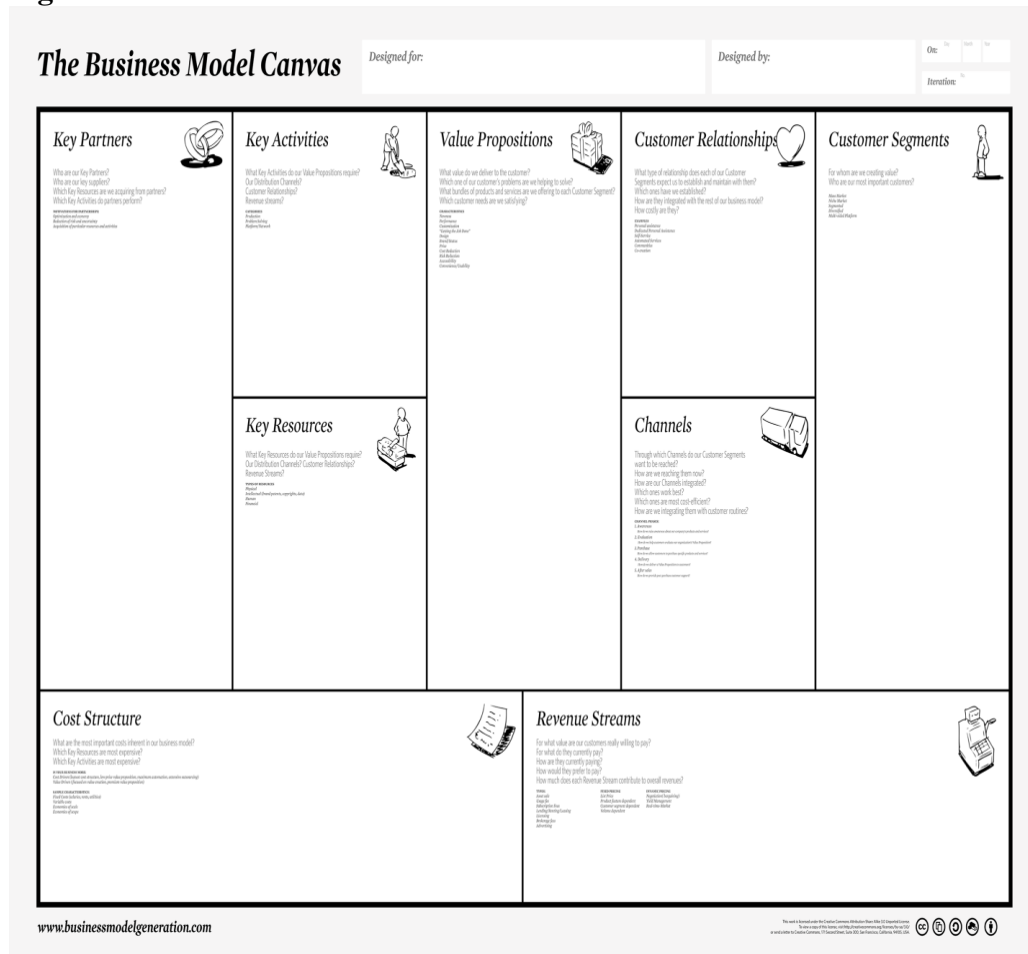
For any supplier its client mass depends on the medical services it offers. A specific supplier might offer a spectrum of services that range from the more common to the most advanced and specific. In a supplier's product palette there will be, therefore, different markets to address.

The market we are looking at here is the market for Uighur Traditional Medicine. It is a kind of traditional medicine, where we also find Chinese medicine. Traditional medicine is categorized as different from Western medicine, which primarily focuses on treatment with artificial pharmaceutical products and extensive use of surgery.

To be attractive for patients Uighur medicine must offer something that other treatments do not offer. It must have a unique selling proposition (USP). To find out Uighur medicine's USP, Figure 2 is proposed.



Figure 2. The Business Model Canvas



Source: Osterwalder et al. (2010).

Osterwalder et al. (2010) designed the business model canvas as seen in Figure 2. It is the ambition with this model to make it easier to find innovative means of marketing the organizations products/services. The key here is the value propositions box, although the other boxes also should be creatively defined and dimensioned.

The model has its force by being intuitional and is working well as a teamwork assignment in creating a business model.

