

## Niche Tourism and the Challenges of Developing Medical Tourism in the Western Cape Province of South Africa

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### Abstract

The term niche refers to a specific segment of any particular market. This article investigates the importance of niche tourism in the Western Cape province of South Africa. In addition to surveying the available niche sectors in the Western Cape Province of South Africa, the article establishes that Medical tourism is a niche market that has huge prospects for future development in the Western Cape Province. The significance of this article lies in the fact that a well articulated and enhanced medical tourism will contribute to South African national reserves of foreign currency thus increasing South Africa's national income. The need to develop adequate niche tourism in the Medical sector, the article argues, requires an investigation into some of the factors that aid/negate this niche sector. While recommendations on how to combat these impediments are proffered, the article argues that Medical tourism is a specialist interest tourism sector that has the potential to contribute and serve as a strong base for the development of a healthy tourism economy in South Africa. The article contributes to a growing body of knowledge on tourism and public history. It has the potential to spark further theoretical and ethnographic investigations into the niche sector of tourism studies.

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**Keywords:** niche, tourism, medical, South Africa, Western Cape.

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### INTRODUCTION

In any market, 'niche' is a specific segment, usually with a well-defined product that can be tailored to meet the interests of the customer. Robinson and Novelli have defined 'niche tourism' as that which emerged in recent years as a contrast to 'mass tourism' (2005, 1). Niche tourism opposes the homogeneous and undifferentiated mass tourism product. From its impact in the world – ranging from space tourism to gastronomic tourism – it could be established that 'even the most extreme corners of the human imagination can be catered for in a packaged way' (Stone 2005, 191). Robinson and Novelli argue that the term 'niche tourism' is contestable as a terminology. They acknowledge that the 'niche' term is 'borrowed' from the realms of marketing segmentation and note that 'niche' as a concept is rooted within the discipline of ecology. Even so, they agree that 'usage of the term is not without its semantic problems [but] has taken on a commonsense meaning' (2005, 7). In this article, therefore, I evaluate the level of development of niche tourism in the Western Cape Province of South Africa and then explore avenues towards improving Medical Tourism in the same province. I recommend factors that must be considered before a stable Medical Tourism can be adequately met in the Western Cape Province of South Africa.

### Importance of Niche Tourism Internationally and in South Africa

Internationally there is a complex system of global economic transaction that takes place under the guise

of niche tourism. For example, niche tourism is seen as a mechanism for attracting high spending tourists because of its uniqueness. This marks it as elitist in opposition to the banal and cheap mass tourism. Again it is generally believed that tourists become more cosmopolitan than other tourists. This is believed to place these niche tourists at a more cultivated, more refined and more selective pedestal above their mass contemporaries. This obviously suggests that a sense of finesse seems to hang, like an aura, around the image of niche tourists.

In South Africa with the end of apartheid in 1994, the South African government undertook to make tourism one of the country's leading industries in the creation of employment and the generation of foreign income (WTTC, 2002). Although tourism destinations are increasingly proclaiming the importance of niche tourism as part of their destination development strategies in South Africa, according to Economic Review (2004), indications are, according to Sheard and Veldtman (2003) that existing research is superficial and currently does not provide much detail relating to niche markets, within the tourism industry. The generality of the available information results in very little planning feasible for niche markets, by destination management organisations that are based on empirical research. The findings of the Global Competiveness Project (DEAT 2, 2004) suggest that the South African market is underserved in six key market areas: Youth, Eastern European, Family, Domestic Tourism, African Tourism and Special Interest/Niche

Tourism. Medical tourism (a Special Interest/ Niche Tourism category) is indicated, by the report, as requiring attention for market growth and development in South Africa.

### **Overview of Niche Tourism in the Western Cape Province**

Although a number of niche tourism has been existing in the Western Cape such as wine tourism, health tourism, sport tourism, golf tourism, among others, The Centre for Geographical Analysis (CGA) at the University of Stellenbosch was commissioned by Cape Town Routes Unlimited to identify spatial tourism gaps for development/market opportunities in the Western Cape Province. Their findings revealed core niche tourism product gaps. These include the following:

- ❖ **Western Cape Scenic Nature Tourism Product (P1&2):** The product combines two individually identified niche products for the Province both related to scenic and nature related resources.
- ❖ **Western Cape Action and Adventure Nature Tourism Product (P3):** This niche nature based product for the Province is uniquely focussed on natural features to be utilised for action and adventure activities. The scope of tourism as a driver for local and regional economic development across South Africa can be maximized only with appropriate policy interventions designed to support the competitive niches in local tourism economies. Therefore, as a province, the Western Cape should be informed by the wider international experience (Rogerson 2004; 2007; Butler 2003; Baum 1998) in planning the future development of tourism. This backdrop is provided by inter alia considering the spatio hierarchical character and nature of the provincial settlement structure.
- ❖ **Western Cape Sun and Sand Tourism Product (P4)**
  - ❖ As a niche multi-faceted nature and culture based product for the Province the Sun and Sand is uniquely focussed on coastal features to be utilised for leisure and related activities.
- ❖ **Western Cape Cultural Tourism Product (P5&6):** The product combines two individually identified niche products for the Province both related to culture and human related resources.
- ❖ **Western Cape Rural and Agri-tourism Product (P7):** This niche product for the Province is uniquely focussed on natural features in combination with resources offered by the agricultural sector as provider of interest attraction, logically in more rural settings.