Bookman and Bookman (2007: 53-60) describes some drivers for demand of medical tourism:

- ✓ **Income:** Travel for health care is positively related to income.
- ✓ **Taste:** Some people like to travel – some do not. Some people wish privacy and having treatment abroad fulfils this need. Some people do not want to honour waiting lists and desire immediate gratification and instant happiness.
- ✓ **Propensity for Medical Tourism:** People live longer and are in the retirement age longer. This normally means more travel, more

medical care, and more medical tourism. Globalization also means that those people have become more acquainted to travel and having met foreign cultures; they are not so afraid any longer for medical treatment abroad. People also need to have sufficient leisure time to be able to travel especially long distances.

- ✓ *Expectations*: The decision to go abroad for medical treatment is dependent on the expectations of waiting time at home, medical expenditure abroad, and travel expenses. Besides, the general world order matters (war zones, terror, epidemics).
- ✓ *Cultural affinity*: Medical tourists in a developing country often start with its diaspora. It is especially know for the Indian Diasporas, which in many cases have dual passports. Chinese Diasporas visit family and friends in their homeland and receive medical treatment – especially traditional medicine treatment. They feel more relaxed with culturally determined patient-doctor relations. People's religion often determines where to go for medical treatment abroad. Muslims for example, prefer to be treated in a Muslim country such as Malaysia or Jordan.
- ✓ *Distance*: Proximity means a lot for selection of country of choice for medical treatment. Patients will probably choose a country in the region unless their decease is very special. India is a hub for surrounding countries, Mexico for Americans and Jordan for the Arabic world.
- ✓ *Specialization*: Some destinations have natural advantages in medical treatment: Jordan's location at the Dead Sea with its special water and earth qualities or sunny places as Spain with its sunny and dry climate is good for special deceases. Other advantages are acquired or learned: India's expertise in hip surgery or China's specialization in Chinese traditional medicine.
- ✓ *Reputation*: Some destinations have high reputation for their medical treatment. This is usually a result of hospital strategy and Government financial support. Singapore is reputed for medical services of high standard. Dubai has invested heavily in its Healthcare City, which aim to attract medical tourists from an extended region.

## Supply

Not until 2012 Beijing lifted its restrictions on foreign investment in private hospitals. Beijing's plan was to raise the proportion of privately funded hospital beds from 8% to 20% by 2015. There was set a cap on foreign direct investment (FDI), but it has been loosened so that it is now 70% foreign ownership with Shanghai Free Trade Zone on 100% (Industry Briefing 2014).

This has meant that the private equity investment firm TPG partnered with Shanghai Fosun Pharmaceutical group to acquire Chindex International, which

runs China's United Family Healthcare chain of hospitals and clinics in cities including Beijing, Guangzhou and Shanghai (Industry Briefing 2014).

The reforms also covered relaxation of price caps in private hospitals with the aim of giving private hospitals and clinics more flexibility to "*charge what they want*". This should increase competition in the private hospital sector (Industry Briefing 2014).

Approximately 95% of the Chinese population are insured through government health insurance plans, but co-payments are high with over 90% for some out-patient treatments (Industry Briefing 2014).

Woodman (2007) gives cost comparisons for Asia and Southeast Asia for big surgeries (Table 2). As it will be perceived from Table 2 there are big differences in prices offered by countries for specific big surgeries. Travelling and accommodation expenses can easily be absorbed in some of those prices for Western travellers.

**Table 2. Big Surgeries: Comparative Costs in Asia and Southeast Asia**

<b>Procedure</b>	<b>US Costs</b>	<b>India</b>	<b>Thailand</b>	<b>Singapore</b>	<b>Malaysia</b>
<b>Heart Bypass</b>	130,000+	10,000	11,000	18,500	9,000
<b>Heart Valve Replacement</b>	160,000	9,000	10,000	12,500	9,000
<b>Angioplasty</b>	57,000	11,000	13,000	13,000	11,000
<b>Hip Replacement</b>	43,000	9,000	12,000	12,000	10,000
<b>Hysterectomy</b>	20,000	3,000	4,500	6,000	3,000
<b>Knee Replacement</b>	40,000	8,500	10,000	13,000	8,000
<b>Spinal Fusion</b>	62,000	5,500	7,000	9,000	6,000

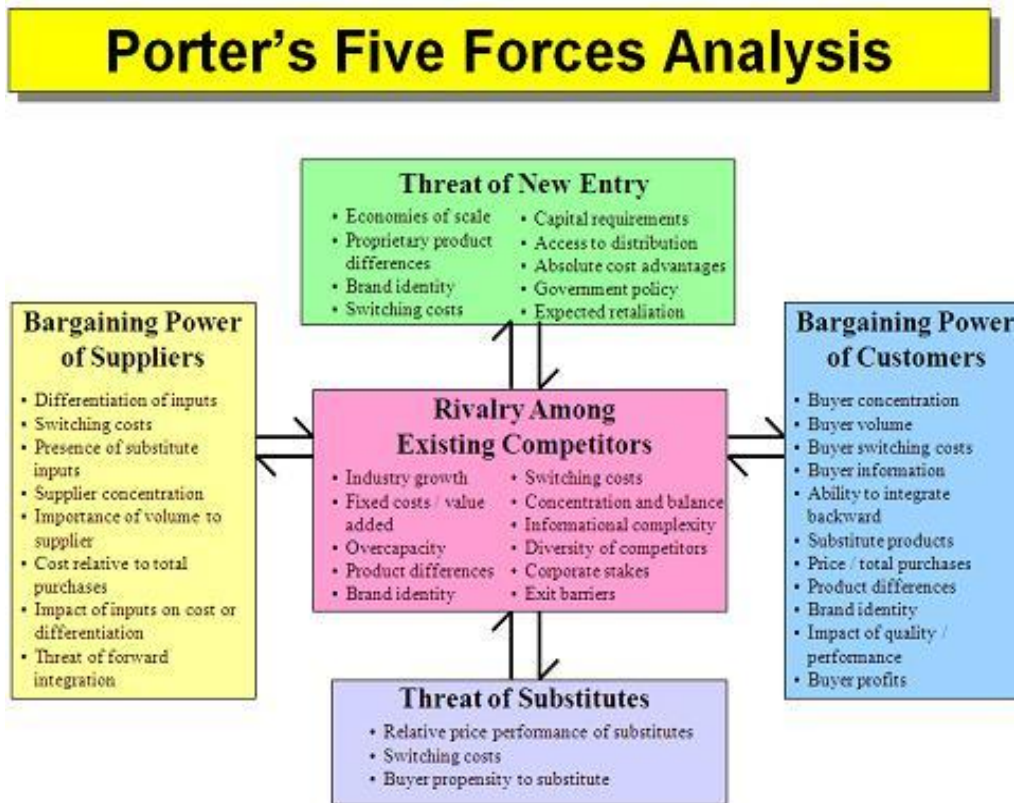
\* All figures in USD.

Source: Woodman (2007: 7).

#### *Attractiveness of the Uighur Medicine Industry*

Michael Porter in his seminal model of competitiveness in an industry described five forces operating in an industry. His model will be used to evaluate the Uighur Medicine sector (Figure 3).

Figure 3. Porter's Five Forces



Source: Porter (1980).

### *Rivalry Among Existing Competitors*

Uighur Medicine will not here be distinguished from Chinese Medicine and the analysis will be performed on Traditional Medicine. As it is indicated in the model the strength of the rivalry will depend on the growth in the industry. If the growth is big there is room for everybody and the rivalry will be weak.

If the fixed costs are big in relation to value added the rivalry will be strong as the provider has to have a big income stream to justify his high fixed costs. An overcapacity in the industry will have the same effect: strong rivalry.

If the products of the suppliers are differentiated the suppliers create some defence from competitors as their products are not totally alike and will attract different segments in the market. A strong brand identity also prevents strong competition.

If switching costs from one treatment to another is big it will to some extent safeguard the supplier from competition as the client finds it too costly to switch. If for example treatment with traditional medicine has to take place over an extended period of time, the patient will be loyal to his traditional medicine for that period.

If supply of a service is concentrated on few suppliers it depends on the relative strength of the suppliers on how tense the competition will be. Often

the suppliers will keep each other in check as seen with suppliers of petrol. They keep the same prices and refrain from rocking the boat.

If there is informational complexity in the field it tends to increase competition as a supplier can keep information or interpret information in his own way. In markets with full information as for example in e-business with branded products there can hardly exist price differences as the supplier with the lowest price will get all the trade.

If competitors are very different in their approach to the market competition can exist as different approaches appeals to different segments.

The more a corporation value its product line the more it will compete to keep it competitive. An attack on Coca Cola will be aggressively answered by the Coca Cola Company. It is its lifeblood.

The bigger the exit barriers in an industry the bigger the competition will be. A corporation that has invested big in an industry will be reluctant to leave it, when competition become more intense, but will try to stay in the business by competing for example on price.

#### *Threat of New Entry*

Economies of scale will make it more difficult for outsiders to enter the industry. The production volume has to be big to justify investments. Proprietary product differences will have the same effect. The supplier is protected by his proprietary product features.