- ❖ **Western Cape MICE and Business Tourism Product (P8):** This lucrative tourism sector product has an intuitive urban-metropolitan bias, yet it combines demand for a rather mixed set of attraction resources.

- ❖ **Western Cape Food and Wine Tourism Product (P9):** The product is not exceptionally highly ranked but it is one that plays to a rather exceptional niche market catering to both domestic and foreign tourist tastes.

In all the above, factors have been selected as criteria to measure potential for the product by various methods. I subsequently address a specific genre of niche tourism: Medical Tourism.

### **Developing Medical Tourism in the Western Cape**

It is on record that South Africa does not issue visas specifically for health care (Tourism KwaZulu-Natal, 2008). Despite this the number of people coming in to the country for medical reasons is estimated as being in the region of 30 000 a year. Their estimated spend, according to Surgeon & Safari CEO, Lorraine Melvill, is some R100 000 during their stay, which normally lasts 7-15 days (Tourism KwaZulu-Natal, 2008). Just over half of her clients were from the UK where the sorts of procedures she offers cost double as much. In fact it is estimated that in South Africa, medical tourism is already a R300-million a year business (Financial Mail, February, 2008). South Africa, however, despite the lucrativeness of this particular niche market, still has not managed to form an industry association so there appears to be very little in terms of regulation of the industry. South Africa prices are also higher, in many cases, than other developing countries such as India, Singapore or Cuba (Tourism KwaZulu-Natal, 2008). Home affairs' red tape also restricts visits from inhabitants of West Africa, which means those medical tourists go elsewhere. According to research, Nigerians alone spend an estimated \$1bn a year on medical treatment, mostly in Europe and the US. (Tourism KwaZulu-Natal 2008). However, Nigeria has responded to this and announced plans to spend about US\$3.4 million on a cardiovascular center in each of the six geo-political zones of the country. The initiative was started in January 2008, and the aim was to ensure that by 2009, no one would need to travel out of Nigeria again for any heart surgery abroad' (IMTJ, issue 3, 2008, p 5). Such a reaction is a clear indication of the value of the medical tourism market.

An introductory literature review on medical tourism implies that since as a niche market the sector has immense prospects for further development. Connel (2006, 1) observes that India is one of the countries that have achieved enormous

growth in the medical tourism sector. According to Connell (2006:1), "India is capitalizing on its low costs and highly trained doctors to appeal to these medical tourists." The result of this shows that in 2004 India had 1.8 million inbound medical tourists, attracting about 333million US Dollars to the Indian economy. Medical tourism is a growing trend in other south Asian countries such as Singapore and Thailand where medical tourism is used to boost the arrivals to their beach resorts. My research has revealed that the following countries are currently developing medical tourism: Cuba, Bolivia, Brazil, Hungary, Costa Rica, Lithuania, Malaysia, India, Israel, Jordan, Thailand, and Singapore and South Korea, Belgium, Poland. The continual development of medical tourism as a niche market within the tourism industry, has led to the emergence and expansion of niche markets within medical tourism as different destinations have become specialized, with some offering dentistry, heart surgery, hernias or other medical treatments. This is the case in Eastern European countries such as Poland and Hungary where their specialization is dental care or South Africa with specialization in plastic surgery. In the Caribbean and South America this type of tourism is gaining popularity (Connell, 2006).

Researchers within field of medical tourism predict with more than 19million medical tourists reported in 2005, this figure will amount to approximately 40million global medical tourists in 2010 (Jeffery, 2006). While the medical tourism package may generally be divided into two main elements: the medical procedure and the holiday/leisure element there are ancillary elements that make the package possible. An analysis of four medical groups' websites indicates that the main consistent elements of a package are; medical treatment, personally tailored leisure packages to aid healing, translators, luxury accommodation during the course of the treatment, car rentals, visa and foreign exchange expertise, coordinators and emergency medical assistance. There are some issues that needed to be addressed and taken into account while developing medical tourism, although these issues are also global phenomena. They include:

#### **Social Issues**

No doubt Medical tourism would yield many benefits for the economy of Western Cape if the authorities decide to partake in the tourism industry. Apart from being good for the country's image, expenditures by in-bound medical tourists would contribute to national reserves of foreign currency thus increasing South Africa's national income which ideally is re-invested into economy through the provision of public services. It is expected that the benefits to the tourist industry, and especially the hotel sector, would be considerable because of the often necessary stay required of the patient for recuperation. Private

corporations could run the large specialist hospitals catering to tourists' medical needs. The government could in return subsidize these corporations on the condition that a proportion of the revenue will revert back to finance the public sector. Another expected positive result in the tourist sector that South African medical professionals residing abroad might begin to return as medical tourism opens up new employment possibilities in the country.