If you have a strong brand it will discourage outsiders to enter the industry. If switching costs are big new suppliers will be reluctant to enter, as they must expect customers to stick to their present suppliers. The same reluctance will be there if capital requirements are high. Blocked distribution channels can make it difficult for outsiders to enter the market.

If an outside supplier has absolute cost advantages, he might enter the market and compete on price. Government can have a policy of protecting incumbents or they can have a policy of the opposite to enhance competition. If a company expects strong retaliation from incumbents, it might stay away not to get into marketing wars with the incumbents.

#### *Threat of Substitutes*

Relative price performance of substitutes concerns the issue that substitutes might be cheaper than incumbents' products/services. This will, of course, mean a pressure on our prices and/or innovative measures. If switching costs are big for consumers the incumbents will have some degree of protection. Sometimes, consumers like change and can have propensity to substitute.

#### *Bargaining Power of Suppliers*

The more bargaining power of suppliers the more weak we are. If our supplier has products that are differentiated, it probably means that we are dependent on him and therefore he has power. We are also dependent on him,

if his products/services are ingrained in our systems so that it will cost us a lot to switch.

On the other hand, if substitute products to our supplier exist, we can shift to another supplier and our supplier's power is weak. If suppliers are concentrated in ownership it tends to weaken our negotiation power towards them. If the volume we buy is important for our supplier, our strength is big. If the costs of buying from a specific supplier relative to our total purchases are big, the supplier has power over us.

Similarly, if the impact of inputs on our cost or differentiation is big, our position in negotiations is weak. If there is a threat of forward integration of our supplier our position is weak.

#### *Bargaining Power of Customers*

The more concentrated the buyers are the greater power they have. The bigger volume they buy the bigger their negotiation power is. If the buyer has switching costs he will be reluctant to change supplier. If the buyer has much information he will be stronger. Think about the internet what it has done to prices with its effect on price transparency.

If the buyer has an ability to integrate backward he might substitute us with making our product himself. If the buyer has access to substitute products our strength is weaker. If his buying with us is big, he might negotiate better prices.

The more our product is similar to competing products the more weak we are in negotiations. We can gain strength by differentiating our products and also by increasing our brand identity. If we can get a reputation as a superior quality supplier, our strength is bigger too. If the buyer has big profits - either in general or by trading with us, our strength is bigger.

#### **Distribution**

Today, the internet is a very important vehicle for spreading information. This is probably also true for diffusion of medical services. Healthcare providers advertise their services here and there are Trustpilot page-types to give internet users post purchase experiences.

Referral agencies are offering their services to disseminate information for interested clients. Trade shows offer to give overview of the market and promote new services and destinations. Naturally, normal advertising by hospitals and clinics also takes place. Besides, word of mouth is extremely important.

Doctors in the diaspora have a tendency to refer patients to their home countries. This should be especially true for the Indian Diasporas (Bookman, and Bookman 2007: 64).

*Strategies*

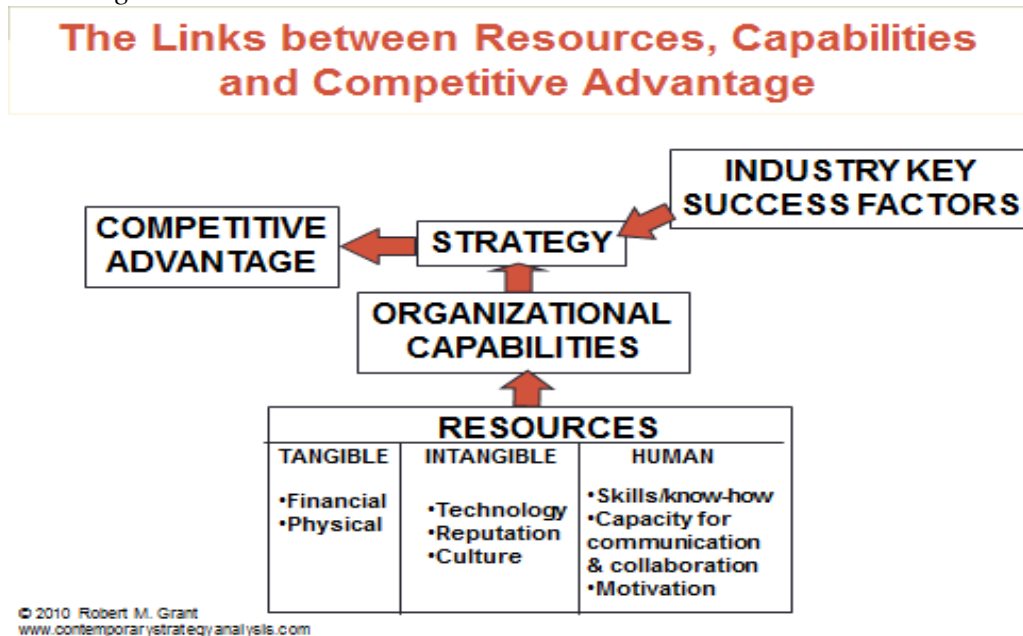
The core of strategic planning is to align the management's vision and mission with its resources and capabilities and with the demand and competition in the market. There are some major models in strategic planning that will be shown here for facilitating future strategic planning of Uighur Traditional Medicine to the international market.

*Grant's Resource Based View*

Grant focus much on resources and capabilities to get competitive advantage as it appears in Figure 4. He divides resources into tangible, intangible and human. These resources become organizational capabilities by being adapted to the organization by playing together. "A brain surgeon is close to useless without a radiologist, anaesthetist, nurses, surgical instruments, imaging equipment, and a host of other resources" (Grant 2002: 144). The value of competences should be distinctive so that they make a difference in the competition with others.

*"A hospital's capability in treating heart disease depends on its integration of capabilities pertaining to a patient's diagnosis, cardiovascular surgery, pre- and post-operative care, as well as capabilities relating to various administrative and support functions" (Grant 2002: 149).*

**Figure 4.** *The Links Between Resources, Capabilities and Competitive Advantage*

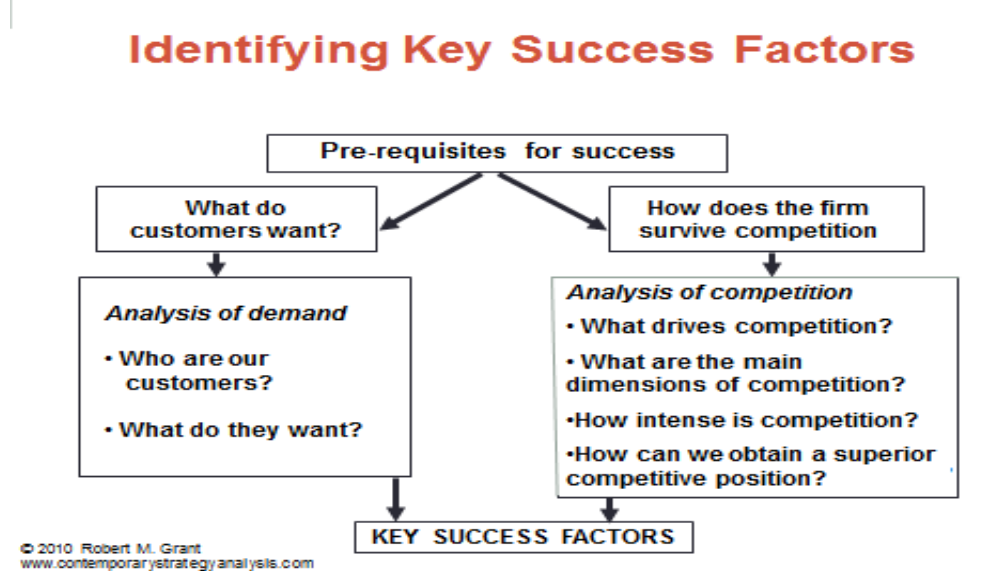


Source: Grant (2002: 139).

For capabilities to create competitive advantage, they have to be (1) scarce and (2) relevant.

They also have to be aligned with industry key success factors, which components are shown in Figure 5. These in turn are the factors pre-requisites for success, where the organization finds a fit between what customers want and how they survive competition (Figure 5).