#### **Target Market**

Previous researches on health care tourism stipulate two main types of marketing segments. First is health afflictions that force individuals to seek health-care tourism and secondly is the income levels (Goodrich & Goodrich, 1987). It is possible to apply this to medical tourism since it is a subset of health tourism. In developing this framework of medical tourism for Western Cape candidates for medical tourism may be people who have been waiting for surgery for a substantial period of time in their country of residence, who either have failing health afflictions that require immediate attention or those who are simply tired of waiting. In some Western countries the public health system seems under attack for inadequate and untimely provision of services as needed. For example The National Health Service in Britain was once embroiled in conflict with health-related unions over mass retrenchment to remedy budget deficits (Goodrich & Goodrich, 1987). Again in the United States there was a health care crisis in California where the privatisation of the health care resulted in enormous increase in costs and almost seven million people were without health insurance and a reported 46 million people nationwide were without adequate health cover (Goodrich & Goodrich, 1987). These are just two examples of systemic failures at national level that are in fact creating opportunities for medical tourism destinations of which Western Cape would benefit from if it is developed.

#### **Infrastructure**

This not only refers to the actual construction of facilities, hotel/resort quality hospitals, but also externalities within the medical tourism framework such as the local community, medical advances in technology and intellectual capital. There have to be various strategies implemented within the different medical tourism destinations in an effort to aid market development.

#### **Distribution Channels**

Within the tourism and hospitality industry, as modes of distribution, service intermediaries have a number of standard functions which include: 1) making services locally available when a geographic distance exists between the consumer and the producer, 2) gathering the appropriate service components to make packages and retailing them, 3) building

relationships between the consumer and the producer and 4) to some extent co-producing the service (Bitner & Zeithaml, 2003). Interestingly, according to Bitner & Zeithaml (2003) traditional service providers with a limited distribution area such as doctors and dry cleaners, opt not to use distribution channels as they directly distribute their services to consumers. Therefore, with the rise of medical tourism are doctors still defined as traditional service providers? We will need to develop a model to categorise specific channel distribution such as the Internet and conducting a comparison between different operators that use this channel as a primary marketing medium and possibly benchmarking.

#### **Intermediaries**

Perhaps one of the biggest hurdle that medical tourism has had to face, and continues to face, is the challenge of convincing remote prospective visitors that the quality of cheaper medical care in comparatively poor countries is equivalent with that available at home, in outcome, safety and even in dealing with pain thresholds (Connell, 2006). An agent is an intermediary who acts on behalf of a service principal. A broker brings buyers and sellers into negotiation and rarely becomes involved in financing or assumes any risks (Bitner & Zeithaml, 2003). The three main categories of travel intermediaries are: tour packages, retail travel agents and specialty channels. These could be provided by opening up opportunities for the wider public in Western Cape to explore.

#### **Recommendations And Conclusion**

In fact to develop Medical tourism in the Western Cape, it will be necessary to examine the following issues:

There should be a statistical framework to acquire the actual size of the market. Studies conducted on the growth of the industry must rely on forecasted income claims by Western Cape authorities. Thus there is the opportunity for studies on the development of such a framework.

The decision making process of consuming medical tourism is made complex by the sensitive nature of the product – shopping for surgery abroad. Potential entrants need to gain a significant market share insight on what motivates the consumer to choose, for example, to have hip replacement in Cape Town for example over hip replacement in Singapore. This will provide insight on what are considered value added benefits in the medical tourism.

It is crucial that the tourism destination management organisations and tourism marketing authorities accurately segment South African medical tourism destinations; especially less well-known destinations featuring a diversity of experiences available to the

medical tourism target market and, position such less well-known medical regions as holiday destinations which require more than one day to be experienced. This is what they need to promote internationally.

Develop accurate up-to-date market information on the medical tourism sub-sector and ensure its distribution is targeted to the relevant travel trade and consumer markets. Ensure that quality information is available on medical tourism in tourist guides and bureaux on local and regional levels.

Encourage complementary tourism offerings to cooperate, and improve product development between medical, health tourism and other cultural experiences at a provincial and/or inter-provincial level.

Improve awareness amongst medical practitioners and doctors about the tourism industry, and its relevance to their businesses.

Improve the tourism knowledge and customer service performance of the medical tourism industry by establishing educational programmes and training for medical practitioners.

Monitor the quality of medical tourism services being delivered by medical tourism providers.

There is a lack of appropriate market research into medical tourism in South Africa. Consequently, there is a need to conduct longitudinal tracking studies of such tourists in South Africa. Policies and strategies should be formulated toward the development of greater linkages between the medical sector and tourism industries, and to improve the ability to promote the regions to attract investment and encourage employment. Medical tourism is a specialist interest tourism sector that has the potential to contribute and serve as a strong base for the development of a healthy medical tourism economy in South Africa; a strong relationship thus exists between medical tourism and the decision to purchase medical tourism offerings. It is crucial that the tourism authorities clearly understand the needs and expectations of the medical tourist if they are to implement successful niche marketing strategies

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