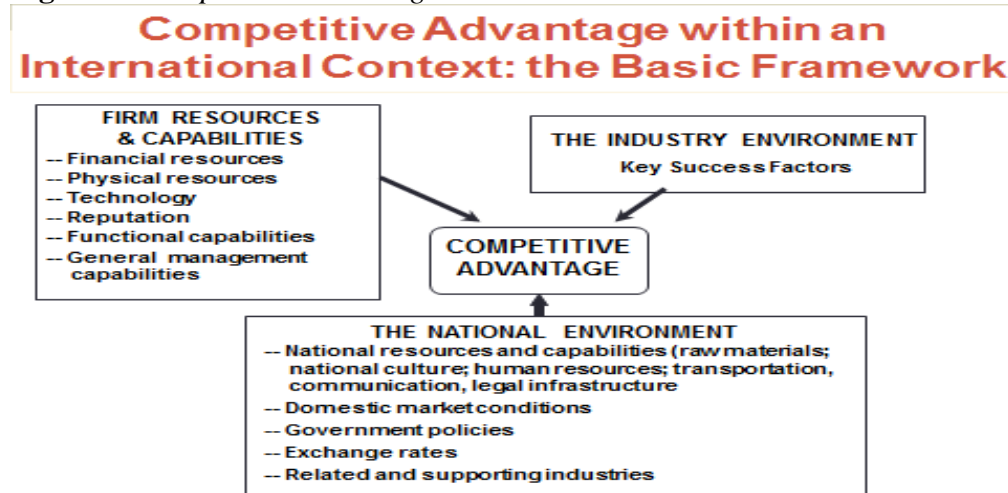
**Figure 5.** *Identifying Key Success Factors*



Source: Grant (2002: 97).

To be competitive the organization must find a place in the market where its resources and capabilities live up to the key success factors of the industry. But the national environment must also contribute in creating a competitive advantage (Figure 6).

**Figure 6.** *Competitive Advantage Within an International Context*



Source: Grant (2002: 415).



*Porter's Generic Strategies*

In his seminal work, Competitive Advantage Michael Porter formulated three strategic advantages: (1) Uniqueness perceived by the customer, (2) Low cost position and (3) Focus. The first two alternative strategies address the whole market, whereas the focus strategy addresses a segment. Figure 7 illustrates.

**Figure 7.** *Porter's Generic Strategies*

	Uniqueness perceived by the customer	Low cost
Industry wide	Differentiation	Overall cost leadership
Particular segment only	Focus	

Source: Porter (1980).

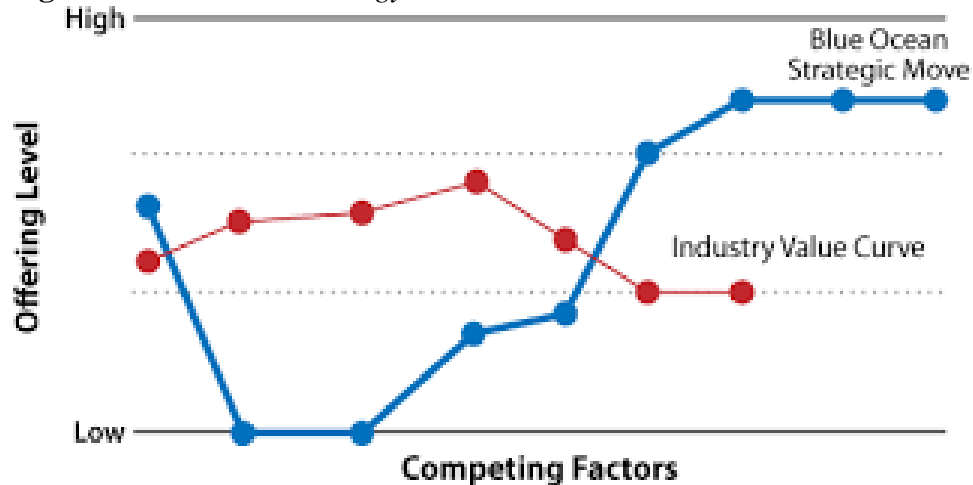
Suppliers of Uighur Traditional Medicine must analyse where its natural advantages are and design a strategy accordingly. For both costs and for differentiation it is possible to enhance the position by focus and rigid work towards strengthening the position. Costs can be lowered by more efficient production and differentiation by innovative designing the offer.

*Blue Ocean Strategy*

W. Chan Kim and Renée Mauborgne in 2005 published the book "*Blue Ocean Strategy*" and their thinking immediately rooted. "*Red oceans are all the industries in existence today – the known market space. In red oceans, industry boundaries are defined and accepted, and the competitive rules of the game are known. As the market space gets crowded prospects for profit and growth are reduced, and cut-throat competition turns the red ocean bloody. This is where most businesses compete today. Blue oceans, in contrast, represent all the industries not in existence today, unknown market space untainted by competition. In blue oceans, demand is created rather than fought over, and there is ample opportunity for growth* (Kim 2006: 36)."

Figure 8 illustrates how moving into the blue ocean by increasing the competing factors can increase the offering level and let the organization be more competitive than the industry average.

**Figure 8. Blue Ocean Strategy**



Source: Google.dk (2014).

The theory is appealing, but the problem is, of course, to know how to get into the blue ocean. The authors recommend pursuing a value innovation, which is the simultaneous pursuit of differentiation and low costs. In Porter's work: *Competitive Strategy* (1980), he recommended to pursue one of three strategies: low costs or differentiation for the big market or focus for the niche market. Kim and Mauborgne (2005) believe that a company can both have low costs and differentiate. They point out that the value innovation should be a system-level strategic approach and should not be narrowed down to a pure product or service innovation. It should have a profit proposition for companies, a people proposition for employees and partners and a compelling value proposition for buyers.

The authors talk about a tipping point leadership to cost-effectively overcome typical hurdles for leadership: limited resources, resistance from employees to change, poor motivation and politic growth (Kim 2006).

#### *The Market Chart*

A very useful mapping of a specific market is done in the design of the market chart. It is a rectangle, where the whole rectangle equals all potential customers in the specific market. There are two dimensions in the market chart: knowledge and trials. If a potential customer knows a product, he can either have tried it or not tried it. For trial situations there are three outcomes: (1) he likes the product and prefers it (2) he finds the product OK, but nothing special (indifference) or (3) he does not like it and rejects it. Similarly, if he has not tried it, but knows it, he can have a (1) positive attitude, (2) indifference or (3) rejection attitude position. The market chart is illustrated in Figure 9.

**Figure 9. Market Chart**

	Knows 30%	Do not know 70%
Tried 10%	Preference 2.5%	
	Indifference 5%	
	Rejection 2.5%	
Not tried 20%	Positive 5%	
	Indifference 10%	
	Negative 5%	

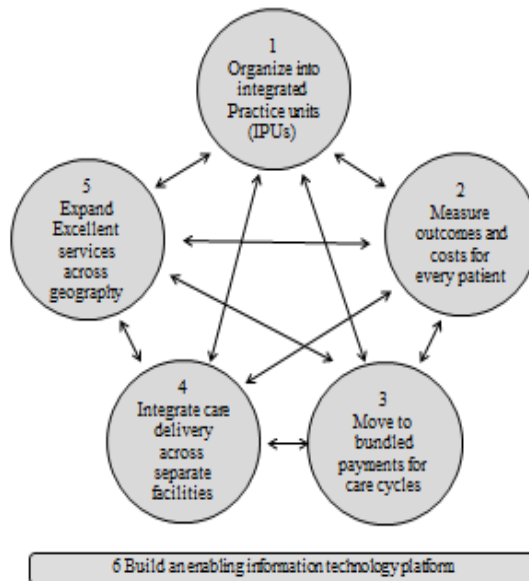
The market chart is a wonderful analytical framework for filling in market data. These data can be obtained by interviewing samples of the population. When the chart is drawn, the analyst has a good framework for strategy decisions. Reading the market chart of Figure 9 as an example, it will be seen that 30% of the potential customers knows the product/service – say Uighur Traditional Medicine (UTM). It would then be an objective to increase the knowledge. Similarly, it is seen that only 10% of the potential customers have actually tried UTM. A strategic objective could then be to increase trails. Among non-trials a strategic objective would be to have the positive potential customers to try UTM. It would also be an objective to have the indifferent potential customers to prefer UTM.

In pursuing these strategies especially the communication and price parameters should be addressed.

*Michael Porter on Health Care*

Porter and Lee (2013) argue for health care systems to be patient-centred as opposed to supply-driven. The goal is to provide value for patients, where the value is defined as the health outcomes achieved that matter to patients relative to the cost of achieving those outcomes (Porter and Lee 2013: 4). They designed a Value Agenda with five components (Figure 10):

**Figure 10.** *The Value Agenda*



Source: Porter (2013: 4).

*1. Organize into integrated practice units (IPUs)*

Depart from traditional hospitals organized into silos and organize around patients medical conditions.

*2. Measure outcomes and costs for every patient*

Different measures of outcomes can be within degree of health or recovery, time to recovery or sustainability of health or recovery.

*3. Move to bundled payments for care cycles*

Patients should have one bill that covers all treatments.

*4. Integrate care delivery across separate facilities*

The scope of services should be defined, volume should be concentrated in fewer locations, and one should choose the right location for each service.

*5. Expand excellent services across geography*

Healthcare delivery remains heavily local primarily serving their immediate geographic area. Geographic expansion should focus on improving value, not just increasing volume Porter and Lee (2013: 17). Medical travelling comes in here. It should be integrated into total health care delivery systems, which is also increasingly seen – for example in Denmark where the Government guarantees treatment within a certain time limit at its public hospitals. If they cannot deliver, some medical services are supplied abroad at the expense of the Government.

*Build an Enabling Information Technology Platform*

A supporting information technology platform will enable the adoption of the five value agenda components described above. Porter and Lee (2013) describe six essential elements in a value-enhancing IT platform:

1. It is centred on patients.
2. It uses common data definitions.
3. It encompasses all types of patient data.
4. The medical record is accessible to all parties in care.
5. The system includes templates and expert systems for each medical condition.
6. The system architecture makes it easy to extract information.

**Discussion and Conclusion**

Trends in the external environment work for growth in the market for medical tourism. One research (EIU 2011) shows that China ranks as No. 14 of preferred markets for medical tourism out of sixty of the world's biggest economies.

Uighur Traditional Medicine needs to have a unique selling proposition (USP) to appeal to medical tourists. The stronger it is the better. There are many needs and wants to be fulfilled for medical tourists such as treatment for hard core medical problems such as cancer towards the more wellness and/or tourist centred needs. And still these needs can be fulfilled in many variations of both Western medicine and traditional medicine in all its scopes.

For an offer to be attractive for an international audience it has to be good in professional medical service sense, but often also good in other service variables, such as location, venue facilities, ease of travelling there, climate and tourist attractions.

In 2012 China lifted restrictions on foreign investment in private hospitals. It gives flexibility and opportunities in the international medical tourism market, which is driven largely by low costs and medical expertise.

The attractiveness of the Uighur Medicine Market should be examined in detail, for example using Porter's 5-forces model, which examines the rivalry among existing competitors, threat of new entry, threat of substitutes, bargaining power of suppliers and bargaining power of customers. To be sustainable competitive in a market, the organization must be in a balanced power environment.

Key for market success is that the organization has competitive advantage in offering its services. This advantage originates from its resources and capabilities to address the key success factors demanded in the sector. The national environment can do a lot for an incumbent to be competitive, for example by wise government decisions.

The most important thing for UTM decision makers is to be aware of the unique selling propositions for their services and try to find a blue ocean for

UTM. In a Porter-context the recommendation should be to differentiate the UTM services and then decide for a differentiation or niche strategy for UTM services.

It would be interesting to have data for drawing a market chart of Uighur Traditional Medicine. Then it would be easier to make rational strategic decisions. Probably, there is a shortcoming of knowledge of Uighur Traditional Medicine, and this will hamper the demand for it. There might also be a shortcoming of trials: some potential customers might know about UTM, but have not yet tried it. Promotion efforts could be designed to increase those trials.

Michael Porter has given six general recommendations for health care systems to be patient-cantered as opposed to supply-driven. These recommendations should be followed to obtain efficiency in the organization. But efficiency is not enough for obtaining sustainable, competitive advantages. In top of that should be added wise strategies for moving into the blue ocean.

Probably, Xinjiang Province has a location disadvantage for international health travellers compared to popular destinations such as Thailand, Costa Rica and France. The city is not yet known for its cultural heritage and is rather expensive and time consuming to fly to. Its market chance will be in its high standard of medical services and quality hospitals. First and foremost it is, nevertheless, its superior knowledge and execution of Uighur Traditional Medicine, which is not found better any other places in the world.

Without further research one should not make recommendations for strategic moves by medical hospitals in Xinjiang Province, but some immediate recommendations seem obvious:

- ✓ Make Uighur Traditional Medicine brands by testing and controlling the medicine by a trusted control organization. People need trust in the medicine as so much fraud is found in the market for uncontrolled medicine – not at least in this age of e-commerce.
- ✓ Strengthen your communication of your decade's long research in traditional medicine and your long history of practicing it. It is authentic and will enhance credibility.
- ✓ Communicate your achievements/successes to the market with testimonial advertising. This will create trials in the market.
- ✓ Communicate your high level of loyal customers – customers who come back to you after treatment. It will enhance trials also.
- ✓ In the long run your fine execution of your medical services will give you the reputation you earn. In short: Gets the ball rolling!

### **Further Research**

This paper has given proposals for several models, which could be frameworks for further research. Further research of both the supply side and

the demand side is needed before Hospitals in Xinjiang Province (HXP) invests in marketing.

Communicating with the market for medical tourism need to be credible and therefore HXP should examine their resources and capabilities. HXP should find a natural place in the market for medical tourism through examining the suppliers' offerings and place them in a competitive advantage position.

Much research of the demand side is needed to find out, which beliefs and attitudes consumers have towards traditional medicine and Uighur Traditional Medicine specifically.

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